

## Work Force Diversity

### What It Means for the Office



For many organizations, “innovate, don’t imitate” has become the mantra for success. In a recent survey of CEOs at 427 of the fastest growing U.S. product and service companies, 75 percent reported that innovation is an organization-wide priority for them, and 79 percent said innovation is a key part of their corporate strategy.<sup>1</sup>

People, and the knowledge and skills they possess, are key to this innovation, yet managing them can present significant challenges. Those who make up the North American work force are becoming increasingly diverse. They exhibit a mixed bag of attitudes toward work and their employers. They are more mobile and harder to attract and retain than ever before, especially in certain fields.

As businesses learn to value intangible assets, such as the right people, ideas, and places, and build processes that encourage cross-fertilization among disciplines, functions, and locations, a question remains: How can organizations give a work force that is increasingly diverse in age, attitudes, gender, and skills the environment it needs to contribute its best?

#### Diversity continues on all fronts

To get a preview of the North American work force in 10, 20, or even 50 years, simply look around nearly any office and imagine the same scene, only with more women, a broader range of ages, and more races and ethnic backgrounds represented. The gradual yet significant changes in the work force that began in the late twentieth century will continue over the next 50 years.

Women will lead the way. Their share of the labor force grew from 30 percent in 1950 to almost 47 percent in 2000, or 66 million. That growth will continue, with the number of working women expected to reach 92 million in 2050, or about 48 percent of the work force.<sup>2</sup> With the number of women enrolled in college projected to outnumber men by 25 percent in 2007, they will make a big impression on businesses, and the numbers who hold top executive positions will rise from the current 3 to 5 percent.<sup>3</sup>

The population of older workers will also grow significantly over the next 50 years. The 55-and-older age group, which made up 13 percent of the labor force in 2000, is projected to increase to 20 percent by 2020. By 2050, the group will make up 19 percent of the labor force.<sup>4</sup>

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As people are living longer and staying healthier, they are redefining retirement; 80 percent of them report they will continue to work past age 65.<sup>5</sup>

More minorities, many of them immigrants, will join older workers and women in transforming the makeup of the labor pool. Between 2000 and 2050, Hispanic Americans are expected to more than double their share of the labor force, from 11 percent in 2000 to 24 percent in 2050. African Americans also are expected to increase their share, from 12 percent in 2000 to 14 percent in 2050. Asian Americans, the fastest-growing group in the labor force, are projected to increase their share from 5 percent to 11 percent between 2000 and 2050.<sup>6</sup>

### Attitudes as varied as the population

Diversity isn't confined to people's physical characteristics. It also includes their different attitudes and experiences. Social scientists and human resource consultants have written much in recent years about how to manage people effectively when several different generations work together in the same workplace.

Researchers generally agree on the attitudes and characteristics of various generations, even though they may parse the groups differently (breaking the 35 to 54 age group into Baby Boomers and Cuspers, for example) and use alternative terms to identify them (calling those born after 1980 Nexters, Millennials, Gen Yers, N Gen). They also concur on the importance of understanding the differences and similarities among generations in order to manage them effectively, because employees from multiple generations and in varying stages of their lives have different motivations and needs.

Researchers do not agree, however, on the impact of generational differences on the workplace. Some find that intergenerational conflict is already a fact of work life. For example, 57 percent of respondents to the Human Resource Institute's The Changing Work force survey "either disagreed or strongly disagreed with the assertion that different generations blend as they work together—that age is not a major factor at work."<sup>7</sup>

One perception many share who take the "generational conflict" view of the work force is that young people have abandoned traditional work values. However, when researchers in one study

asked respondents to indicate their level of belief in the "Protestant work ethic," they discovered that 17-to 21-year olds had significantly higher scores than three older groups (26–29, 30–39, and 40+). The 22-to-25-year-olds' scores were also significantly higher than the 40+ group.<sup>8</sup>

