What are the Reasons for Low Performance of Minority Employees in an Organization?

Ciprian LUŞCAN¹

Abstract

Minority communities face a great disadvantage when it comes to the labor market. Categorizing an individual as belonging to a certain group leads to the so-called social discrimination of the individual. This behaviour results in automatic exclusion from the community. Behaviours of this kind carried out over an unlimited time horizon end up having negative effects on society, so we could make an analogy to liken these behaviours to an "incubator" that generates local conflicts. Racial and ethnic minorities are underrepresented in the upper echelons of the business hierarchy even when they comprise a large portion of the industry's workforce. There are various ways to create an inclusive workplace environment for minorities. An example of such a method is for human resource personnel and managers to promote respect for minorities who wish to express their identity in the workplace. Ethnic identity is a complex phenomenon and one that organizations must embrace if they are to be inclusive and achieve maximum performance from all employees.

Keywords: management, minorities, discrimination, organizations, performance.

JEL classification: J15, L31. **DOI:** 10.24818/RMCI.2022.4.495

1. Introduction

In the specialized literature, both at the international and national levels, research on minorities is not found at a very advanced level. In fact, following the study carried out in research in that field, I noticed that there is almost a complete lack of studies that present the integration and the way in which minorities work within organizations. Most of the time, these people complain about being discriminated against at work, not having the opportunity and the chance to occupy key positions within the companies where they work. Minority communities face a great disadvantage when it comes to the labor market. If we refer to the discriminatory factor, it has come to affect human society the most. Categorizing an individual as belonging to a certain group leads to the so-called social discrimination of the individual. This behaviour results in automatic exclusion from the community. Behaviours of this kind carried out over an unlimited time horizon end up having

¹ Ciprian Luşcan, Babes-Bolyai University, Faculty of Economics and Business Administration, ciprian.luscan@econ.ubbcluj.ro

negative effects on society, so we could make an analogy to liken these behaviours to an "incubator" that generates local conflicts. To prevent such unpleasant situations, the recommendation is to eliminate these negative behaviours.

Regarding the theoretical part related to discrimination, Becker is the researcher who started the modern economic theory of discrimination, which was later developed by Arrow. According to the information provided by the two in the research carried out, they believe that people have a set of behaviours that vary towards those they work with, towards those they supervise, and towards those from whom they purchase goods and demand a compensation to work with members of the discriminated group (Becker, 1971; Arrow, 1974). While D.J. Aigner and G.C. Cain consider as a consequence of group discrimination ethnic discrimination or gender discrimination, these being inevitable between the people who make up a group. The two characterize discrimination as the situation in which the average wages obtained are not proportional to the average productivity, or the groups that achieve an average production, do not receive a compensation directly proportional to the effort put into the production process (D.J. Aigner & G.C.Cain, 1977). Mc Call suggests that if a minority group ends up being discriminated against, their costs of finding a new job increase (Mc Call, 1972). Sloane launches an idea that supports the fact that with the increase in the time duration of an employee's search for a new job, his chances of being rejected also increase significantly, and regarding the opportunity cost, it is lower for a minority group compared to by the majority. The explanation of this phenomenon is given by the fact that their potential earnings are lower (Sloane, 1985). In fact, the conditions offered on the labor market can have an influence on the activity rate of workers, and discrimination leads to the emergence of unemployment and the existence of discouraged workers within organizations.

Carneiro, in his study of ethnic discrimination in the labor market, gives an explanation of its presence based on the differences in skills found at the ethnic level (Carneiro et al., 2003). These differences in skills that can be found at the ethnic level are influenced to a large extent by the level of schooling.

With increasing ethnic diversity comes the need to have a more refined view of what ethnicity means in the workplace, to recognize the role of ethnic identity, and to know how it manifests and is experienced in the workplace (Kenny & Briner, 2013). Therefore, it can be argued that the workplace is a conducive environment for the expression of prejudices, stereotypes, and discrimination against colleagues. Organizations can be places where societal practices of ethnic prejudice occur (Plaut, Thomas, & Hebl, 2014). However, in most situations, individuals do not leave their ethnic identity at the door when they arrive at the workplace, and those with marginalized ethnic identities are often the target of discriminatory behaviour.

