This volume contains an extensive summary of the twelfth annual international conference of the International Academy of Business Disciplines, held in Las Vegas, Nevada, March 30 - April 1, 1999, under the theme of "Managing In A Global Environment." This volume makes available current research findings and ideas from the papers presented at the conference.

The International Academy of Business Disciplines (IABD) has evolved into a strong global organization with over 1000 members from more than 30 countries. The Academy is a world-wide, non-profit organization whose mission is to contribute to the study of the functional and support disciplines of business, to aid in the process of learning and increase awareness of business practices around the world, and to bridge the gap between theory and practice. The environment in which learning, teaching, research, and other functional areas of business will be practiced will be continuously changing. The IABD will extend knowledge of these areas to ultimate boundaries.

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The Academy is indebted to all those who served as active track chairs. Those who served as active track chairs include: Ms. Pam Byers, Baldwin Wallace College; Dr. Bob Dipple, Jackson State University; and Jamaluddin Huq, The American University in Cairo. Thanks also to the members of the Program Co-Chairs. Thanks also to the members of the Program Co-Chairs.

Our appreciation also extends to the authors of the high quality of papers submitted for presentation and provides the means for publishing this compilation.

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The term "diversity management" has become a buzzword of the 90's for businesses of all types and sizes. While companies undertake diversity initiatives for a multitude of reasons, the underlying issue is that diversity management is not just a matter of equal employment opportunity (EEO), nor is it simply another name for affirmative action. Diversity management includes managing social environments and systems along with organizational climate and procedures with the goal of creating a positive work environment for all employees. However, attempts at managing workforce diversity have the potential to produce negative results including devaluation of employees, reverse discrimination, demoralization, reinforced stereotypes, and increased legal liabilities. This paper offers insight regarding how companies might decide what benefits could be gained by managing the diversity of their workforces, what emphasis should be placed on these efforts, and critical success factors to achieving positive outcomes.

I. INTRODUCTION

While affirmative action has been practiced in various forms since the Civil Rights Act of 1964 (Lund, 1995), recently renewed importance has been placed on the need to manage diversity. This fervor has been attributed to the 1987 release of the Hudson Institute report "Workforce 2000," which projected that by the year 2000 only 15 percent of new entrants to the workforce would be white males (Chavez, 1994).

II. WHY MANAGE DIVERSITY?

While affirmative action has been practiced in various forms since the Civil Rights Act of 1964 (Lund, 1995), recently renewed importance has been placed on the need to manage diversity. This fervor has been attributed to the 1987 release of the Hudson Institute report "Workforce 2000," which projected that by the year 2000 only 15 percent of new entrants to the workforce would be white males (Chavez, 1994).
The reaction of businesses was to begin preparing for the “demographic tidal wave;” hence, the “diversity management” industry emerged to help cope with the flow of minority workers (Chavez, 1994). Despite the explosion of diversity training, Delikat (1995) reports that it is not clear that it benefits most employers, and there remains no specific qualifications or standards for trainers or any of their materials (Lubove, 1997; Overmyer-Day, 1995).

III. WHAT GOES WRONG?

Many things that can go wrong in the process of managing diversity do. One survey of firms completing diversity training showed limited effectiveness, with only 33% reporting their efforts were “quite (30%) or extremely (3%) successful,” while a significant portion described their results as “largely (13%) or extremely (5%) unsuccessful” (Rynes & Rosen, 1995). Various negative outcomes occur, including devaluation of employees viewed as “culturally different” (Gardenswartz & Rowe, 1996), reverse discrimination against “majority” group members (D’Souza, 1996), demoralizing and reinforcing stereotypes (Rynes & Rosen, 1995), and increased legal liabilities for the company (Delikat, 1995).

IV. DEVALUATION OF EMPLOYEES

Contributing to the devaluation of employees is the fallacy of equating diversity management with affirmative action (Riccucci, 1997). The consequence of individuals being hired based on quotas or other affirmative action policies is the perception of these individuals as “token appointments.” One of the most harmful results is unconscious expectations and prejudices that lead to the “Pygmalion Effect,” which causes these individuals to actually perform below others’ expectations and their abilities (Gardenswartz & Rowe, 1996).

Organizations leery of preferential hiring and promotion in favor of other methods of increasing minority recruitment, retention, and promotion may be comforted by the following data. A recent poll showed that 84% of the public opposes “favoring a minority who is less qualified than a white applicant, when filling a job in a business that has few minority workers” (Lund, 1995). Additionally, 73% of those surveyed were in favor of companies making “special efforts to find qualified minorities and women and then encouraging them to apply for jobs with that company” (Lund, 1995).

V. REVERSE DISCRIMINATION

The practice of discriminating against some groups to combat discrimination against other groups is typically based on the idea that statistical “imbalances” in the workforce result from discrimination against the underrepresented group (Lund, 1995). Debates about affirmative action policies increasingly focus on whose civil rights are more important, with both sides contending their rights have been infringed upon (Bond & Pyle, 1998) have been unfairly accused or blamed for insensitivity and animosity. Many experts warn where nontraditional employees are regarded “losers,” adding that the definition of diverse varied needs and concerns of all employees (Rosen, 1995). It is not only white males, but frontational diversity exercises or other
demoralizing and reinforcing stereotypes.