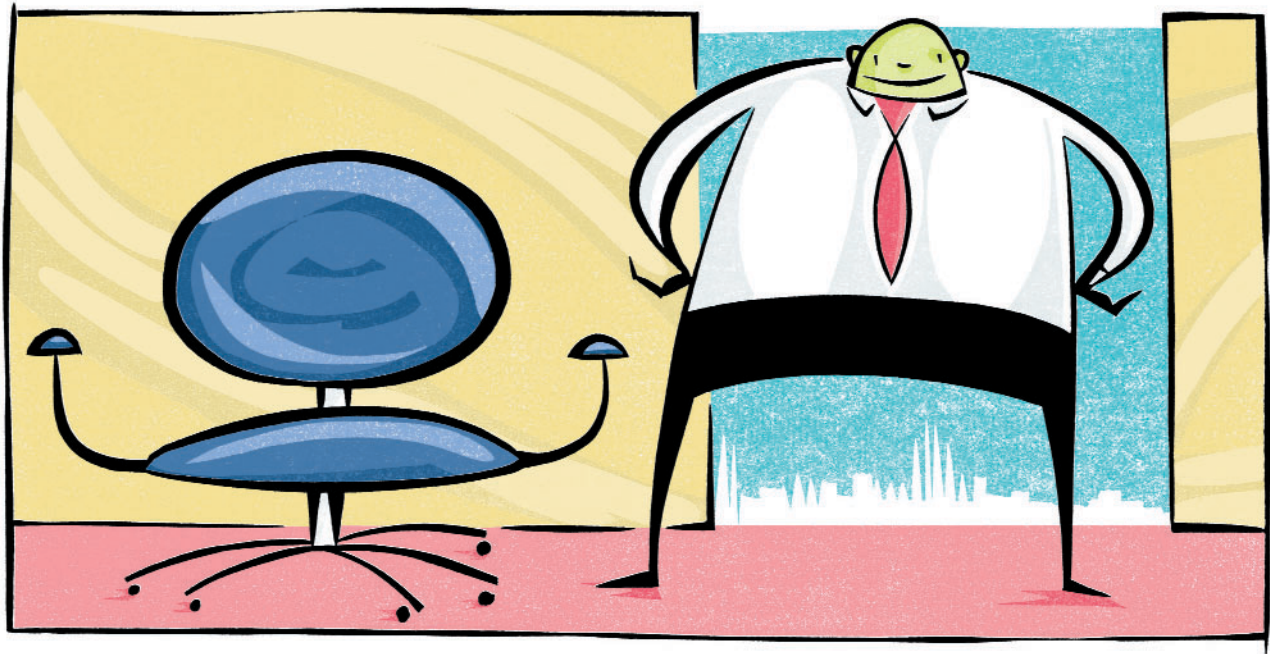
In another study of over 2,600 Americans and Canadians, 9 out of 10 workers, from all generations, said they want:

- work that gives them personal satisfaction,
- work that is valued by their employer and their customers,
- an employer who understands that personal lives are important, too.<sup>9</sup>

Herman Miller, investigating generational differences in the workplace, found that "members of all generations stress the importance of finding a balance between work life and personal life. Preference for different communication styles also does not vary by generations... Across all generations, having a sense of pride in one's work is the most important motivator. Working for an organization that provides opportunities to develop one's knowledge and skills is also considered very important. Among the different 'motivators' examined, financial reward is considered less important than having a feeling of being appreciated and recognized for doing good work."<sup>10</sup>

Perhaps more important, the Herman Miller research, which studied five generations (Pre-Boomers, Baby Boomers, Cuspers, Gen Xers, and Millennials), also examined whether generational differences influence workers' satisfaction with their offices and what recommendations they would make to improve them. The responses indicated that the type of office one sits in is more important than the generation to which one belongs. According to the study, "For nearly every attribute, there is a larger difference in satisfaction between members of the same generation who are sitting in different types of offices (private offices versus cubicle offices and open areas) than there is between members of different generations sitting in the same type of office."<sup>11</sup>

Data also showed that satisfaction with one's office improves the older one becomes. While this supports the notion of generational differences, findings were surprisingly homogeneous across generations for many measures. All groups cited the ability to personalize one's office as more important than efficiency, comfort,



privacy, or attractiveness.<sup>12</sup> In response to the open-ended question “If you could change anything about your office/cubicle, what would it be?” all generations mentioned “more room” most often, with the next most-mentioned item, “more privacy,” a distant second.

