IBM has utilized technology to not only improve the delivery of its HR programs to its employees but also to significantly reduce administrative costs. In 1997, IBM created its Human Resource Service Center (HRSC), based in Raleigh, North Carolina. The HRSC utilizes networking technologies to deliver HR information and service to more than 500,000 active and retired employees (“customers”) in the United States. The Center handles more than 1.5 million calls and processes more than 2.5 million transactions annually.

The Center services over 20 separate IBM business units in areas including benefits, retirement planning, compensation, employee suggestions, staffing, job posting, orientation, performance management, EEO compliance, employee separations, leaves of absence, and skill development. It is staffed by 80 customer services representatives who act as generalists in helping employees with a wide range of HR-related issues. In addition, 80 “program specialists” handle more complex issues pertaining to particular HR programs (i.e., compensation, tuition reimbursement, short-term foreign service assignments, etc.). In addition, a number of functions are fully automated; for example, employees can set up their own flexible benefit program without even talking to another person. These employees and automated functions are supported by an in-house intranet of more than 5,000 pages.

In establishing the HRSC, IBM sought to capitalize on its belief in the importance of combining people, technology, and customer service, much as it does with its external customers. IBM’s strategy to improve employee service and reduce the costs of human
In addition to the many challenges organizations face in abandoning traditional approaches to managing people as part of adopting an investment perspective to human resources (HR), there are a number of critical trends affecting the employment relationship that further affect how organizations need to manage their employees. Some of these trends pertain to changes taking place in the external environment of the organization; others pertain to some of the ways organizations are responding internally to such trends. The three major arenas of change are technological advancement, demographics and diversity, and globalization. Globalization will be discussed separately in Chapter 14.

**IMPACT OF TECHNOLOGY**

One of the most significant trends affecting HR and people in organizations is technology. Simply defined, an organization’s technology is the process by which inputs from an organization’s environment are transformed into outputs. Technology includes tools, machinery, equipment, work procedures, and employee knowledge and skills. All organizations, be they manufacturing or service, public or private, large or small, employ some form of technology to produce something for the open marketplace or for a specific group of constituents.

With constant advances in technology and work processes, organizations are under increased competitive pressure to implement, if not develop on their own, more efficient means of operations. However, the financial considerations of whether to adopt a new technology must be balanced with a number of strategic issues and, more specifically, a number of specific strategic HR issues, as shown in Exhibit 2-1. The specifics of these issues will be discussed in greater detail in Chapter 6 but are presented here to give the reader a sense of how technological initiatives need to be considered from a holistic perspective that transcends the sole consideration of economic costs. At this juncture, we will address six specific challenges that technology presents for human resource management, as illustrated in Exhibit 2-2.

As newer technologies are developed and implemented, the skills and work habits required of employees change as well. There is a much greater need to continue to upgrade existing employee skills today than there has ever been at any time in the past. Gone are the days when employees utilized the same skills and equipment to perform their jobs for decades at a time.

At the same time that technological change is creating demand for workers with more sophisticated training and skills, a significant number of new workforce entrants have limited technical skills and, in some cases, little or no training beyond basic literacy. For at least the first decade of the 21st century, immigrants will represent the largest increase in the workforce in the United States. This is...
compounded by the fact that the growth in our economy and the greatest number of jobs being created are in the service sector, particularly services related to information processing. Service organizations are relatively easy to establish and expand, and they provide significant entrepreneurial opportunities. However, service sector employees need different skills than those utilized in manufacturing. Rather than manual dexterity, service sector employees need strong interpersonal and communication skills as well as the ability to be flexible in handling a variety of problems relating to serving clients. Customers of service organizations need much more “customized” or individualized output. For example, the clients of a real estate brokerage do not all wish to purchase the same kind of housing. However, many organizations are finding it quite challenging to bridge the gap between the skills new workforce entrants possess and those required in the marketplace in an expeditious, efficacious manner.

The implementation of advanced technologies has also resulted in many organizations eliminating lower level positions held by employees who performed...
tasks that can now be accomplished through automation. This has resulted in reduced employee headcounts with those remaining employees having higher levels of training and skills. Automated technologies require more technically trained employees who act as troubleshooters to repair, adjust, or improve existing processes. Consequently, organizations have been able to reduce and, in some cases, eliminate layers of management and move toward “flatter” organization structures with fewer levels in the hierarchy. At the same time, because these technical workers have advanced training, the power bases in many organizations have been rearranged from management to technical workers. It is not uncommon today for managers to have limited understanding of the technical dimensions of their subordinates’ work. This is a dramatic departure from traditional supervision and creates unprecedented challenges for managers.

Technological change has resulted in hierarchical distinctions being blurred and more collaborative teamwork where managers, technicians, and analysts work together on projects. This, in part, is reflected in the growing trend for organizations to offer total quality management (TQM) initiatives for employees that focus on collaborative attempts to improve organizational processes to ensure continual improvement in the quality of the organization’s product or service. Similarly, technology has created more flexible, dynamic organization structures that facilitate change and adaptation to changes in the organization’s environment. These alternative structures take the form of unbundled corporations, autonomous groupings or subsidiaries, or smaller, streamlined units designed to be more responsive to changing customer needs and competitive pressures.

Technology has also facilitated the relocation of work from the office to the home. Telecommuting has, as a result, become more prevalent and is estimated to grow at a pace of 20 percent annually. Telecommuting programs offer attractive and significant benefits for both employers and employees. They also make it more viable for employees to live farther away from cities and allow employers to broaden their applicant pools. Similarly, technology also makes it viable for organizations to locate away from larger cities in more suburban and even rural areas where rents, wages, and other costs of doing business are usually significantly lower. However, despite the fact that many organizations have successfully implemented telecommuting on a large-scale basis, telecommuting programs, if not developed and managed appropriately, can create a number of problems.

The rapid growth of the Internet has also significantly affected how organizations are managed. Company Web sites have been utilized to reach many market segments and customers who would otherwise be inaccessible to the organization. An increasing number of businesses and consumers purchase goods and services online. Electronic commerce has created new challenges for managing a new and evolving sector of our economy.

At the same time, the Internet is being increasingly utilized for managing employees and the employment process. A recent survey found that 75 percent of undergraduate and graduate students in the United States use the Internet for job searches. Internal Internets or intranets are being used to handle training, benefits administration, performance management, and outplacement functions as well. These areas will be discussed in greater depth in Part 2 of this book.

▲Reading 2.1, “Telecommuting as Part of a Strategic Human Resource Management Program,” outlines some of the issues and management challenges inherent with telecommuting and provides recommendations on how to develop an effective telecommuting program.
The uses of information technology and the Internet by employees have raised concerns regarding the privacy of employee work activities. One recent survey discovered that close to 90 percent of employees have used their employer-provided computer for personal business on company time, including shopping and personal Web surfing. A 1999 survey by the American Management Association found that 27 percent of large U.S. employers including Arthur Andersen, Philip Morris, Maytag, and Sears Roebuck regularly monitor employee e-mail. Xerox, in fact, used electronic monitoring of employees as the basis for firing 40 employees who visited pornographic, gambling, and shopping Web sites on company time.

