Inclusive Global Workplaces

The Next Business and Scientific Frontier

Michèlle E. Mor Barak, Ph.D.
Dean’s Endowed Professor
University of Southern California

Author of: Diversity Management
(Sage Publishers, 3rd edition)
“Our commitment to diversity and inclusion, social responsibility, and human rights is essential to our mission to improve the quality of daily life for all the people we serve.”
Most companies have diversity mission statements and policies.
It is not enough for corporations to do **good business**, 
They also need to do the **right thing**.

Employees expect it

Customers expect it

Stock holders expect it

So, we have statements and **policies**, 
but what are we **doing** about it?
The Next Business and Scientific Frontier: Closing the gap between “saying” (policies) and “doing” (practices)
Outline

• The Complexity of Global Diversity

• The Diversity Paradox

• Inclusion – the Way Forward!
The Complexity of Global Diversity
Worldwide Population Trends

The world population has now reached a milestone -- 7 billion people!
If the World Were A Village of 100 People...
If the World Were A Village of 100 People...
If the World Were A Village of 100 People...
The Complexity of Global Diversity

Developing countries

- High birth rates
- Lower mortality rates
- High unemployment

Push
Case Example: Mexico

Same number of young people reach adulthood every year as in the U.S.

Mexico’s economy is $\frac{1}{10}$th the size of the US economy
The Complexity of Global Diversity

Industrialized countries

- Low birth rates
- Increased longevity
- Low ratio of retirees/workers
Case Example: Germany

Germany’s Fertility Rate Plummeted to 1.38

Germany has one of the highest migration rates in the world

Growing support for anti-immigration party Alternative fur Deutschland (AfD)

The Complexity of Global Diversity

Developing countries
- High birth rates
- Lower mortality rates
- High unemployment

Industrialized countries
- Low birth rates
- Increased longevity
- Low ratio of retirees/workers

A more diverse work force.
The Complexity of Global Diversity

National fertility rates
Average number of children a woman will give birth to in her lifetime (2014 estimate)
The Complexity of Global Diversity

Gender ratios

Male surplus societies
The Complexity of Global Diversity

More women enter the workforce, yet more face the proverbial glass ceiling than ever before

oh, that explains the difference in our salaries!
How do we move forward?

The Diversity Paradox
Research evidence for the “Business Case”

Positive connection between diversity and performance

Organizational level
(e.g., quality of output, productivity)

Work Group Level
(e.g., quality of ideas, creativity)

Individual level
(e.g., job satisfaction, organizational commitment)

Mor Barak et al. 2015 Meta-Analysis of diversity studies
Example for the “Business Case”

Awards for high quality diversity programs

Positive Diversity Practices

Positive and significant

Stock price change

Negative Diversity Practices

Negative and significant

Discrimination law suits – guilty verdicts

34 companies, over 7 years, Variety of industries (Wright et al.)
However…

Several studies found that diversity made *no difference* or even had *negative impact* on measured outcomes.
The Diversity Paradox

Intergroup tensions, conflicts, distrust

Innovation, creativity

Diversity

Competitive advantage

Diversity
The Diversity Paradox

Organizations seeking competitive advantage face a paradoxical dilemma:

If they embrace diversity, they risk workplace conflicts, distrust & tensions.

If they avoid diversity, they risk losing innovation, creativity & productivity.
Example: Diverse Work Teams

Diverse groups

Non-diverse groups

Highly ineffective

Highly effective

Stahl et al 2010 review of team diversity studies
Impact of Diverse Work Teams

Actual Productivity = Potential Productivity - Negative Relationships

Potential Productivity:
- Creativity
- Different perspectives
- Originality
- Understanding diverse clients

Negative Relationships:
- Mistrust
- Miscommunication
- Tension
- Lack of cohesion
- Less agreement
Naïve realism

A cognitive bias of mistakenly assuming that what is appropriate and proper in our culture is the natural way of doing things and is universally correct.