When presented with recommendations for change, respondents reacted similarly across generations. “Increasing ‘the amount of work surface’ and increasing ‘the comfort of one’s chair’ received the highest ratings...Increasing auditory privacy was considered more important by all generations than increasing visual privacy.”<sup>13</sup>

### Scarcity of key people continues

While some workers may be shy about demanding a comfortable chair or more work surface area, others will add it to a long list of requirements. Competition for these key knowledge workers will heat up at the same time that the size and educational preparedness of the overall labor pool declines.

While the civilian labor force grew by an annual rate of 1.6 percent per year between 1950 and 2000, the U.S. Bureau of Labor Statistics projects that growth will slow to 0.6 percent annually between 2000 and 2050.<sup>14</sup> In the 2002 Heldrich Work Trends Study, 57 percent of companies with 100 or more employees reported having difficulty hiring workers with the required skills. But workers cannot depend on their employers for skills training. According to the study, 71 percent of employers in finance, insurance, and real estate expect to have problems finding qualified workers, yet a majority of them also believe it is up to their employees to obtain training.<sup>15</sup>

Thus, demand will remain strong for highly skilled workers. Consultant Richard Florida calls them the “creative class,” people who apply or combine standard approaches in unique ways, who engage in complex problem solving that involves a great deal of judgment. “The key to economic growth lies not just in the ability to attract the creative class, but to translate that underlying advantage into creative economic outcomes in the form of new ideas, new high-tech businesses, and regional growth,” he says. According to Florida, 38 million Americans, or 30 percent of the labor force, working in knowledge-intensive industries, such as high-tech, finance, legal, healthcare, and business management, fit this profile. He estimates that between 1950 and 2000, the size of the work force devoted to technical creativity

(primarily scientists and engineers) expanded 8 times (from 625,000 to 5 million), and the number of people making a living from artistic and cultural creativity increased about 4 times (from 525,000 to 2.5 million).<sup>16</sup>

### Environments that accommodate people

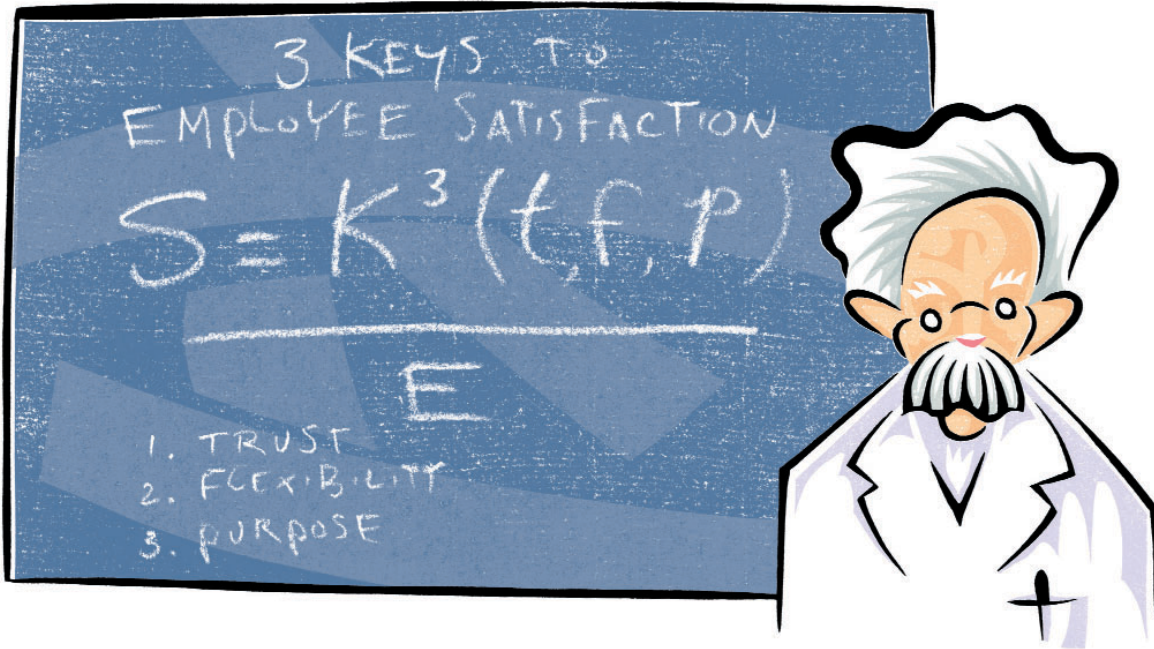
North American businesses have been dealing with the implications of a diverse work force for some time now. They have been making policy and strategy decisions with all employees’ needs in mind and using specialized training in managing diversity to foster creative problem solving, reduce conflicts, and increase team building and efficiency. They are also finding that the most direct result of a diversifying work force has to do with the most tangible of factors: the differences in physical characteristics among workers.