Although electronic monitoring of employees’ workstations may protect the employer from liability and guard against deterrents to productivity, it raises some serious concerns about personal privacy. Employees who visit Web sites offering advice for personal and health-related problems during non-paid break periods may have their rights to privacy breached. An employer must have a written policy regarding monitoring of both electronic and voice mail of employees. Employees should know that their telecommunications activities may be monitored and that appropriate disciplinary action will be taken against those who violate company policy.

WORKFORCE DEMOGRAPHIC CHANGES AND DIVERSITY

Demographic changes in society and the composition of the workforce are also creating a number of challenges for management of human resources. Advances in health care are allowing us, as a society, to live longer, remain healthier longer, and remain in the workplace longer. This “graying” of the workforce can create a number of challenges, both real and perceived. Older workers are often perceived to be more resistant to change, particularly in implementing radically new programs and utilizing new technology that break from long-established ways of doing things. They may also have increased health-care costs relative to their younger counterparts. As older workers remain in the workplace longer, fewer advancement opportunities are available for younger workers. In many instances, older workers command higher salaries despite the fact that they may have skills and training that are less current than those of younger workers, particularly relative to technology.

At the same time, it is important to remember that older workers can be as productive, if not more productive, than younger employees. The United States is a society that tends to devalue its older citizens, and such biases and predispositions are often found in organizational settings. However, older workers may have much more loyalty to their employers than their younger counterparts. They can also provide significant knowledge of the organization and industry as well as key contacts within their professional networks.

A number of employers have developed incentive programs for early retirement and then, in many cases, hired retirees back on a part-time basis or as consultants to take advantage of their knowledge and experience. However, any such programs need to be implemented carefully because federal laws prohibit the setting of a mandatory retirement age in the overwhelming majority of occupations as well as utilizing coercion to “encourage” older workers to retire.

Baby Boomers, consisting of persons born between 1945 and approximately 1962, are now in their midcareer years, and employers are finding that the supply of workers in this age bracket exceeds the demand for them in the middle- and senior-management ranks. As one moves up the management hierarchy, there are
fewer and fewer positions available; the competition for senior-management positions among Boomers has become intense. Ironically, technology often plays a role here because many middle- and senior-level management position have been eliminated due to flatter organizational structures and the increased use of information technology to perform functions previously performed by middle managers. Many of these individuals will never progress beyond middle management. This can be greatly disconcerting for those who have been long-term employees of an organization and seen their pre-Boomer predecessors and coworkers rewarded and promoted for performance. Consequently, this creates a new HR challenge in managing these “plateaued” workers. Organizations need to find ways to retain them and keep them motivated despite the fact that they may have mastered their current responsibilities and aspire to advance in their careers. Slower and alternative career paths have become the norm for many of these workers. An increasing number are choosing to go out and start their own businesses.

Consequently, Baby Busters, those born during the declining birth rate years from approximately 1963 to the mid-1970s, also need to have lower expectations relative to the pace of their careers. The Baby Boomers of the previous generation have essentially created a bottleneck in the management hierarchy that Busters find themselves beneath. Until the Baby Boom generation has retired, there may be fewer opportunities in larger organizations for Baby Busters.

However, at the same time, this Baby Bust generation, which is assuming low and some mid-level management positions, often receives higher wages than some of the Baby Boomers due to the forces of supply and demand. There are far fewer individuals in this lower age bracket, and in many industries, particularly rapidly growing industries like multimedia and the Internet, these workers have skills and training that the previous generation lacks and are commanding significant incomes in their early career years. In a large number of organizations workers in their 30s may be making as much as or more than coworkers 20 and 30 years their seniors. The combination of limited supply of younger workers, high illiteracy among many new workforce entrants, and demand for skills fueled by technological change has resulted in a whole new workplace dynamic for this generation.

Another new workplace dynamic is being created by what are known as “Generation X” employees. These individuals, born in the late 1970s and early 1980s, are now entering the workforce. Many of these individuals have been using computers and other advanced technologies all of their lives and, since birth, have been exposed to near-constant change in their everyday lives. More importantly, they bring attitudes and perceptions toward work that significantly differ from those of their predecessor generations. These include an expectation of increased employee self-control; perceptions of themselves as independent contractors or consultants, rather than as employees; less interest in job security; no expectations of long-term employment; and a demand for opportunities for personal growth and creativity. Employers are attempting to find ways to “adjust” to this new kind of employee.

One of the most notable consequences of these new workplace dynamics is that there is now an increased emphasis on the management of professionals. With fewer and fewer nonprofessional employees in organizations, situations often arise where a highly skilled/trained employee reports to a direct supervisor who is not familiar with the nature of the work being performed by subordinates. These technical workers need and want more autonomy in their responsibilities and seek greater input and participation in their work activities. In response to this, some organizations have established two separate career tracks: technical/professional
and managerial/administrative. However, managers who have oversight of technical areas in which their skills are not as well developed as those of their subordinates require us to reevaluate the nature of supervision and develop alternative strategies for managing employees.

The use of project teams helps to address this issue. Here, a technical employee often reports to a technical supervisor yet is assigned to a project team, overseen by a project or engagement manager. This model, which has been used for many years in accounting, management consulting, and advertising, often involves technical workers being responsible to both the technical and project managers and can provide enhanced opportunities for employee skill and career development. This dual reporting relationship, however, can be extremely frustrating for the technical employee who may receive conflicting requests from technical and project supervisors as well as for those supervisors who do not have full authority over their subordinates.

The employees of today, both younger workers and their older peers, have values and attitudes that stress less loyalty to the company and more loyalty to oneself and one’s career than those exhibited by employees in the past. This is not surprising in light of the waves of corporate downsizing and layoffs and the manner in which they have eroded employee loyalty and commitment. Workers are generally staying with employers for far shorter periods than they did previously and are moving on to other opportunities, particularly those with smaller start-up organizations in the same industry or with clients. Employees with higher levels of training, education, and skills demand more meaningful work and more involvement in organizational decisions that affect them. Employees are becoming much more proactive and taking their own career management into their own hands rather than leaving this responsibility with their employer. Larger employers who wish to retain the experience and skills of their employees need to develop creative retention strategies to prevent the flight of employees who may be attractive to competitors. For example, both Charles Schwab and Solectron provide employees with stock options that only vest after the employee has been with the company for a given number of years. Both of these organizations have employees who have experiences that make them highly marketable. Requiring a certain length of service in order to receive full vesting benefits allows not only better retention but facilitates human resource planning efforts; both Schwab and Solectron can anticipate dates key employees might be more likely to consider separation.

Personal and family life dynamics continue to evolve and create challenges for organizations as well. The increased incidence of single-parent families and dual-career couples creates issues around child and elder care, relocation, and “parental stigma” where employees, particularly managerial employees, who devote significant time to family issues are seen as less promotable and less committed to their careers and employers. This stigma has presented particular challenges for women. Nontraditional family arrangements, where opposite or same-sex partners share their lives and living expenses, place increased pressure on organizations to offer domestic partner benefits to employees equal to those that the organization provides to employees with legal spouses. Although the provision of domestic partner benefits has increased dramatically in both large and small organizations, political and religious groups continue to lobby and fight such efforts and call for boycotts of companies that provide benefits to nonmarried couples.