In 2010, a study was launched under the coordination of the National Council for Combating Discrimination (Synthetic Report, CNCD - ToTEM 2010), its purpose was to discover the attitude and opinions of Romanian citizens in relation to the phenomenon of discrimination. The basis of this research consisted of an individual questionnaire applied to a sample of 1400 adults from all regions of the country, both from the rural and urban environment.

The labor market ranks first in terms of the frequency of discrimination situations. Thus, according to the study, the most affected group is represented by people infected with HIV, a percentage of 71% considers these people to be the most often discriminated at the time of employment. Homosexuals are ranked next, 50%-55% believe that workplaces and public spaces represent the most common contexts for discrimination. The third position is occupied by the ethnic Roma; 56% believe that both at the time of employment and at the workplace there is discrimination against people belonging to this ethnicity. Discrimination against women is present in the last position, and the context of discrimination against women at the workplace is emphasized by 13% of the interviewees, another 11% considering public places as a major context of discrimination against women.

Regarding the belonging of an individual to an ethnicity, 24% of the respondents to the questionnaire considered this very important to be successful in life. As a result of this fact, belonging to one or another ethnicity matters in: employment, access to medical services, acquiring a home, access to legal services, access to education, and access to public services.

Through this study, I want to support the idea that people belonging to minority groups may have lower performance at work due to discrimination from majority employees. I believe that these behaviours can be easily corrected over time, and minority employees can be easily integrated into a collective, so that their level of work performance is high.

2. Research methodology

For this article, I resorted to literature research regarding discrimination and challenges faced by minority groups in the workplace and within organizations. The collection of information was carried out from articles in the international literature that have as their main object of research the situation of minorities within public and private organizations. Thus, a series of articles referring to the research theme were studied and analysed, the respective studies being carried out in Europe as well as in the United States of America.

The main objective of this article is to identify the challenges that national minorities end up facing within the organizations in which they operate, and at the same time, the detection of the triggering factors for those situations is considered. After identifying the elements that generate challenges for national minorities, it is desired to find some solutions so that they no longer affect minority employees; as a result, their level of performance will not suffer. One of the hypotheses underlying this research is represented by the fact that many employees who belong to a minority, be it sexual or national, complain that they are mostly discriminated against by the employer, not having the opportunity to occupy key positions within the organizations in which it operates. Moreover, some minority employees may end up having much lower performance at work, which is caused by the pressures and acts of discrimination launched by the majority employees. Regarding the studied population, for that article a collection of information was

made from several articles that studied situations of discrimination against minorities within some organizations. The studied population was mainly made up of people belonging to national minorities and people representing the majority in a country.

3. Results and discussions: Challenges facing minorities within an organization

Racial and ethnic minorities are underrepresented in the upper echelons of the business hierarchy even when they comprise a large portion of the industry's workforce. According to statistics provided by the US Bureau of Labor Statistics, 46.5% of people employed in the States in 1995 were ethnic and racial minorities. However, according to studies conducted by Woods in 1999, less than 8% of general managers were members of ethnic or racial minority groups. Consistent with Woods' assertions, Chernish and DeFranco showed that ethnic and racial minority groups constituted approximately 8% of board members of hotel corporations (Woods, Chernish & DeFranco, 2000).

Beyond these aspects, organizational study researchers have indicated that African Americans are "supervised more closely, have significantly lower task complexity, and are more likely to hold a job in which they have a high level of self-control is lower compared to white employees" (Tomaskovic-Devey 1993, 107). Also, African-Americans have less access to managerial positions in percentage terms compared to white employees (Tomaskovic-Devey 1993).

The under-representation of ethnic minorities in management is only a small part of the problems they face in organisations. I specify that minorities are not excluded from all management positions, but only from those that are considered to be crucial for the field in which the organization operates.