VI. DEMORALIZING AND REINFERENCE

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to begin preparing for the “demographic management” industry emerged to help cope with the growing diversity in the workplace (DeMyer-Day, 1995). Despite the explosion of diversity training programs, it is not clear that it benefits most employees equally or that it has increased the overall effectiveness of diversity management (Rosen, 1995). Various negative outcomes have been reported, such as “cult-like methods,” “mortification and criticism,” and “coercive, abusive, and controlling techniques”—all of which have been reported via diversity training evaluations (Lubove, 1997; MacDonald, 1993). Bond & Pyle (1998) have found that the assumption behind most diversity programs is that diversity will be enhanced if the sexism and racism of individual employees is confronted, challenged, and changed. However, so many organizations have suffered nightmarish results from such diversity training experiences that there is now a second-generation industry of diversity trainers who attempt to undo the damage created by other diversity trainers (Lubove, 1997).

VI. DEMORALIZING AND REINFORCED STEREOTYPES

According to Bond and Pyle (1998), being different is often equated with being “wrong, pathological, unknown, and scary.” Disregarding this, diversity trainers often choose to adopt the “difference perspective,” emphasizing differences. Demoralization often follows as a result of “cult-like methods,” “mortification and criticism,” and “coercive, abusive, and controlling techniques”—all of which have been reported via diversity training evaluations (Lubove, 1997; MacDonald, 1993). Bond & Pyle (1998) have found that the assumption behind most diversity programs is that diversity will be enhanced if the sexism and racism of individual employees is confronted, challenged, and changed. However, so many organizations have suffered nightmarish results from such diversity training experiences that there is now a second-generation industry of diversity trainers who attempt to undo the damage created by other diversity trainers (Lubove, 1997).

A second set of repercussions caused by these diversity awareness training sessions is the contradictions and reinforced stereotypes presented (Delikat, 1995). On one hand, participants are told it is unacceptable to base their actions on how they believe members of certain groups will react (i.e., they must not stereotype). In the same training, they are told they must learn to judge individual behavior as an “expression of racial, sexual and cultural differences” (i.e., they must stereotype; MacDonald, 1993). As if things were not already complicated enough, the never-fail golden rule management philosophy (do unto others as you would have them do unto you) is no longer a viable option as it pertains to diversity. One diversity trainee expressed the reason quite well lamenting: “minorities have gone from accusing whites of treating them differently when they are the same, to accusing whites of treating them the same when they are different” (D’Souza, 1996, p. 45). Masters, Von Bergen, Soper and Foster (in preparation) explain that the golden rule is ineffective with regard to diversity issues because it bases decisions
on one's own perceptions and needs, disregarding the perspectives and preferences of others.

Failure to recognize differences in perceptions based on race, gender, and power may also lead to legal difficulties. For example, a joke that might be considered acceptable in some male work environments could lead to a sexual harassment lawsuit if told by a male supervisor to a female employee (Bond & Pyle, 1998). The same illustration applied to jokes about race, disability, religion, age, or sexual orientation may also be said of sensitivity awareness trainings.

VII. INCREASED LEGAL LIABILITIES

Numerous businesses have learned that, rather than the hoped for result of decreased exposure to legal liabilities, the wrong consultant using the wrong techniques can do immeasurable damage (Delikat, 1995). Complaints that confrontational and unorthodox training techniques invade employee privacy and humiliate individuals in front of their co-workers are serious. Many have led to formal legal action against the employers who mandated the training (Overmyer-Day, 1995).

Reverse discrimination has also led to its share of case filings. The Equal Employment Opportunity Commission reports that 10,000 reverse discrimination cases were filed from 1987 to 1994. Even cases not found to have a basis in truth can be damaging, as the allegations often receive significant press and political attention (Bond & Pyle, 1998).

With so many pitfalls, dangers, and negative effects associated with diversity management efforts, why initiate a diversity management program at all? Because, many companies have found that their attempts at managing diversity succeed (Lubove, 1997; MacDonald, 1993; Overmyer-Day, 1995; Rynes & Rosen, 1995). These same successes can be experienced by other businesses if the process is implemented properly.

VIII. WHAT MAKES SOME DIVERSITY INITIATIVES SUCCESSFUL?

There are several critical success factors involved in the diversity management process. The process should be a standard way of doing businesses as opposed to a short-lived, one-time exercise (Riccucci, 1997; Rynes & Rosen, 1995), and a pragmatic approach is more likely to lead to positive outcomes than aggressive tactics (D’Souza, 1996). A broad definition of diversity based on inclusiveness should be established, and top management must demonstrate full support (Rynes & Rosen, 1995). Companies should choose a consultant who will tailor the training and who can provide a list of references willing to discuss the consultant (Rynes & Rosen, 1995).
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SUMMARY

Handled improperly, diversity management can turn into a losing situation for all involved, leading to the devaluation of employee, reverse discrimination, demoralizing and reinforcement of stereotypes, and increased exposure to legal risks. Fortunately, if approached properly, undertaking a diversity management initiative can result in a win-win situation for both employer and employee alike.

REFERENCES