An increasing number of employees are opting for nontraditional work relationships, often in the form of part-time work, independent consulting, or contingent or temporary employment. Workers opting for such arrangements often seek
to enjoy more flexibility in their lives as well as the opportunity to have time to pursue other endeavors. Organizations encourage these arrangements, which allow them to enjoy lower costs in employing these workers and the added ease of being able to expand or contract their workforce as necessary. These workers, however, generally receive few or no benefits and obviously have little job security. Consequently, they tend to be less loyal to their employers than permanent, full-time employees. There is a growing trend for organizations to outsource or contract certain functions or activities outside of the organization, which simultaneously creates numerous entrepreneurial opportunities for individuals. Many plateaued Baby Boomers have, in fact, left their organizations and then taken their former employers on as clients.

Given the changes that have been taking place in the composition of the workforce and employee values and attitudes, it is not surprising that in recent years organizations have become much more concerned about managing diversity. Understanding and appreciating diversity is critical for organizations as the increasing proportions of various ethnic and minority groups in the American consumer population make it imperative for organizations to understand the needs and wants of these groups if they hope to effectively market goods and services to them. Consider the following United States Census Bureau predictions:

- By 2050, close to 50 percent of the United States population will be non-Caucasian.
- By 2005, the ethnic minority share of the workforce will be 28 percent, up from 22 percent in 1990 and 18 percent in 1980.
- By 2025, African-Americans will represent 14 percent of the population, up from 12 percent in 1994.
- By 2025, Hispanics will represent 17 percent of the population, up from 10 percent in 1994.
- By 2025, Asians and Pacific Islanders will represent 8 percent of the population, more than doubling from 3 percent in 1994.\(^\text{11}\)

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**Diversity Initiatives at Intel**

Intel, one of the world’s leading manufacturers of computer chips, understands the importance of diversity in the workplace. In an industry where demand for trained professionals greatly exceeds supply, Intel has developed a creative program for recruiting and developing minority employees.

To assist with recruiting, Intel hired a leading consulting firm to assist it in identifying the ten colleges and universities with the highest minority enrollments in the field of circuitry design. Intel has also established an undergraduate minority scholarship fund that awards in excess of $1 million annually to undergraduate students. Though recipients are not required to work for Intel after graduation, a significant number of them opt to do so.

Intel has also established a college internship program whereby students are identified as high-potential employees as early as their sophomore year. Interns receive employment and are matched with mentors for their entire college careers. Those who choose to stay on board after graduation are assigned to supervisors who provide specific training that will allow their proteges to develop a variety of skills that can be applied to different jobs within the organization and will willingly allow employees to
transfer within the company in order to retain their services. As a result, Intel has seen the proportion of ethnic minorities in management positions jump from 13 percent to 17 percent in a four-year period, despite efforts by its competitors to recruit its talent away.\textsuperscript{12}

There is probably no better way to understand and market to these groups than to have them represented as employees at all levels of the organization. In addition to this, diversity initiatives help to ensure that personal differences that have nothing to do with job performance are less likely to impact hiring, promotion, and retention decisions. Intense competition and tight labor market conditions make it imperative that such decisions result in the hiring and promotion of the most qualified individuals.

As a result, diversity management programs have become quite popular. In fact, an entire industry has developed around helping organizations manage diversity. However, many diversity initiatives are ill-conceived, not integrated with the organization’s mission and objectives, and can create additional challenges above those for which they were designed to respond. Key decision makers in organizations need to ask themselves what benefits diversity specifically provides their organization. There are numerous ways to implement diversity initiatives and different levels on which to understand diversity. There is no one best way to manage diversity in organizations; the optimal way is contingent upon the organization, its people, its mission, and its culture. Diversity initiatives also have to make the critical decision about where to draw the line, meaning which elements of diversity will be incorporated into the initiative and which will be ignored.\textsuperscript{•▼}

\textbf{CONCLUSION}

The contexts in which human resources are managed in today’s organizations are constantly changing. The larger environments in which organizations operate can be in a state of constant change. Nowhere is this more evident than in the areas of technology, workforce composition, and globalization. Organizations of the 21st century cannot expect to be successful without an understanding of and response to these trends and changes. No longer do organizations utilize one set of manufacturing processes, employ a homogeneous group of loyal employees for long periods of time, or develop one set way of structuring how work is done and supervisory responsibility is assigned. Constant, if not continuous, changes in who organizations employ and what these employees do require HR practices and systems that are well-conceived and effectively implemented to ensure high performance and continued success.

More importantly, HR practices must constantly be reviewed and evaluated to allow an organization to respond to changes taking place in its environment. Nothing should be accepted as a “given.” Failure to allow HR to assess and drive change initiatives can greatly compromise an organization’s ability to remain competitive in an everchanging marketplace and society.

\textsuperscript{•▼} Reading 2.2, “The Strategic Management of Workplace Diversity Initiatives: Public Sector Implications,” outlines some of these issues and challenges.
CRITICAL THINKING

1. What are the most important societal trends affecting HR today?
2. What are the most important workplace trends affecting HR today?
3. How well do you feel HR as a profession responds to these trends?
4. Predict societal changes that you believe might take place within the next ten years. What challenges will these changes present to organizations?
5. Predict workplace changes that you believe might take place within the next ten years. What challenges will these changes present to organizations?
6. How will HR be impacted by these changes? How can HR help organizations become more effective in meeting the challenges these changes present?

Reading 2.1

7. Why might an organization resist establishing a telecommuting program for its employees? Under what conditions will telecommuting programs be most effective?

Reading 2.2

8. How well do you feel WASC and Metropolitan University managed their diversity initiatives? How might you have approached each case differently? Debate the pros and cons of diversity initiatives in general.

EXPERIENTIAL EXERCISES

1. In small groups, identify and discuss the significant trends related to technology and diversity that impact your college, university, or employer. What challenges do these trends present? What initiatives have been established thus far to meet these challenges?

INTERNET EXERCISES


CHAPTER REFERENCES

5. Ibid.
6. Harvey, op cit.
Telecommuting, the process by which work is moved to employees instead of moving employees to an employer’s place of business, is dramatically increasing in popularity in both large and small organizations. The key development that has facilitated telecommuting is advances in both information processing and telecommunications technology including the portability of computers, fax and electronic mail transmission, and the networking of computer systems and data lines. Despite the numerous benefits companies can gain from allowing employees to telecommute, the process of designing and implementing a telecommuting program, if not well thought-out, can leave employers with few benefits and greatly increased costs. These costs include direct financial expenditures on technology equipment as well as costs related to diminished employee morale, lost productivity and resentment.

The number of Americans working from their homes at least part of the workweek grew from 3.4 million in 1990 to 19.6 million by the beginning of 2000. In addition it is estimated that another 22 million employees are interested in telecommuting. This dramatic rate of growth can be attributed to the fact that an increasing number of businesses are offering their employees the option to telecommute. Two-thirds of Fortune 1000 companies currently have telecommuting programs, half of which were implemented within the past three years. In many cases, these are pilot programs that are expected to grow relative to employee participation. Of the remaining Fortune 1000 companies without telecommuting programs, 60% report that they expect to implement such a program within the next three years.

Telecommuting involves more than merely an agreement between employees and supervisors that the subordinate can “work at home.” It involves a management system and philosophy that allows employees a tremendous amount of discretion in how they fulfill their job responsibilities and requires systemic changes in company policy, organization structure, management styles and job design. Companies considering implementing a telecommuting program need to be aware of the multidimensional requirements of telecommuting and the potential effects it can have on the organization.