To fully understand this phenomenon, I consider it useful to consider the concept of social closure. This closure is materialized through the closed relationships between employees, through the rules of the organization to exclude or limit the entry of certain people, or through certain conditions that must be met to be able to enter the organization in question (Weber 1978). Relationships within the organization tend to be closed when its members believe that they can optimize their situation through monopolistic measures (Weber 1978). In the labor market, exclusionary practices ensure the best and most sought-after jobs, while also offering the best opportunities to groups with stronger status (Tomaskovic-Devey, 1993). In most cases, advantaged groups actively try to preserve their advantage, as their subordinate groups constantly try to usurp the power of the dominant group (Tomaskovic-Devey 1993; Parkin 1994). In efforts by dominant groups to appease subordinate groups and not appear monopolistic, they tend to try not to hoard all the jobs. Instead, they aim to reserve only the best jobs for themselves, while allowing minority groups to acquire peripheral positions.

Within organizations, some employees belonging to minority groups try to maintain their ethnic identity. This is because they feel a reluctance to give up their

roots, culture, and language. However, full integration into the workplace is difficult for many ethnic minorities, as their ethnic practices and values are often in conflict or incompatibility with the workplace schedule and standard work practices. For example, various religious groups cannot observe religious holidays or attend daily prayer programs because of workplace policies regarding working hours. That said, not all ethnic minorities maintain their cultural and religious norms where they operate.

Members of ethnic minorities can assert their identity in different ways in the workplace. An example that can support this fact is given by Segura (1992); he mentions that the purpose of some actions of ethnic minorities within the organizations in which they operate may be to serve the ethnic communities they come from. For example, ethnic minorities in a position providing services to ethnic minority students may have a reward system that affirms their ethnic identity while doing their job. Also, if we refer to the ethnic minority employees in management positions, although they sometimes face the feeling of isolation or discomfort, they choose to stay in these positions because their success will open new opportunities for other members of the community.

There are a number of reasons why ethnic minorities are reminded of their ethnic identity at work (Wharton, 1992): they feel discriminated against by other colleagues; within a work group, there are only a few individuals or none from a minority group, and as for ethnic identity, it is distinctive only within a certain framework of the work process. Therefore, when the person belonging to a minority is the only person representing his ethnic group at work, he becomes aware of his ethnic identity (Kenny & Briner, 2013). When the ethnic identity is viewed in a less favourable way, here we can give as an example, Muslim employees with a stigmatized identity, which over time can lead to a low satisfaction of the individual on the job (Kenny & Briner, 2013). The idea of being aware of the social identity of ethnic minorities can lead to stereotyping and pressure on them to perform to a higher standard than peers from majority groups.

Individuals become aware of their ethnic identities as a result of stereotypes related to the minority they belong to. To support this claim, a study was conducted by Calliste (1996) on stereotypes of white and black nurses in Canada. According to the study, black nurses were perceived as less competent, less skilled, and less disciplined compared to white nurses. In such situations, when individuals perform activities in conditions where negative stereotypes are attributed to their ethnic group, they experience a phenomenon called "stereotype threat" or "stigma consciousness," which leads to a lack of motivation, confidence, and inevitably poor performance at work (Brown & Pinel, 2003; Steele, 2010; Walton, Murphy & Ryan, 2015). Ethnic discrimination and harassment are also reasons that lead to increased levels of stress in the workplace, causing ethnic minorities to physically distance themselves from the workplace through absenteeism, tardiness, and consumption of various prohibited substances. On a psychological level, discrimination related to one's ethnic identity results in feelings of anxiety, anger, helplessness, paranoia, hopelessness, frustration, fear, depression, and anxiety.

There are certain industries in which ethnic minorities may remain at the bottom of the corporate ladder with minimal prospects for career advancement. For example, in the hospitality industry, women from ethnic minorities go unnoticed in reception or customer service positions. They are usually employed in positions where they are invisible to customers and are assigned to do menial tasks (e.g., cleaners) (Adib & Guerrier, 2003). There are cases where ethnic minorities at higher levels in organizations are subject to less discrimination than those at lower levels (Sanchez & Brock, 1996). This tells us that they are being discriminated against based on their low status in the workplace and not on their ethnic identity.

