

# Diversity\_Creating genuine opportunity for women

Case duration (Min):

&gt; 60

Principles of Management (PoM)

Managing diversity

Worldwide

## Case summary:

In many ways this is a case about diversity but focuses on gender diversity. Key issues are arguments for and against diversity and the difficulties in making diversity work.

Considers the contemporary workplace and arguments for diversity, focussing in particular on gender diversity and the changes made in one large MNC.

## Learning objectives:

Evaluate diversity as a source of advantage.

## Case problem:

Should companies be diverse and, if so, why? In particular, should there be more female executives and leaders in many companies?

## Company Restaurants

Carlson Companies

<http://www.carlson.com>

The Carlson Companies were founded in 1938, by Curt Carlson, as the Gold Bond Stamp Company. Carlson Companies (Carlson) is a privately held international corporation in the hotel, marketing, restaurant, and travel industries. Headquartered in the United States, Carlson brands and services, including franchised operations, employ approximately 160,000 people in nearly 150 countries. The company's sales are typically around \$40 billion. It is one of the largest family-held corporations in the US. Curt Carlson died in 1999, and the position of CEO was taken up by his daughter, Marilyn Carlson Nelson. Embracing diversity, in 2007, for the sixth time in the previous seven years, Carlson was named one of the 100 Best Companies for Working Mothers by Working Mother magazine. For three consecutive years, 2006-2008, Carlson was named one of the "Best Places to Work for GLBT [gay, lesbian, bisexual and transgender] Equality". In 2002, Carlson was on Fortune magazine's list of "The 100 Best Companies to Work For." Carlson is an equal opportunity employer, committed to an inclusive work environment that reflects employees, customers, and the communities they serve. Diversity and inclusion refers not only to ethnic background and gender, but to much broader dimensions. These include age, sexual orientation and work and life experiences. Carlson realize that inclusion of different perspectives is a business imperative and will allow the company to better service customers and colleagues, and help build better relationships. Their vision is to become the most respected private company on earth.

#### Pre class activities...

- 1 Read about Carlson and their approach to Diversity, Inclusion & Work-Life - **20-30**  
<http://www.carlson.com/overview/diversity.cfm>

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

## Title/ Media type

## URL/ Media description

Carlson: No "Pink-Collar Union".

[http://feedroom.businessweek.com/?fr\\_story=78755b2aa47ec9ffe8eb45f131cd42c87d7e9cc1&rf=bm](http://feedroom.businessweek.com/?fr_story=78755b2aa47ec9ffe8eb45f131cd42c87d7e9cc1&rf=bm)

### Film

Creating genuine opportunity for women.

Marilyn Carlson Nelson talks with Noel Tichy about how she transformed her company into one that gives women the opportunity to succeed in leadership roles.

Recognising talent as the key to success and that a bigger talent pool has less restrictions on employers, Carlson, under the leadership of Marilyn Carlson Nelson, reviewed its culture and found it to be a self-perpetuating traditional, command and control culture, focussed on capital and male human resources, with a manufacturing bias. Following analysis, Marilyn Carlson Nelson and others set out with the objective of making the organization more of a meritocracy, embracing diversity and valuing respect and relationships. She and her team of reviewers recognised a need to level the gender playing field and introduce initiatives that were fair to all, in order to create a company able to win and retain talented individuals - an employer of choice.

### NOTES:

## Case study questions...

Action	Pre/During/After class
<b>1 THE CONTEMPORARY WORKPLACE</b> Discuss how the contemporary workplace is changing and the resultant management challenges required to meet these changes.	During
<b>2 DIVERSE WORKFORCE ADVANTAGES</b> Discuss how a diverse workforce may deliver sustainable competitive advantage.	During
<b>3 CHALLENGES</b> Discuss the disadvantages and challenges associated with the creation and maintenance of a diverse workforce.	During
<b>4 CHANGE BARRIERS</b> Refer to the film clip - Marilyn Carlson Nelson suggested that people select people like themselves. With reference to social identity theory and homosocial reproduction, evaluate why organizations may find it difficult to (1) become more diverse and heterogeneous and (2) implement a meritocracy and even playing field or fair system.	During
<b>5 THE BUSINESS CASE FOR DIVERSITY</b> with reference to the video clip and your text books identify business reasons for managing diversity. Which reason was most important to Carlson?	During
<b>6 DIVERSITY MISSION &amp; VISION</b> Evaluate the Carlson diversity mission and vision Mission: To continuously build better and more inclusive relationships with employees, customers, owners and suppliers. Diversity vision: We aspire to be recognized as a globally respected business that reflects the markets we serve by creating culturally rich work environments that mirror today's world.	During