Benefits of Telecommuting

The popularity of telecommuting options can be attributed to the fact that businesses are finding that they accrue numerous benefits from such programs. First, more stringent environmental regulations, such as the Clean Air Act, are putting pressure on many urban areas to reduce employee commuting on roadways. Socially responsible businesses help to meet these challenges by offering telecommuting options. It is estimated that if 5% of Los Angeles commuters worked from home one day each week, 9.5 million gallons of gasoline would be saved annually and 94 million fewer tons of pollutants would be dumped into the atmosphere. While regional transit authorities in many cities such as San Francisco are offering financial incentives to organizations to encourage employees to use public transit, many employers are going one step further and encouraging workers to work from homes and avoid the physical commute altogether.

Telecommuting can also assist with employee retention. More flexible work/home environments can allow employees to better balance multiple roles. This is particularly true for employees with young children and/or elderly or disabled family members at home. Telecommuting can also allow employers to retain their investment in employees who, for personal reasons, need to relocate as well as when the organization needs to relocate but the employee is unable to do so. Given the fact that career paths are slower in most organizations due to the proliferation of baby boomers in the mid-career years and flatter organization structures, the benefit of telecommuting may be a valuable...
perk to an employee the organization is unable to promote. Surveys have shown that today’s employees look more favorably on employers that offer flexible schedules that include telecommuting options than those employers that do not.

Similarly, telecommuting can allow increased flexibility in recruiting. Employees who are bound to their homes for various reasons (their own physical condition, family matters, etc.) and may consider themselves unable to work due to such mobility problems can be targeted as viable candidates for employment. As a result, telecommuting can also assist in fulfilling diversity initiatives by broadening the prospective applicant pool.

Telecommuting can also have a significant impact on the costs of doing business. This can largely be realized in the form of lower real estate costs. When AT&T began a telecommuting program which involved 35% of its New Jersey area sales force working out of their homes, the company was able to reduce its needs for office space and realize 50% savings on real estate costs.

Finally, businesses may realize significant productivity gains when employees telecommute. The state of California Telecommuting Pilot Program recently reported productivity increases of up to 30% among employees enrolled in its program.

Despite these benefits and the growing trend toward increased telecommuting, resistance to such programs is often strong among direct supervisors of prospective telecommuting employees. A recent survey revealed that while 40% of today’s workforce could be telecommuting for at least part of the workweek, less than 10% are actually doing so. In many instances, the option to telecommute is at the discretion of the immediate supervisor who may harbor severe reservations about letting employees work out of their homes.

### Issues, Obstacles and Guidelines

Probably the chief issue that contributes to managerial resistance to telecommuting is how to measure performance and monitor progress of employees who telecommute. In reality, however, remote supervision of employees is not significantly different from on-site supervision. Effective supervisors assist employees in setting goals, monitor subordinates’ progress and provide feedback and advice regardless of where they or their subordinates are situated. Telecommuting does not prohibit managers from performing these functions; it simply requires that these functions often be conducted without face-to-face contact.

One of the key components of successful telecommuting programs is a very clear performance measurement system. Organizations that have some sort of goal-setting or management by objectives program generally find that such a system adapts to and facilitates a successful telecommuting program. Each telecommuting employee should have a clearly defined set of measurable objectives which can be assessed and incorporated into a specific written telecommuting agreement. Hewlett Packard found that its longstanding management by objectives programs allowed the idea of telecommuting to be readily embraced by managers. A significant number of its employees work from home at least one day per week. Cisco Systems, a networking company in California’s Silicon Valley, utilizes its well-established management by objectives approach to allow more than 10% of its 6,600 employee workforce to telecommute 100% of the time. Under this approach, managers and subordinates have required status/progress reports on projects a minimum of once every two weeks. It is not essential, however, for a company to have an existing, established management by objectives program prior to establishing a telecommuting program. Formal individual agreements can be developed between telecommuting employees and their supervisors that specifically outline how productivity and performance will be measured for the telecommuter.

A second issue that needs to be addressed in designing a telecommuting program concerns the selection of eligible employees. Deciding whether some or all employees will be allowed to participate in the program can create resentment and morale problems relating to the inequity nonparticipants may perceive. Telecommuting programs need to be conceptualized and communicated as an employer-determined option for employees based on the organization’s needs and not as a right or benefit to which all employees are entitled. Careful scrutiny must first be made concerning whether individual jobs can be performed away from the office and how much of each job can be accomplished in such a manner. It may be valuable to seek employee input in such a process as not only might employees be a better judge as to whether tasks can be performed remotely but
such a process might allow employees to self-select out of a telecommuting program once they realize that their responsibilities do not lend themselves to optimal performance away from the office.

Attention must also be paid to individual employee characteristics. Telecommuting generally requires better organizational and time management skills by more self-motivated employees than do on-site work arrangements. Employees should be encouraged or required to complete a self-assessment questionnaire that allows them to examine their job responsibilities, personality characteristics, and working styles and habits and helps to educate them concerning the advantages and disadvantages of telecommuting for them personally. Hewlett Packard allows all employees to apply for its telecommuting program and while some jobs may be more clearly suited to telecommuting than others, employees who can tie their performance objectives into the company’s management by objectives program, showing that performance and progress will not be impaired by telecommuting, will generally have their request approved.

Another issue raised by telecommuting is whether the employer or employee is to assume the expenses associated with the employee’s home office. In many cases home expense policies are individually determined by organizations with some requiring employees to furnish their own technology while in other cases employers may foot the bill, given the more than ample savings incurred relative to real estate costs and the rapid depreciation deductions offered by technology equipment. Another option may involve loaning or selling at a discount to employees computers that have been replaced by upgraded machines. Cost assumption may also be influenced by how much of the time the employee telecommutes. If an employee telecommutes only one or two days each week, an employer may find itself paying for two sets of office equipment rather than one.

Providing employees with home office equipment can be dependent on how frequently they work at home vis-à-vis the office and the savings that can be realized through less required office space. Autodesk, a multimedia software development company in the San Francisco area, developed a three-level telecommuting plan to assist with cost management. The three levels of telecommuting provide employees with different office arrangements. The first level consists of employees who telecommute at least four days per week. These twenty individuals are allocated eight “hotelling” desks which are reserved on a first-come basis through a receptionist when the employee chooses to work in the office. The second level consists of employees who telecommute two or three days per week. These employees are provided with a shared, assigned workspace. The third level consists of employees who are in the office four or five days per week. They have personal workspaces that are larger than the workspaces of the employees in the other categories.

A related issue concerns the liability for injuries incurred while working at home. Generally the designated home work space is considered an extension of the company work space so the liability for job-related injuries or accidents continues to rest with the employer during the understood and agreed-upon working hours. Because of this, employers often insert a clause in the telecommuting agreement which allows them the discretion to make on-site inspections of the home work area to ensure that safe working conditions exist, usually at a predetermined time agreed upon by the telecommuting employee.

