

CHAPTER I

INTRODUCTION

Topic of Interest

The statistics representing the workforce of the new millenium are well known. Increased numbers of women, people of color, and older workers will soon begin to fill positions once held and dominated by non-minority men. Gone are the days of an all European-American male workforce. A workforce representing various nationalities, cultures, religious affiliations, values and beliefs will soon take center stage.

As the labor force of Asians, blacks, Hispanics, women, and other minority groups rapidly expands, it is estimated that their share of managerial and administrative support positions will decline. This decrease will reflect the lower number of jobs in the goods producing industry. However, the service industry will continue to grow in size and account for the majority of jobs by the year 2005. This, according to Kutscher (1995), should be of major concern to all businesses interested in survival.

America's tourism industry employs 6.8 million people directly and another 9 million indirectly, with an estimated travel related payroll of \$121.6 billion (Minic, 1997). The challenge for the hospitality and tourism industry will be to ensure that diversity is reflected in all levels of the organization, not just in entry-level or low-skilled jobs (Christensen, 1993; Chon & Sparrow, 1995; Gregory & Hughes, 1996; Thomas, 1990). The true reflection of tomorrow's workforce should be seen across all levels of the corporate organizational chart, the customer base, marketing advertisements and suppliers.

To aid in such demographic expansions it is estimated that diversity management or sensitivity training programs of some sort take place in over half of the U.S. companies with over 100 employees (Lubove, 1997). Such training programs are often seen as a business necessity brought about by political, social, and economical needs. From an organizational point of view, these programs are thought to enhance a company's ability to:

1. increase market share;
2. compete more effectively;
3. create better organizational structures and policies;

4. enhance recruitment, retention, and development efforts;
5. move towards full utilization of all employees;
6. improve moral commitment;
7. smooth transitions in mergers and acquisitions; and
8. be more responsive to technological and business climate changes (Wheeler, 1996).

Promoting diversity and/or sensitivity training programs does not come without expense. It is estimated that 10 billion dollars per year is spent attempting to alter attitudes and prepare firms for multicultural staffs and market places (Lubove, 1997). In the hospitality industry alone, Continental Airlines, Marriott International, Darden Restaurants, Ruby Tuesday, Inc., and Hyatt Hotels and Resorts have established diversity management programs and/or have created managerial positions specifically for the development and understanding of diversity issues (Hospitality Industry Diversity Institute, 1997).

The proper management of diversity presents challenges for companies across all aspects of human resources management, sales and marketing, finance, strategic management and operations. For companies considering implementing a diversity management program, justification comes by two means: 1) the company attempts to either be moral and give value to all individuals; or 2) the company understands the changing demographic patterns of the nation (Perceri, 1994; Thomas, 1990). Whether justification for implementing diversity management and/or sensitivity training programs is a moral or professional decision, it must be accomplished if companies are to become and/or remain competitive.

Regardless of the organization's motivation for implementing a diversity management or sensitivity training program, certain rewards are expected. As listed previously, perceived organizational benefits are well documented. However, there is little, if any, documentation of the individual benefits of such programs.

The purpose of this dissertation is to: 1) implement an empirical study designed to profile what diversity management training initiatives hospitality industry employees are involved in, identify who these employees are, and to identify what relationships exist between level of diversity management training involvement and the personal inputs and outputs of employees; 2) to contribute to the expanding body of literature on diversity

management training programs; and 3) to gain a better understanding of the usefulness of diversity management programs in the hospitality industry.

This chapter will briefly describe the basic concepts used in the study, the significance of the current research and the problem statement. In conclusion, this chapter will describe the plan of the dissertation.

Terms and Definitions

Cultural Diversity

The representation, in one social system, of people with distinctly different group affiliations of cultural significance (Cox, 1993).