The German Engineer and his Brazilian Colleague
Naïve Realism: The Global Map
Naïve realism: The Global Map

The Hobo-Dyer Equal Area Projection

This new map belongs to the family of Cylindrical Equal Area projections in
which the latitude and longitude lines form a rectangular grid. Other projections
in this family include the Lambert, Gall, Behrmann, Edwards, and Peters
projections. In the present case the “cylinder” is assumed to wrap round the
globe and cut through it at 37° north and south, in order to preserve the
actual area property (the shapes of the continents become progressively
flatter as one moves towards the pole, but shapes between 45° north and south
are well preserved.)
Naïve realism

The U.N. Security Council

The Legend of Camelot
The Paradox of Diversity Management

A climate of inclusion

- Diversity
- Competitive Advantage
- Loss of Competitive Edge
Inclusion – The Way Forward!
“I am a woman, I am an engineer, I am short, I am from Latin America, and I have a ‘funny’ accent. I just don’t fit in and I don’t feel included”
Inclusion - refers to the individual’s sense of being a part of the organizational system in both the formal processes, such as access to information and decision-making channels, and the informal processes, such as hall conversations and lunch meetings, where information and decisions take place informally.
Diversity and Exclusion in Historical Perspective

The Gypsy and the Noble Man
by Michaelangelo Merisi da Caravaggio 1594 / 1595
And More Recently... the Katrina Case
The Inclusion Solution: Circular Two-Stage Process

Stage 1: Reactive
Diversity representation in the organization

Stage 2: Proactive
Diversity management and Inclusion strategies
The Next Frontier for the Business Case

Inclusion Policies

Formally stated policies

Gap

Congruence

inclusion Practices

Day-to-day rewarded behaviors
The Inclusion Solution – Closing the Gap

The NSF Project Research Project

Michèlle Mor Barak, Ph.D.
Dean’s Endowed Professor of Social Work and Business
Director of the PhD Program
University of Southern California

Dnika J. Travis, Ph.D.
Senior Director & Center Leader,
Catalyst Research Center for Corporate Practice

Quinetta Roberson, Ph.D.
Professor of Management
School of Business
Villanova University

Kimberly Finney, Psy.D.
Clinical Associate Professor
University of Southern California
Retired Air force Officer

Erica L. Lizano, Ph.D.
Assistant Professor
California State University
San Bernardino

Kim Brimhall, MSW, Doc. Candidate
University of Southern California

Charles Kaplan, Ph.D.
Research Professor, Associate Dean Research
University of Southern California

Alisa Watjara M.S.W.
Research Project Coordinator
NSF Research Project
University of Southern California

Dov Zohar, Ph.D.
Visiting Professor
University of Southern California
Inclusion – Closing the Gap

Inclusion
Focus on creating an inclusive workplace

Diversity of Thought
Embracing multiple forms of diversity

Policy – Practice Congruence
Closing the gap between policies and practices through careful implementation and rewards-feedback systems
“Like colors, when people are forced to blend and give up their unique characteristics, the result is a dull gray. Allowed to display their true colors, they shine brightly and together create an inspiring work of art”

Mor Barak, 2014 p. 310
Thank you!
The Inclusive Workplace

The Diversity Climate Scale

**SCALE ITEMS**

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Disagree</td>
<td>Moderately Disagree</td>
<td>Slightly Disagree</td>
<td>Slightly Agree</td>
<td>Moderately Agree</td>
<td>Strongly Agree</td>
</tr>
</tbody>
</table>

1. I feel that I have been treated differently here because of my race, gender, sexual orientation, religion, or age (R) ............... □ 1 □ 2 □ 3 □ 4 □ 5 □ 6
2. Managers here have a track record of hiring and promoting employees objectively, regardless of their race, gender, sexual orientation, religion, or age .... □ 1 □ 2 □ 3 □ 4 □ 5 □ 6
3. Managers here give feedback and evaluate employees fairly, regardless of employees’ race, gender, sexual orientation, religion, age, or social background ........................................ □ 1 □ 2 □ 3 □ 4 □ 5 □ 6
4. Managers here make layoff decisions fairly, regardless of factors such as employees’ race, gender, age, or social background ................. □ 1 □ 2 □ 3 □ 4 □ 5 □ 6
5. Managers interpret human resource policies (such as sick leave) fairly for all employees ........... □ 1 □ 2 □ 3 □ 4 □ 5 □ 6
Diversity Climate and Organizational Outcomes

Abstract: This study examined the relative effect of diversity climate dimensions captured by two measures: Mor Barak et al.’s (1998) diversity climate scale and Chrobot-Mason’s (2003) diversity promise fulfillment scale on organizational commitment (OC) and turnover intentions. Journal of Business Ethics, April, 2012.