A final issue concerns the fact that many managers are still just not comfortable allowing their direct reports to work away from the office. A tremendous amount of this reluctance can be attributed to the fact that these managers have no prior experience with telecommuting programs. Successful telecommuting programs usually involve some form of training for both managers and telecommuting subordinates to facilitate high performance. Training issues include effective time management, communication with coworkers and customers, home office set-up, workflow changes, project reporting and how to participate in an objectives-driven performance program. Managers also need to be trained concerning issues of trust and control by which they establish the former and relinquish some of the latter in allowing subordinates to telecommute. Supervisors should be encouraged to establish a formal communication system with telecommuting subordinates with which both parties feel comfortable that includes frequently scheduled feedback sessions, either in-person or remote, in which problems or issues can be discussed. Any reservations managers may have can easily be incorporated into a formal telecommuting agreement that both manager and subordinate agree on.
Autodesk has telecommuters sign an agreement which details specific requirements for “checking in” with the immediate supervisor, the telecommunications systems, and/or coworkers pursuant to agreed-upon standards. In short, the employee remains fully responsible for what happens in the office even when he or she is working at home. Cisco Systems goes further and encourages employees to arrange to work off-site at a team member’s house periodically to maintain direct contact.

One additional obstacle to a successful telecommuting program is the investment required in networking systems. Numerous smaller companies have found that the company information system is not sufficient to handle a high volume of people logging in at the same time from remote locations. Telecommuting programs may have a fairly significant short-term cost for smaller organizations that are unable to reap the benefits of large-scale economies of technology. Prior to developing any formal telecommuting program, companies need to perform a technical assessment of feasibility to anticipate and rectify any problems that may be encountered due to inadequate technology.

The Way of the Future

Telecommuting in the information age is changing the way businesses operate. The cost savings of telecommuting can be significant and result in a competitive advantage in lowering operating costs. At the same time, the diversity of the workforce mandates more flexible work options to allow organizations to take full advantage of the skills available in the labor market. In many industries, particularly those that are technology-related, organizations that fail to offer telecommuting options in the near future may run into trouble both in attracting employees and in managing cost structures relative to their competitors. Experience has shown that telecommuting is not only the way of the future but also that the potential obstacles to developing a successful telecommuting program can be anticipated and planned for as part of an overall strategic approach to managing employees and performance.

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Introduction

Diversity has, without a doubt, become one of the principle “buzzwords” for both public and private organizations in the 1990s. There are numerous reasons why any organization might undertake initiatives related to workplace diversity. In many cases recognizing and promoting diversity in the workplace is seen as not only the “right thing to do” but also necessary to insure an organization’s continued success. Public sector organizations in particular are often called upon to be representative of their diverse citizenry and diversity efforts in these organizations serve as a means to this end.

Diversity and the Law

Some workplace diversity programs are designed merely to insure compliance with the law yet are promoted under the guise of diversity as “diversity” is partially regulated by the federal government. Congress has passed numerous laws that prohibit discrimination or differential treatment in both private and public sector organizations against those who belong to certain “protected classes.” Title VII of the Civil Rights Act of 1964 prohibits discrimination based on race, color, religion, gender, or national origin. It covers employment terms and conditions such as selection, placement, promotion, discharge, training, and compensation. The Pregnancy Discrimination Act of 1978, passed as an amendment to Title VII, protects pregnant women from unfair and unjust treatment in the workplace. As an amendment, the provisions and scope of this Act are identical to those of Title VII. The Age Discrimination in Employment Act, passed in 1967 and amended in 1986, prohibits discrimination in employment against job applicants and employees at or over the age of 40. The Americans with Disabilities Act of 1990 extends protection against discrimination to otherwise qualified individuals with disabilities.

In addition to these federal laws, a number of individual states have passed laws that cover the same protected classes discussed above but provide additional protection that supplements that provided at the federal level. In other cases, individual states have extended protection against discrimination based on sexual orientation. Public sector employees at the federal, state and local levels can invoke state constitutions or the Fifth or Fourteenth Amendments to the United States Constitution to provide challenges to discriminatory treatment by their employers. Hence, in many instances, programs and initiatives aimed toward creating a workplace that “embraces” or “celebrates” diversity are doing nothing more than complying with existing federal and/or state laws.

This is certainly not to imply that the motives behind all or even most diversity programs are dubious. When dealing with issues of diversity, however, organizations are finding that regardless of their motivation, diversity is not as cut-and-dry as simply following the letter of the law or having focus group-based sensitivity training. Different kinds of diversity exist and not all kinds of diversity are visible. In particular, workplace diversity initiatives that include sexual orientation can be extremely controversial. Two recent controversies have surfaced in organizations that clearly demonstrate some of the potential unanticipated problems that can result from the inclusion of sexual orientation in pro-diversity efforts. Despite the fact that both of these cases deal with institutions of higher education, the controversies associated with them have important implications for diversity initiatives in all organizations in both the public and private sectors. Similarly, while these cases deal with one particular form of diversity, namely sexual orientation, they have broader implications for the strategic management of workplace diversity efforts in general.
Case #1: The Controversy Surrounding the Right to Regulate Diversity and Whom to Include in Diversity Efforts

The first controversy surrounds the recent activity of the Western Association of Schools and Colleges, herein referred to by the acronym WASC. WASC is an independent agency that accredits 139 institutions of higher education in the states of California and Hawaii as well as Guam. It is one of six regional agencies throughout the United States licensed by the United States Department of Education to accredit colleges and universities.

WASC accreditation is extremely important to institutions of higher education as regional accreditation makes it possible to receive federal funds for student loans, research grants, program development and a variety of other purposes. State money is also dependent on WASC accreditation as the agency has been empowered by the state of California to be its official stated accreditation agency as well. As a result, and WASC-accredited institution automatically receives state accreditation. Hence, no state higher education loan funds or grants for construction or program development are available to any institution not in good standing with WASC.

WASC has always been an agency that attempts to be responsive to the specific needs of institutions and students in the area it serves. As a result, it was not surprising when in 1988, WASC became the first of the six regional accreditation associations to confront the issue of diversity. At this time, WASC was beginning revision of its Handbook of Accreditation and decided that diversity inclusiveness should be an important consideration in accreditation and reaccreditation decisions. WASC’s efforts to promote diversity are not surprising, given the tremendous amount of social and cultural diversity that exists in the WASC geographical area. WASC, however, had no idea that the issue of diversity would open the can of worms that it did.

WASC, at this point, decided its first step should be setting some standards for diversity, allowing member institutions to have some guidelines relative to their operations. A committee was formed to draft a diversity policy statement and presented its first draft publicly on December 16, 1991. The standards presented in this statement were adopted from those developed by the University of California at Davis Diversity Planning Council and, in part, stated that:

Diversity includes all groups that are part of the working or living environment. This will include . . . persons of all ages and sexual orientations.

Response to this statement, which also included protection based on race, ethnicity, gender, disability, and all other “protected classes” under federal law, was immediate and intense. Numerous institutions, particularly those affiliated with the California State University system, praised WASC for its initiative in not only protecting the rights of all individuals but also in taking steps to enhance the educational experiences of all students. However, a variety of other institutions were strongly opposed to the statement and publicly denounced WASC for one or both of two reasons.

The first objection was an argument that WASC had no business mandating diversity initiatives in any way, shape or form. A number of institutions, including Stanford University, felt that there was no compelling evidence or argument that showed a relationship between diversity and academic quality or integrity. WASC, they felt, had clearly overstepped its boundaries in introducing diversity initiatives into the accreditation process. Ironically, however, many of these institutions were very progressive in terms of diversity issues both in employment and curriculum development. Their complaints, they argued, had nothing to do with diversity, per se, but rather with the role WASC was assuming for itself.