Diversity

To some researchers, diversity is defined across a broad spectrum of individuals and, to others, it is narrowly focused. Cross, Katz, Miller, and Seashore (1994), stated that diversity deals with issues of racism, sexism, heterosexism, classism, ableism and other forms of discrimination at the individual, identity group, and system levels. Cox described diversity as the representation, in one social system, of people with distinctly different group affiliations of cultural significance (1993). Both Cox (1993) and Cross et al. (1994) presented narrowly focused definitions as they emphasized race, ethnicity and gender. Researchers such as Jamieson & O'Mara (1991) and Thomas (1991) supported the notion of a broader definition of diversity. A combination of demographics and psychographics provided more insight for Jamieson & O'Mara as they broadened the common interpretations of women and people of color to include characteristics such as values, beliefs, age, disabilities and education, to name a few. In 1991, in Beyond Race and Gender, Thomas stated that diversity "includes everyone." Thomas expanded his definition of diversity to include age, personal and corporate background, education, function, personality, lifestyle, sexual preference, geographic origin, tenure with the organization, exempt or non-exempt status, and management or non-management (1991). Five years later, Thomas' definition simply stated that "diversity refers to any mixture of items characterized by differences and similarities" (1996).

Diversity Climate

The diversity climate is the corporate atmosphere as defined by its interactions with minorities on the individual, group, and organizational level (Cox, 1993). These interactions take place on individual, group and organizational levels (Cox, 1993; Thomas, 1996). The phenomena that constitute diversity include the following, but are not limited to; prejudice feelings, stereotyping, personality, intergroup conflict, institutional bias, and various forms of integration (Cox, 1993).

Diversity Management

Diversity management is the planning and implementation of organizational systems and practices to manage people so that the potential advantages of diversity are maximized while its potential disadvantages are minimized (Cox, 1993).

Diversity Management Training

Management training is training in supervising and implementing employment practices (Horrihan, 1997). Examples of management training include conducting employee appraisals, managing employees, resolving conflict, following selection/hiring practices, and implementing regulations and policies. Diversity management training programs are behavioral in nature, strategically driven, pragmatic, based on a synergy model, attempt to affect the efforts of managerial practices and policies (Henderson, 1994), and promote a response to the diversity program in itself (Nemetz & Christensen, 1996).

Diversity Management Training Initiatives

Diversity management training initiatives are various programs being implemented by organizations to support the maximum utilization of minority employees. Within the current study, these initiatives are expressed under the headings communication, education and training, employee involvement, career development and planning, performance and accountability, and corporate culture (Wheeler, 1996).

Personal Inputs

Personal inputs are the contributions brought to an organization by individuals that entitle them to rewards or costs (Adams, 1965). Examples of personal inputs include, but are not limited to, age, education, effort, gender, job performance, loyalty, race, seniority and skill.

Personal Outputs

Personal outputs are the positive or negative consequences that an individual receives in the course of the relationship (Adams, 1965). Examples of personal outputs include, but are not limited to, job/career satisfaction, organizational identification, job involvement, opportunity, compensation, and job performance ratings.

Majority Group

A majority group signifies a group of individuals that, compared to minority group members, have historically held advantages in power and economic resources compared to minority group members (Cox, 1993).

Minority Group

A minority group is a term used by sociologists to designate not a group's numerical representation, but rather its relative power and status in a society. A broad definition of this term can be based on groupings of similar physical and cultural traits and or group consciousness (Wagley & Harris, 1964).

Sensitivity Training

Sensitivity training occurs when a company seeks to value differences, not manage them. Such programs place emphasis on the appreciation of differences and on the creation of an environment in which everyone feels valued and accepted. Sensitivity training programs are ethically driven and idealistic. These programs are built around a diversity model that assumes that the trainee group will retain its own identity (Henderson, 1994). Attitudes, minds and the corporate culture are affected, as opposed to practices and policies.

Racioethnic Identity

Racioethnic identity is a label used to identify the differences of physical and cultural backgrounds among members of the same national origin (Cox, 1990). It is preferred over ethnic identity by researchers because it distinguishes people within a racial group and provides a richer profile of individuals.

Research Justification

Justification for conducting a study that investigates the perceived benefits of diversity programs on the individual level follows.