Women in general tend to be smaller than men. People of Asian ancestry tend to be smaller than people of European and African ethnicity. A greater variety of body sizes means that furniture must adjust to accommodate a greater range.

The American National Standards Institute has provided guidelines for furniture manufacturers and businesses that accurately represent a broader range of body types and sizes. Furniture companies have responded by expanding the range of adjustability in chair height and depth, work surface height, sit-to-stand keyboard trays, and at-hand storage. Some have developed three chair sizes—all of which are adjustable within their particular range.

But body size is only one dimension of physical diversity. Older workers as a group, for example, experience more vision and hearing difficulties than other groups, as well as more mobility limitations. The legal obligation to accommodate workers with all kinds of disabilities, including these age-related ones, is encouraging businesses to create the kind of accessible environment that will assist workers at all levels of ability.

For many kinds of disabilities, adjustable chairs and systems furniture properly selected and installed can easily achieve an appropriate accommodation. Older people and those of non-“average” body types are more vulnerable to cumulative trauma disorders, visual problems, and other physical complaints if their workstations do not take their



particular conditions into account. This also highlights the importance of knowledge. A work force more diverse in its physical abilities and characteristics needs an understanding of ergonomic principles and how to adjust furniture appropriately.

#### Elements that foster individuality

Workers, of any age, do not turn off their values and attitudes once they enter the workplace, so it is not surprising that managing people who come from many different perspectives can pose significant challenges. It seems, however, that employers who apply sound, tested management principles are likely to help employees feel satisfied and enable them to contribute.

When the Human Resources Institute surveyed managers about attracting and retaining workers in 2001, two-thirds said they either had strategies in place or under development for improving employee motivation and loyalty. To accomplish this, nearly three quarters (73 percent) said they were focusing on maintaining good worker/supervisor relationships. Beyond that, managers were working to create a challenging work experience (71 percent), ensure open and honest communication (65 percent), provide outstanding training and education opportunities (52 percent), and create pay systems that reward increased employee contributions and let them share in the firm's success (44 percent). Being the highest-paying employer received the lowest rating, with a mere 2 percent saying it is very important.<sup>17</sup>

Based on its "2001 North American Employee Review," employment services company Randstad North America believes there are three keys to employee satisfaction.

- If you want to connect your employees to their work and your company, listen to what they say about what is really important to their sense of value and success: trust.
- Employees who feel they have some flexibility in when, where, or how they work are more satisfied with their jobs. And learning to manage employees inflexible work situations is good practice for management of the future.
- Employees who perceive they have a career tend to be more satisfied with their work, their positions, and their employers. They tend to be happier and more likely to stay.<sup>18</sup>

There are other equally practical avenues employers can pursue to increase worker satisfaction, such as policies that allow workers to personalize their offices. As noted in the Herman Miller study of age and attitudes, all generations are keenly interested in personalizing their offices, though employers should be aware that personalization is one office behavior that varies by gender. Meredith M. Wells, in her 2000 study of personalization, found that women consider personalization more important than men do. Women tend to display an average of 18.5 personal items compared to just 8.3 items for men. Women typically display items that communicate relationships and family, such as pictures of spouses, children, and pets, whereas men tend to display things that communicate their achievements in the world, such as diplomas, certificates, and trophies.<sup>19</sup>