The second objection raised to the diversity statement pertained to WASC’s inclusion of sexual orientation. A number of secular organizations, predominantly those with ties to organized religious groups, objected to WASC’s statement on the grounds that it violated the principles under which these institutions existed. Many of these institutions, particularly those affiliated with the Catholic church, find the sexual relations of gay men and lesbians to be immoral and argued vehemently against non-discrimination policies toward gays and lesbians.

In response to the objections of these institutions, WASC redrafted its diversity policy statement and made this revised draft public on August 31, 1992. It now read:

The standards make no mention of sexual orientation. Institutions accredited by this Commission follow varying policies, based on institutional mission and religious conviction, with respect to the admission and employment of persons of different sexual orientation.
While the religious institutions were obviously quite pleased with this revision, a majority of WASC-accredited institutions were outraged at the change from the original policy. A problem arose in that the revised statement appeared to clearly violate WASC's "Standards for Institutional Integrity." While all of the arguments against inclusion of sexual orientation in the diversity statement had been based strictly on religious or "moral" grounds, Standard 1.A., focusing on the "Integrity In the Pursuit of Truth," in the WASC handbook states:

Established to serve society, a college or university is not a political institution; it is not a religion or church. Those within an educational institution have as a first concern, knowledge, evidence, and truth. This concern should not be undermined by particular judgments of institutional benefactors, of public or social pressure groups, or of religious or political groups.19

The religious and biblical arguments presented against the inclusion of sexual orientation clearly violated Standard 1.A., which expressly states that a college or university is not a religion or church. By allowing such religious arguments to alter its diversity statement relative to sexual orientation, WASC clearly acknowledged that such institutions are, in fact, "religions" or "churches." Furthermore, because state law in both California and Hawaii prohibits discrimination based on sexual orientation (religious institutions are excluded from these laws), any other non-religious institution that discriminated based on sexual orientation was in direct violation of state law. Hence, WASC was proposing to turn its head when accredited institutions blatantly broke the law.

Realizing that this revised statement could not work, WASC returned to the drawing board to revise its diversity statement once again. The third draft was made public on June 23, 1993 and stated:

During the course of discussion of this statement, conflicting positions were expressed with respect to how the issue of sexual orientation should be addressed. One of the strengths of associations of diverse colleges and universities is that we can discuss and view some issues from quite different institutional religious or moral visions. There is no religious or moral consensus on issues of sexual orientation among the institutions accredited by this Commission, and it is certainly not the function of the Commission to impose its own moral stance with respect to the admission of students or the employment of staff and faculty.19

While WASC clearly tried to take a middle ground that would pacify both sides of the sexual orientation controversy, the third draft probably resulted in the greatest amount of disappointment among member institutions for a variety of reasons. First and foremost, this draft still appeared to be inconsistent with Standard 1.A. By the mere mention of "religious or moral visions" and "religious or moral consensus" WASC allowed the religious stances toward same-sex relations to supersede the ideals set forth in Standard 1.A. In addition, because there is no federal accreditation of higher education (except within professional disciplines such as the American Bar Association, the American Assembly of Collegiate School of Business, etc.) and no pending federal legislation because Congress has left the accreditation of schools to states and regional bodies such as WASC, this language permitted the federal government to continue to award contracts and grants to accredited religious institutions that do discriminate as well as to non-religious institutions that are clearly in violation of state law in both California and Hawaii. Further, most major cities in California also have municipal ordinances protecting the employment and housing rights of gays and lesbians. These cities include San Francisco, Oakland, Los Angeles, West Hollywood, Palo Alto, Berkeley, and Sacramento. Hence institutions located in these cities that discriminate also would be in violation of municipal laws.

In addition to these controversies, WASC seemed to have abandoned one of its major standards in its third diversity statement; integrity in the pursuit of truth. In Standard 1.A. WASC states that a college or university is established to "serve society." The third draft raised the questions of whether the diversity statement served all society or just certain segments of it and whether allowing institutions to discriminate relative to their own religious and moral visions constituted integrity in the pursuit of truth.

In an attempt to finally wash its hands of the controversy, WASC issued a fourth and final statement on diversity on January 5, 1994. It stated, in part, that:

During the course of discussion of this statement, conflicting positions were expressed with regard to how the issue of sexual orientation should be addressed. Commission standards state that religious institutions have the right to
select students and faculty on the basis of adherence to religious beliefs.

There is an extremely important consensus among accredited institutions in this region that all institutions are obligated to adhere to Commission Standard 1.B. on respect of persons, including policies against harassment, and to provide due process procedures to resolve individual grievances. Whatever an institution’s prohibitions may be regarding the behavior of its members, these must not be accompanied by institutional actions that express animosity or disrespect for persons for reasons of race, ethnicity, socio-economic class, gender, age, religious belief, sexual orientation or disability.\(^{11}\)

The end result of this statement consisted of the proponents of inclusion of sexual orientation being disappointed with the language of the first paragraph but seeing a glimmer of hope in the second paragraph that appeared to prohibit discrimination by non-religious institutions. Leaders of religious institutions were heartened by the affirmation of their secular missions within the first paragraph but still displeased about the mention of sexual orientation in the second paragraph. The third faction of “institutional libertarians” was somewhat pleased to see WASC back down from its original rigid stance on diversity in its usage of milder language in the final draft, but still felt animosity toward WASC for its infringement on institutional autonomy. While the end result is that none of the major groups of institutions was totally satisfied with the final draft, each felt that it could have been worse off than it was had different language been utilized in the final draft.

The above discussion is not meant in any way to criticize WASC or its approach toward dealing with diversity. WASC is certainly to be commended for being the “trailblazer” of the six regional accreditation agencies in dealing with a volatile issue. The considerable diversity that exists within societies in the states of California and Hawaii certainly shows that WASC is being responsive to its constituents. The experiences of WASC lend some important caveats to other agencies and organizations to consider when they confront diversity issues in employment policy. WASC has clearly illustrated that the whole concept of diversity is an emotionally charged, volatile, potentially divisive issue. The controversies surrounding the WASC diversity statement raise some important questions not only for public and private institutions of higher education but public and private organizations in general.

**Lessons Learned from WASC**

The WASC controversy has some important implications for organizations in general, particularly public sector organizations. An organization clearly needs to understand/embracing diversity relative to its own mission. Organizations need to consider specifically the dimensions of the purpose and/or strategic objectives of the institution that make diversity important, desirable, or necessary. Without a sense of purpose as to the importance of diversity initiatives, organizations will have no focus on which to base their efforts and have increased difficulty operationalizing diversity.

Further, one initial and ongoing objection to WASC involvement with diversity has been the questioning of the relationship between academic quality and diversity. An analogy can be made in pondering the role of diversity in a “quality” workplace. Contemporary society consists of a multitude of ethnic and cultural groups and traditions and highly interdependent national economies and political states. The world of work requires the ability to understand and work with people from diverse backgrounds as well as understanding diverse bases of customers, clients and constituents. Diversity awareness may hence be a key component in the success of organizations in the future.