There are some situations where ethnic minorities face micro-aggressive behaviour from colleagues and supervisors. Such micro aggressive behaviours displayed toward minority employees include, but are not limited to questioning their qualifications and intelligence, treating them as second-class citizens, criticizing the quality of their speech and language, treating them as foreigners and criminals, all these automatically attract non-promotion (Rivera, Forquer, & Rangel, 2010). These behaviours make members of minorities feel disrespected, ignored, under rewarded, invalidated, and delegitimized.

Language in the workplace also becomes an essential element for ethnic identity. Humour creates social cohesion and solidarity in the work team. On the other hand, jokes and sarcasm within workgroups can exclude ethnic minorities, especially when they are ironic and ambiguous. Due to miscommunication during job and promotion interviews, the career prospects of ethnic minorities can be diminished. Language use is vital to securing a job and subsequently to maintaining good collegial relationships with other employees (Holmes & Riddiford, 2010). Hosoda, Nguyen, and Stone-Romero (2012) investigated the linguistic accents of ethnic minorities in the US workplace. Their study found that compared to applicants with an American-English accent, people with a Mexican-Spanish accent were at a disadvantage when applying for software engineering jobs. For many ethnic minority groups, language is part of their ethnic identity, and giving up their home language is perceived as giving up a strong and significant part of their personal and social identities (Johnson, 2000).

Racialization is a phenomenon that has implications for the functional segregation of ethnic minorities on the labor market (Collins 1997). Work can often be reorganized into racial roles, which can lead to so-called occupational ghettos in organizations (Collins 1997). These occupational ghettos are represented by occupations that are often laborious, repetitive, and relatively poorly paid (Feuchtwang 1982). Moreover, such occupations are traps in which climbing the ladder is both difficult and unlikely.

4. Conclusion

As we noted in this article, minorities face a number of problems in the workplace. These, along with the coming challenges, must be addressed and passed on to higher levels; otherwise members of minority groups continue to feel

threatened and their inclusion cannot be achieved. There are various ways to create an inclusive workplace environment for minorities. An example of such a method is for human resource personnel and managers to promote respect for minorities who wish to express their identity in the workplace. Thus, HR managers can undertake a zero-tolerance anti-discrimination policy against those who overtly and/or covertly discriminate against minorities in the workplace. One day of the year can be set aside for members of a minority to have the opportunity to present their culture. A Ukrainian can introduce his Roma colleague and the rest of the employees in the department about the type of food they eat, their way of celebrating religious holidays, and their style of dancing.

In my view, ethnic identity is a complex phenomenon and one that organizations must embrace if they are to be inclusive and achieve maximum performance from all employees.

References

- 1. Adib, A., & Guerrier, Y. (2003). The interlocking of gender with nationality, race, ethnicity and class: The narratives of women in hotel work. *Gender, Work & Organization*, 10(4), 413-432.
- 2. Aigner, D.J., Cain, G. (1977). "Statistical Theories of Discrimination in Labor Markets", *Industrial and Labor Relations Review*, 30 (2).
- 3. Arrow, K. J. (1998). "What Has Economics to Say about Racial Discrimination?", *The Journal of Economic Perspectives*, 12 (2).
- 4. Becker, G., (1957). The Economics of Discrimination, University of Chicago Press.
- 5. Brown, R. P., & Pinel, E. C. (2003). Stigma on my mind: Individual differences in the experience of stereotype threat. *Journal of Experimental Social Psychology*, 39(6), 626–633.
- Calliste, A. (1996). Antiracism organizing and resistance in nursing: African Canadian women. Canadian Review of Sociology/Revue canadienne de sociologie, 33(3), 361-390.
- 7. Carneiro, P., Heckman, J., și Masterv, D. (2003). "Labor market discrimination and racial differences in premarket factor", *National Bureau of Economic Research, Working Paper*, No. 10068.
- 8. CNCD-TOTEM, 2010. *Synthetic Report*. http://www.caleaeuropeana.ro/wpcontent/uploads/2010/12/Raport-sintetic.pdf.
- 9. Chernish, W. N. and A. L. DeFranco. (2000). Diversity in the lodging executive suite. *The Consortium Journal*, 5(2): 37-46.
- 10. Collins, S. M. (1997). Black corporate executives: The making and breaking of a Black middle class. *Philadelphia: Temple University Press*.
- 11. Feuchtwang, S. (1982). Occupational ghettos. Economy and society, 11(3): 251-291.
- 12. Holmes, J., & Riddiford, N. (2010). Professional and personal identity at work: Achieving a synthesis through intercultural workplace talk. *Journal of Intercultural Communication*, (22), 1-26.
- 13. Hosoda, M., Nguyen, L. T., & Stone-Romero, E. F. (2012). The effect of Hispanic accents on employment decisions. *Journal of Managerial Psychology*, 27(4), 347-364.
- 14. Johnson, F. L. (2000). Speaking culturally: Language diversity in the United States. *Thousand Oaks*, CA: SAGE.