# Answers...

## DIVERSITY

valuing, respecting, and appreciating the differences (such as age, culture, education, ethnicity, experience, gender, race, religion, and the sexual orientation, among others) that make people unique

## DIVERSITY

All the ways in which we differ

## SOCIAL IDENTITY

that part of the self-concept which comes from our membership of groups. It contributes to our self-esteem.

## Question/ Answer

### 1 The contemporary workplace

Discuss how the contemporary workplace is changing and the resultant management challenges required to meet these changes.

Immigration, changing demographics, globalisation, increased international business and technology impact upon today's workforce which is older, more racially diverse, and more female, more varied. Consequently Harvey and Allard (2005) describe the 21st century workplace as having a diverse (heterogeneous) workforce. Where there is a need to motivate, communicate & work productively, this necessitates an understanding of workers as people. Within such environments the management aim remains to maximize benefits and minimize costs and to enable all workers to achieve their full potential. There are many challenges associated with the way people interact and communicate when conducting business in the international and multicultural or diverse contemporary organization. Several key business challenges relate to the fact that culture unifies, whilst globalisation diversifies.

The presence or influence of others can improve or reduce individual or group performance (see social influence). Group performance may also be improved due to synergy (the whole is greater than the sum of the parts).

### 2 Diverse workforce advantages

Discuss how a diverse workforce may deliver sustainable competitive advantage.

A diverse and multicultural workforce can deliver sustainable competitive advantage because it is difficult to imitate. It is creative and mirrors the marketplace, therefore a diverse workforce is better able to understand customer needs world-wide. Not only are there economic arguments for the development of a multicultural organization but social arguments suggest that it is the right and responsible way to manage the international organization - in compliance with the CSR principles and doctrine.

### 3 Challenges

Discuss the disadvantages and challenges associated with the creation and maintenance of a diverse workforce.

Diverse organizations are both difficult and costly to manage and have the potential for negative outcomes. Many of the associated challenges can be presented as integration and communication problems. In our day-to-day business lives we must learn how to act and interact in different circumstances. In the contemporary international organisation it is likely that within the workforce, the marketplace and amongst the organisation's suppliers and business partners there will be people from all over the world. When they come together to work and conduct business they bring with them different values, attitudes, beliefs, experiences, assumptions and expectations reflected in their worldviews, perceptions, ways of communicating and approach to work activities. Learning how to motivate, communicate, and work productively with co-workers and customers who may differ in significant ways is a necessary workplace-skill.

#### 4 Change Barriers

Refer to the film clip - Marilyn Carlson Nelson suggested that people select people like themselves. With reference to social identity theory and homosocial reproduction, evaluate why organizations may find it difficult to (1) become more diverse and heterogeneous and (2) implement a meritocracy and even playing field or fair system.