On a more specific level, diversity initiatives need to consider how inclusive they will be (e.g., should diversity include sexual orientation?). Sexual orientation is probably the only category of diversity not protected from discrimination at the federal level. It currently receives protection at the state level on only eight states: Wisconsin, Massachusetts, New Jersey, Vermont, Minnesota, Connecticut, California, and Hawaii as well as the District of Columbia. Diversity initiatives need to address whether or not sexual orientation is a civil rights issue as well as whether it is the same as and deserves equal consideration as other forms of diversity; e.g., “protected classes” discussed earlier.

Regardless of one’s own ideology and dogmatism, immersion in an environment of diverse and competing ideas is important to the development of independent thought. Even those who have extreme views and ideologies need to understand opposing viewpoints to logically defend their own. In proposing diversity requirements, WASC questioned the extent to which the quality of academic life is compromised when members of one or
more groups dominate the examination and restrict the debate of ideas. In organizations, one can similarly question the extent to which the same processes compromise the quality of workplace life and the overall performance of the organization by restricting the ways in which problems are defined, understood and analyzed.

The above discussion illustrates that diversity can be difficult to define relative to inclusion of social groups. Despite the difficulties in defining diversity, successful workplace diversity initiatives are largely reflected in the representation and full participation of all individuals with freedom from bias of differential treatment. However, even if an organization is able to successfully deal with the inclusion question, another burning question remains; how can an institution assure representation, participation, and freedom from bias? Another institution of higher education attempted to confront this issue and found itself in a hotbed of controversy.

Case #2: The Controversy Surrounding the Treatment of Groups Included in Diversity Efforts

Metropolitan University, a pseudonym, is a privately endowed, nonsectarian university located in the northeast with one of the highest student enrollments of any private institution of higher education in the United States. Since the late 1980s Metropolitan has had a university policy that prohibits discrimination based on sexual orientation, in accordance with state law. For several years, the university engaged in an extensive strategic planning process which culminated in the trustees' approval of a final strategic plan at the beginning of the 1994 calendar year. Among other things, this plan called for the recruitment of openly gay and lesbian faculty members. The plan states that:

As an employer, the university had a number of openly gay or lesbian middle and senior level administrators yet virtually no openly gay or lesbian faculty members. Members of the strategic planning committee were in unanimous agreement that such recruitment efforts were beneficial for the educational programs of the university in addition to being necessary to provide appropriate role models for gay and lesbian students. Although not stated in the strategic plan, initiatives that encouraged diversity in sexual orientation in the faculty ranks could certainly assist the university from a legal standpoint if any employment discrimination claims based on sexual orientation were filed under state law.

One faculty member publicly denounced this component of the plan in the university newspaper, suggesting that “offering incentives and hiring at the appropriate rank” amounted to giving preferential treatment to gays and lesbians and such special status for them would alienate others, accomplishing just the opposite of the administration’s intent to make the university more inclusive. Instead, this individual proposed having a policy of tolerance and non-discrimination “with respect to all beliefs and practices that are irrelevant to a person’s position as an employee.”

The faculty member continued by stating three specific reasons for opposition to the active recruitment of openly gay and lesbian faculty. The first was an argument that gays and lesbians, by virtue of having grown up in heterosexual families, have no distinct culture relative to those that characterize racial and ethnic minorities. Because gays and lesbians are nurtured within the dominant culture and enjoy alleged higher levels of education and income than the general population, they neither need nor deserve what amounted to “special protection.”

The second reason was that this policy would make others from cultures that discourage same-sex relations feel uncomfortable and unwelcome at the university. The third reason given was the most controversial; by recruiting openly gay and lesbian faculty, the university was taking a moral stance and by assessing units based on recruitment activity and inclusion, the administration was forcing its own moral code or standards on others and implying that these ideals needed to be followed if one was to advance in his/her career.
Issues Raised by the Metropolitan Controversy

Each of these reasons raises some critical issues that need to be addressed in any discussion of diversity above and beyond the issue of sexual orientation. The first objection cited above argues that no special gay and lesbian culture exists. Numerous books and articles have been written on general and specific aspects of same-sex cultural relationships. Specific courses and entire degree programs have been developed at the university level on same-sex culture and study. If there is no distinct gay culture, what explanation exists for the proliferation of violent street crimes against gays and lesbians, employment and housing discrimination against gays and lesbians, and gays and lesbians being disowned by family members embarrassed by their “lifestyles”? Moreover, the argument assumes that culture and cultural identity is a given. Can cultural identity not be dynamic where in the course of an individual’s life (s)he changes affiliated groups and cultures?

The second objection suggests that others will be offended by a policy that conflicts with their own cultural and/or personal beliefs. However, when considering cultures that are hostile toward those with same-sex orientation, where does one place contemporary America? The argument ends up being a self-serving justification for continued discrimination. The fact that any individual or group in society is uncomfortable with another does not make discrimination appropriate. One need look no further than 20th Century American history and witness the treatment of African-Americans and women, among others, to see these problematic effects of discomfort with those who are not part of the majority. Nazi Germany represents this condition taken to the extreme.

The third objection chastises the university administration for taking a moral stance and for requiring alleged indoctrination to this position. In this context one needs to consider the question of whether same-sex relationships are a moral issue at all. To some individuals, they clearly are. Yet to others, same-sex relationships are a civil rights issue. What is a moral issue and moreso, whose morals set the standard? Morality is defined subjectively; no universal morality exists. Consider that within the global village in which we live, there are tremendous amounts of variation in socially and culturally-sanctioned sexual behavior. There are no universal standards of right or wrong, appropriate or inappropriate, moral or immoral, ethical or unethical; just personal opinions that are often taught and shaped by others.

While the discussion above does challenge each of the claims made by the faculty member who opposed the strategic initiatives to recruit openly gay and lesbian faculty, it is not intended to be judgmental or to stake a position in the controversy. It is meant to expose some of the additional controversies associated with dealing with diversity and sexual orientation in the workplace and the issues that private and public sector managers and policymakers might expect to confront. The faculty member’s letter illustrates that tolerance of others can only be achieved through understanding and education. At the same time, dispelling myths about diverse groups in society is not the same as promoting their beliefs and practices. Mere “tolerance” based on silence and oppression has never happened in any society. One need look no further than the ongoing illegal discrimination still being directed at members of “protected classes” under federal law to see clear evidence of this. Any such policy of tolerance and non-discrimination is at best passive and grants license to not actively examine and reflect upon diversity. One can wonder where our society would be now if such a policy of mere tolerance were still the norm relative to gender, racial, ethnic, religious, age and disability-based bias.

Arming Oneself for the Diversity Battlefield

As the above examples clearly illustrate, workplace diversity efforts designed to create more inclusive and better-performing organizations can simultaneously ignite social, political and/or religious controversy. Despite the conflicts and arguments, both sides of the WASC and Metropolitan debates have agreed that the discussion is and has been both necessary and beneficial. While we may posit that, at the very least, discussion of diversity is necessary and beneficial, several of the controversies encountered in the above cases remain unresolved.

First, is it an organization’s role to promote and “regulate” workplace diversity? While organizations may clearly benefit in the long run, short-term controversies can cause extreme conflict and dysfunction in an organization. Some may argue that as
members of society, organizations, particularly public organizations, have an obligation to be good “citizens” and address societal issues and problems both within and outside of their operations. At the same time, many have argued against any actions by organizations that can be viewed as being “socially responsible.” Nobel laureate economist Milton Friedman has argued that such actions interfere with the free market economy and involve an involuntary redistribution of assets and wealth. Others have argued that any involvement of private organizations in the public domain undermines government and the legislative and political processes in our society, facilitating potentially undesirable levels of growth in corporate control and power in society. The role of public sector organizations in society is somewhat ambiguous.