- 15. Kenny, E. J., & Briner, R. B. (2013). Increases in salience of ethnic identity at work: *The roles of ethnic assignation and ethnic identification. Human Relations*, 66(5), 725-748.
- 16. McCall, J.J. (1972). "Economics of Information and Job Search", *The Quarterly Journal of Economics*, 86(1), 132-134.
- 17. Nistor, R.L., Mureşan, I.N., 2012. Means of improving the management of projects financed by the European Union. *Review of International Comparative Management*, 13(4), 535-542.
- 18. Nistor, R L; Măluţan, D., 2017. The core values determine the effect of achieving high performance. *Managerial Challenges of the Contemporary Society. Proceedings*; Vol. 10, Iss. 2, 80-86.
- 19. Parkin, F. (1994). Marxism and Class Theory: A Bourgeois Critique in Social Stratification: *Class, Race, and Gender in sociological perspective*, edited by D. B. Grusky. Boulder: Westview Press.
- 20. Plaut, V. C., Thomas, K. M., & Hebl, M. R. (2014). Race and ethnicity in the workplace: Spotlighting the perspectives of historically stigmatized groups. *Cultural Diversity and Ethnic Minority Psychology*, 20(4), 479-482.
- 21. Radu, M., Nistor, R., 2013. Project initiation and project management approach an expensive connection. *Managerial Challenges of the Contemporary Society. Proceedings*, Vol. 6, 67-70.
- 22. Rivera, D. P., Forquer, E. E., & Rangel, R. (2010). Microaggressions and life experience of Latina/ o Americans. In D. W. Sue (Ed.), *Microaggressions and marginality*. *Hoboken*, NJ: Wiley, 59-83.
- 23. Sanchez, J. I., & Brock, P. (1996). Outcomes of perceived discrimination among Hispanic employees: Is diversity management a luxury or a necessity?. *Academy of Management Journal*, 39(3), 704-719.
- 24. Segura, D. A. (1992). Chicanas in white-collar jobs: "You have to prove yourself more". *Sociological Perspectives*, 35(1), 163-182.
- 25. Sloane, N. (1985). Discrimination in the labour market. London-New-Yorg-Lengman.
- 26. Steele, C. M. (2010). Whistling Vivaldi: How stereotypes affect us and what we can do. *New York, NY: WW Norton*.
- 27. Tomaskovic-Devey, D. (1993). Gender and racial inequality at work: The sources and consequences of job segregation. *Ithaca: ILR Press*.
- 28. Walton, G. M., Murphy, M. C., & Ryan, A. M. (2015). Stereotype threat in organizations: Implications for equity and performance. *Annual Review of Organizational Psychology and Organizational Behavior*, 2(1), 523-550.
- 29. Weber, M. (1978). Economy and society: An outline of interpretive sociology, edited by G. Roth and C. Wittich. *Berkeley: University of California Press*.
- 30. Wharton, A. S. (1992). The social construction of gender and race in organizations: A social identity and group mobilization perspective. *Research in the Sociology of Organizations*, 10(1992), 55-84.
- 31. Woods, R. H. and D. Viehland. (2000). Women in hotel management: Gradual progress, uncertain progress. *Cornell Hotel and Restaurant Administration Quarterly*, 41(5): 51-54.
- 32. Synthetic Report CNCD ToTEM, 2010 https://www.scribd.com/doc/64154567/ Raport-Sintetic-CNCD-ToTEM-2010