People have been telling researchers for some time now that they want more surface area on which to spread out work. Indeed, when Herman Miller researchers surveyed nearly 1,200 workers in 28 companies across the United States and Canada in 2001, they found that workers with more square footage reported that they liked their workspace more than those with less square footage. They also found their office space to be more comfortable and attractive.<sup>20</sup>

Conventional wisdom has it that the size of workstations is decreasing, a trend which, if true, could make people more dissatisfied with their workspaces. However, data are mixed on the subject. When Herman Miller questioned facility managers, architects, and interior designers, 37 percent said office square footage had declined over the past 5 years, 34 percent said it had remained the same, and 20 percent reported increases in office size.<sup>21</sup>

When decreases in office square footage occur, they typically do so in response to rising real estate costs. In some cases, however, employers are providing more compact workspaces designed to keep everything within the occupant's reach. A key component in making these efficient designs possible is the removal of all but the essential. Thus, companies are placing most, if not all, filing into archival off-site storage facilities or shared on-site storage areas. An inquiry by Herman Miller into alternative storage solutions identified increasing use of off-site storage in which digital files are stored and retrieved from "storage utilities" via fiber-optic cable or from ISP-model storage providers via the Internet.<sup>22</sup>

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Putting things within arm's reach, however, and the near ubiquity of computers may have significant implications for the chair a person occupies. While the dimensions of the workstation aren't strong determinants of neck and upper extremity postures among computer operators, the type of job a person performs is.<sup>23</sup> A study of seated behaviors undertaken by researchers at Herman Miller found that people performing computer-related tasks used upright or forward-leaning postures nearly 75 percent of the time.<sup>24</sup> Providing a chair that promotes natural, unforced spinal alignment and muscle balance when the person is in these upright or forward-leaning postures becomes important for worker satisfaction and healthful sitting.

### Surroundings that hold people's interest

As the size and quality of the labor pool changes, keeping people satisfied and interested in their work becomes more important. Whether attracting a superstar or a steady contributor, companies are changing policies and rethinking facilities to get and keep good employees and control the costs associated with turnover.

These efforts at attracting and retaining people take into account two facts of employment life. First, when candidates choose to accept an offer, they place more importance on considerations such as income and attractive benefits because they cannot determine in advance whether they will experience job satisfaction from the actual work. Second, once they begin the job, factors such as working conditions, managers, and career contribute more substantially to overall job satisfaction.

To create an atmosphere where skilled professionals feel valued and can grow professionally, many companies are abandoning the command-and-control management strategies that knowledge workers find stifling, replacing them with more democratic and flexible management philosophies, especially important for those who would prefer to continue working in their specialty at higher levels of mastery rather than entering the ranks of management. Businesses are also adopting alternative reward systems, such as professional development opportunities, sabbaticals, and shares of company stock, that appeal to knowledge workers.

Valuing diversity has also begun to change the iconography of status. Certain furniture sends a specific message; for example, the big leather chair behind a large wood desk positioned to face the door

and remind visitors of their subordinate status every time they enter the room. Thus, many managers and executives who want to send a message of cooperation and understanding are opting to meet their employees on more equal footing around a conference table or peninsula work surface.

Companies are also using "alternative officing" to give workers more freedom. These range from team environments to home-based telecommuting. In team situations, many firms are giving their knowledge workers an official sanction to experiment by providing them with extremely flexible furniture and extensive control over rearranging their spaces. And 45 percent of companies report providing nondedicated workspace for workers who telecommute or visit on a periodic basis.<sup>25</sup>

Experiments in creative ways of working will continue, if only because good people are hard to find and keep. As businesses seek ways to realize the potential of a changing work force, they will work harder to maintain employees' attention, which will shift from job security to skill and network development. They will reconsider organizational structures and adopt new measures of accountability for innovators. They will equip facilities with furnishings that move and adjust. They will create workplaces as diverse as the people who occupy them.

### Notes

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