An additional controversy concerns what is to be included in any diversity initiatives. Both the WASC and Metropolitan cases involve controversies over the inclusion of sexual orientation. While those with same-sex orientation are not the only group that may be controversial relative to diversity, they are the largest “minority” group that receives no protection from discrimination at the federal level. Diversity based on race, ethnicity, religion, gender, age, and physical ability may be a challenge for institutions to confront but all of these classes receive protection under federal law. Furthermore, these are categories which are clearly outside of the control of the individual. Sexual orientation is much more ambiguous. Scientific debate has continuously wrestled with whether sexual orientation is genetic or environmentally-influenced. This, combined with the fact that some religions and cultures condemn same-sex behavior makes inclusion or exclusion of sexual orientation much more emotionally charged than inclusion of other groups.

If an organization is successfully able to confront these issues, the question remains as to what specific types of diversity initiatives should be undertaken. The faculty member at Metropolitan University encouraged a simple policy of nondiscrimination. If an organization were to implement such a policy, a potential controversy exists relating to the larger ongoing controversy surrounding the ideology of equal employment opportunity/affirmative action. Should the goal of such programs be to wipe the slate clean and treat everyone equally from this day forward or should the goal of such programs be to rectify past injustices and insure representation in an expeditious manner? Do such programs encourage and reward reverse discrimination? Policymakers have been debating this point for more than thirty years without reaching agreement.

In addition, whether such an approach of mere nondiscrimination (tolerance without additional protection) is sufficient is debatable. Congress has passed a number of laws affirming the rights of a variety of groups of individuals in society as detailed in the introduction of this paper. The fact that these laws had to be passed in the first place is testimony that employers and the larger society were unable to be non-discriminatory themselves, without external intervention. The fact that these laws continue to be violated by individuals and organizations in our society further supports the fact that a simple policy of non-discrimination probably isn’t enough.

Conclusion

Diversity initiatives are necessary and desirable for all institutions. They allow public institutions to better serve their constituencies and allow all organizations to attract and develop the most highly qualified, motivated, productive workers. The society in which we live is complex. People who lack the ability to empathize with others who are in some way different from themselves will inevitably find their lives, particularly their work lives, very frustrating. In the future, these individuals will be less attractive to organizations as employees, particularly public organizations.

Despite the need to recognize diversity, it is important that those responsible for diversity initiatives realize that diversity can be a double-edged sword. Despite their benefits, diversity initiatives can cause a good deal of internal strife and harm if not managed strategically. The above examples with WASC and Metropolitan illustrate the need to carefully strategize diversity efforts that are well planned and initiated and very carefully implemented.

Prior to undertaking any diversity initiatives in organizations, those involved in policymaking need to address the following six issues:

The first issue involves a determination of why diversity is important for the organization. Initiation of discussion pertaining to diversity can be part of legal/affirmative action compliance, a
means of enhancing internal legitimacy with employees, and/or an attempt to address interpersonal or intergroup conflict. Diversity can also be related to external factors such as image-development, public relations, pressure to conform (e.g., “everyone else is doing it”) or an altruistic socially responsible concern for a more harmonious society. Regardless of motive, diversity initiatives will have a greater chance of success if the need or purpose for them is clearly understood.

Closely related to purpose is an articulation of how diversity relates to the mission and strategic objectives of the organization. Diversity initiatives can facilitate strategic issues such as meeting the changing needs of customers and/or expanding markets both domestically and abroad. Public sector organizations might find workplace diversity initiatives important in providing better service to diverse constituent groups or clients. Organizations seeking to attract a wider range of applicants or promote increased employee satisfaction might find diversity initiatives to be critical catalysts for success. Before initiating any diversity program, policymakers need to understand how diversity relates to the current state of the organization as well as its intended future direction.

The third issue to address involves defining diversity. There is no standard definition of diversity; it simply implies differences. As a result, organizations need to determine how inclusive diversity initiatives will be, particularly relative to invisible minorities, more particularly relative in invisible minorities not protected from discrimination under the law. Some invisible minority group members, such as those with mental illness or substance abuse conditions, do receive protection under the law as their conditions may be classified as disabilities. Sexual orientation, however, can present a challenge as the cases discussed within illustrate. More so, eventually everyone has some distinguishing difference from the majority. Hence, workplace diversity programs need to “draw the line” somewhere and regardless of where the limits are set for diversity inclusion, policymakers should be prepared for challenges based on inclusion and exclusion.

The fourth issue involves the decision of whether special efforts should be extended to attract a diverse work force. This, however, relates back to the controversy as to whether the purposes of equal employment opportunity and affirmative action should be to redress past discriminatory practices or merely to treat everyone equally in present and future employment practices and decisions. The decision has important implications for both an organization’s ability to self-monitor its activities and potential allegations of discrimination and reverse discrimination.

Organizations also need to address how existing employees and constituents feel about diversity. Any policies and/or programs that have the potential to disrupt the status quo are likely to face some resistance within the organization and may also be scrutinized very closely by those outside of the organization, including customers, regulatory agencies, and the media. Those involved with diversity initiatives need to identify potential obstacles to promoting diversity. Surveys can be used to assess and monitor corporate culture, employee attitudes and morale, and external constituent perceptions. A critical component of any successful organizational change is anticipating resistance and proactive planning to overcome such resistance.

The final issue to address is the specific type(s) of diversity initiative(s) that will be undertaken. The specific initiatives can have several different objectives (protection, inclusion, understanding) which need to be consistent with the purpose of the diversity initiatives in general as well as with the mission and strategic objectives of the organization. Determinations need to be made concerning the amounts of both time and money that will be invested as well as how the effectiveness of any diversity efforts will be measured.

Diversity initiatives, like any organizational intervention, need public support and commitment from the top echelons of the organization. Diversity requires much more than mere lip service; those who initiate discussions of workplace diversity in organizations need to be aware of the many controversies that such discussions can spark. While diversity is a major buzzword in both the public and private sectors, it can be extremely dangerous if implemented passively as just another management fad. However, if those policymakers responsible for diversity understand the varied contexts and controversies associated with it, the organization will be prepared to satisfy a critical prerequisite necessary to succeed and thrive in the 21st century.

References

5. Individual states are free to pass laws that extend coverage provided at the federal level as long as such laws do not contradict or violate the corresponding federal law(s).
6. These states currently consist of California, Connecticut, Hawaii, Massachusetts, Minnesota, New Jersey, Vermont and Wisconsin as well as the District of Columbia.
7. The Constitution regulates acts of government agencies or individuals acting on their behalf to ensure that the powers of government are limited and regulated, allowing the rights of citizens to be exercised uninhibitedly. The Fifth Amendment provides that no person shall be deprived of life, liberty, or property without due process of law. In 1954, the Supreme Court ruled that this declaration prohibited discriminatory action by the federal government. The Fourteenth Amendment provides that no state shall deprive any person of life, liberty or property without due process of law nor deny any citizen equal protection under the law.
8. While the WASC diversity initiative pertains to curriculum, admissions and employment issues, the focus of this discussion will be limited to employment.