1. Demographic shifts in the workforce create the need for companies to find out more about individuals and their attitudes towards diversity programs. An example of a statistical justification for such a study is found in Fullerton's 1995 *Employment Outlook: 1994-2005* article printed in the Monthly Labor Review. The following points are made:
 - ◆ Changes in the economy equal changes in the workforce.
 - ◆ The rate of growth in the women's labor force is expected to increase greater than that of men. By 2005, 48% of the workforce will be women.
 - ◆ The Hispanic labor force will grow faster than that of the black labor force. The Hispanic and Asian population will grow by 48%.
 - ◆ Minority employees will become a larger share of the new workforce, with immigrants representing the greatest increases. Nonwhites, women, and immigrants will make up more than 56% of the net editions to the workforce.
 - ◆ White males will account for only 15% of the 25 million people who will have joined the workforce between the years 1985-2000.
2. Prejudice feelings and institutionalized discrimination remain alive and active in the workplace (Charles, 1994; Farrar, 1996; Thomas, 1990).
3. There is a lack of supporting research on minority perceptions within organizations. Few research articles have included race and/or gender as a topic of study or addressed the impact of diversity management programs (Dove, 1996; Ghiterlman, 1992; Gregory & Hughes, 1996; Peceri, 1994).

4. Companies are spending top dollars on diversity programs and sensitivity training, with very few empirical studies supporting the program's perceived effectiveness on employees.
5. Given the large amount of money spent on training, surprisingly little effort has been directed toward tracing the results, let alone making training more effective and reliable (Haywood, 1992).
6. The final justification for such a study may be understood by the following thoughts. The only thing that is constant is change and change is taking place in the demographical representation of this nation. These changes affect the workforce pool, customer markets, and the average individual's way of thinking (Capowski, 1996; Christensen, 1993; Doka, 1996; Dove, 1996; Gamio & Sneed, 1992; Lubove, 1997). If companies are to take advantage of these new labor pools, niche markets, and creative new ways of thinking, they must begin with an understanding of the individuals behind these changes, specifically their employees (Cox, 1990; Gamio & Sneed, 1992; Quek, 1997).

The proposed study is a valuable means of evaluating the impact of diversity management training on individual employees in the work place. Being one of the few empirical studies conducted in the hospitality industry regarding diversity management training, this study has the potential to lend more insight on diversity management studies in the hospitality industry.

Problem Statement

Rewards of diversity programs or sensitivity training in the ways previously listed represent benefits to the organization. It is believed that individuals also benefit from such programs, but exactly how is the question. There are few empirical studies identifying the benefits of implementing diversity management or sensitivity training programs on individual employees. The study seeks information from operations, sales and marketing, food and beverage, housekeeping and maintenance, and purchasing managers in the lodging industry regarding their involvement with diversity management training programs to answer two research questions.

The research questions are as follows:

1. Is there a relationship between diversity management training initiatives and the personal inputs (i.e., age, education, gender, loyalty, racio-ethnicity, and seniority) of various lodging managers?
2. Is there a relationship between diversity management training initiatives and the personal outputs (i.e., compensation, job/career satisfaction, job involvement, opportunity, and organizational identification) of lodging managers?

Plan of the Dissertation

This dissertation will consist of five chapters. In this chapter, the topic of interest, terms and definitions, and research justification were introduced. Additionally, the study's purpose, and research (questions) were discussed. The second chapter will review the literature of various paradigms, theories and models supporting the management of diversity. The three supporting models being reviewed include Adams' Equity Model, Cox's Interactional Model of Cultural Diversity and Charles' Relationships of Factors Affecting the Recruitment, Retention, & Promotion of Blacks Into Upper-Level Lodging Management Model. National demographic and employment trends, current diversity management training programs and the minority representation within the hospitality industry are also discussed within the second chapter. In chapter three, the research hypotheses and methods to test the hypotheses will be discussed. The fourth chapter will be a presentation and discussion of the results obtained from the study. The final chapter (five) will summarize the findings, draw conclusions, and offer suggestions for further research.