**Social identity** - Part of the self-concept which comes from our membership of groups. Belonging to groups (both socially and at work) affects the way we think about and see ourselves (whom we are) and the way others think about and see us. Such thinking impacts upon behaviour, the way we behave and the way others behave in relation to ourselves and the groups to which we may belong. The way we view ourselves (self concept) is determined in part by the groups to which we belong (social identity). Thus, social identity defines the person and appropriate behaviours for them. This typically happens through social comparison - individuals not only compare themselves with other individuals with whom they interact, but they also compare their own group with similar, but distinct, out-groups. We all see ourselves as members of various social groupings, which are distinguishable and hence different from other social groupings. According to SIT, people tend to classify themselves and others into various social categories, such as organizational membership, religious affiliation, GENDER, and age cohort. As these examples suggest, people may be classified in various categories, and different individuals may utilize different categorization schemas. Categories are defined by typical characteristics abstracted from the members, (Ashforth and Mael 1989). According to Huczynski and Buchanan (2007), 'the consequence is that by identifying with certain groupings but not others, we come to see the world in terms of us and them'. Whilst group membership may have its benefits (self esteem, privilege) it can also be a source of conflict and may, through generalisations and stereotypes determine inappropriate behavioural responses. The group can impact upon (1) perceptions of individual members (see social representation theory, the process of socialisation and shared frame of reference); (2) individual performance (see social influence and Synergy); (3) individual behaviour (see group norms, and obedience and conformity theory) and (4) individual attitudes. Milliken and Martins (1996) identified common patterns in the processes by which diversity affected individual, group, and organizational outcomes. They discuss four types of mediating variables that seem to affect the long-term outcomes (e.g., turnover, performance) of diverse groups. According to Milliken and Martins, diversity in observable attributes has consistently been found to have negative effects on affective outcomes (e.g., identification with the group, satisfaction) at both the individual and group levels of analysis. Further, greater negative effects have been found for diversity on race and gender than for diversity on age, suggesting the possibility that the deep-seated prejudices some people hold against people who are different from themselves on race and gender may be adding to the difficulty of interaction for these groups. Research findings are consistent with the idea that the more similar people are in background variables, the more attracted they are likely to be to each other, at least initially, a phenomenon that when observed in friendship patterns is called homophily bias. One reason for this phenomenon is that people who are similar in backgrounds may have similar values and share common life-experiences; they therefore, find the experience of interacting with each other positively reinforcing. Group heterogeneity, thus, may have a negative impact on individual feelings of satisfaction through decreasing individuals' sense of identification or social integration within the group. Thus, research repeatedly suggests the presence of a systemic problem, namely, that groups and organizations will act systematically to push out individuals who are different from the majority, unless this tendency to drive out diversity is managed, (Schneider, 1987). This finding is a manifestation of the tendency of people to identify with particular groups and then define these groups as the in-group and all other groups as out-groups, and it is the outcome of natural social processes (refer back to SIT theory). In the context of organizations, such processes will tend to create what Kanter (1977), cited in Milliken and Martins (1996), referred to as homosocial reproduction; resulting in the creation of very homogeneous groups that are not representative. This tendency to drive out diversity is an extremely serious and systematic force that organizations that value diversity will have to develop mechanisms to counteract, (Schneider, 1987).

#### 5 The Business Case for Diversity

with reference to the video clip and your text books identify business reasons for managing diversity. Which reason was most important to Carlson?

Cost savings higher turnover costs (dissatisfied employees leaving the company), higher absenteeism rates and possible lawsuits on sexual, race and age discrimination.

**WINNING THE COMPETITION FOR TALENT** companies must attract, retain and promote excellent employees from different demographic groups. Companies cited as the best places to work for women and minorities have reported an increased inflow of applications.

Improved marketplace understanding your workforce should reflect your consumer base.

Enhanced creativity and increased quality of team problem-solving research shows that heterogeneous teams produce more innovative solutions to problems.

## 6 Diversity mission & vision

Evaluate the Carlson diversity mission and vision

Mission: To continuously build better and more inclusive relationships with employees, customers, owners and suppliers.

Diversity vision: We aspire to be recognized as a globally respected business that reflects the markets we serve by creating culturally rich work environments that mirror today's world.

## Case study references

Ashforth, B. and Mael, F. (1989) 'Identity Theory and the Organization', Academy of Management Review, Vol. 14, No. 1, p. 20 - 39.

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.

Milliken, F. and Martins, L. (1996) 'Searching For Common Threads: Understanding the Multiple Effects of Diversity in Organizational Groups', Academy of Management Review, Vol. 21, No. 2, p. 402 - 433.

Robinson, G. and Dechant, K. (1997) 'Building a business case for diversity', Academy of Management Executive, Aug97, Vol. 11 Issue 3, p. 21 - 31.