In 1991, Bank of Montreal (BMO) executives discovered an alarming statistic. Although women made up 75 percent of the company’s workforce, only 9 percent of the company's executives and 13 percent of its senior managers were women. Overall, 91 percent of the company's women employees were in nonmanagement positions. Then CEO Tony Comper described the bank's performance in achieving equality for women as “dismal.”

In order to address this problem, the executives created a Task Force on the Advancement of Women to identify and break down the barriers to women's advancement and to develop an action plan. Members of the task force interviewed almost 300 employees and conducted the company's largest employee survey ever, with more than 9000 responses.

Based on the results, the task force identified three major barriers to women's advancement. First, it was found that many employees in the company had false assumptions about women. In fact, a key finding was that women were not advancing because of stereotypical attitudes, myths, and “conventional wisdom.” For example, women at the bank were perceived as either too young or too old to compete with men for promotions. They were seen as less committed to their careers because they have babies and leave the bank while their children are young. It was believed that more women needed to be better educated to compete in significant numbers with men and that women don’t have the “the right stuff” to compete for more senior jobs. Second, the task force discovered that the bank had failed to provide women with the encouragement, opportunities, and the information they needed to advance in their careers. Third, the bank had been unsupportive of employees' personal and family commitments, something that most severely affected women with children.

To remove these barriers, a number of actions were taken. To dispel the myths and faulty stereotypes about the bank's women employees, a document that contained the bank's workforce statistics was distributed to employees. The statistics showed that the age distribution of men and
women in the bank was nearly equivalent. In response to the myth that women quit the company after having children, the statistics showed that women at all levels except senior management had longer overall service records than men. Regarding the myth that women are not educated enough to take top positions in the bank, the statistics showed that at nonmanagement and junior-management levels, more women had degrees than men. And in response to the myth that women don’t have “the right stuff,” the statistics indicated that a larger percentage of women than men at all levels received top performance ratings. Thus, contrary to the myths and stereotypes, the bank’s female employees were just as qualified for advancement as men in every respect.

In addition to removing the stereotypes of the bank’s women employees, the action plan also included enhanced training, better posting of job vacancies, redesigned career development opportunities, job information counsellors to help employees determine their suitability for particular positions, and more flexible work arrangements. A monitoring system was also set up to ensure that the bank would examine the rate of women’s advancement on a regular basis. Within two years, there were substantial gains in the percentages of women at all management levels, and by 1997, 23 percent of executives were women.

The women’s equality initiatives led to an overhaul of the entire diversity system at the bank. Within 13 months of the women’s task force, the bank created task forces on the hiring and advancement of aboriginal people, people with disabilities, and members of visible minorities. Once again, it was found that a major barrier involved misperceptions and myths. For example, the task force found that there existed a perception that persons with disabilities were less productive, took more sick leave, and
were not qualified. The task force dealt with these misperceptions with information and action plans. For example, managers received training to increase their understanding of applicants with disabilities.

Action plans to improve the hiring and advancement of aboriginal people, people with disabilities, and members of visible minorities included targeted recruitment materials, career guidance, a mentoring program, employee networks, diversity courses and action teams, advisory councils that involve employees in promoting equality, student-employment programs and internships, and partnerships with community groups.

In addition, the bank’s managers are required to set goals and action plans for the hiring, development, and promotion of women, aboriginal people, persons with disabilities, and visible minority members as part of the annual business plan process, and they are held accountable for achieving these goals in their annual performance review. Managers who promote equality receive monetary and emotional recognition.

Today, an executive committee oversees equity and diversity issues in the bank. As a result of their efforts, 37 percent of the bank’s executives are now women, the number of workers who have a disability or are members of visible minorities has doubled, and the number of aboriginal workers has tripled. Not surprisingly, BMO has received many awards for its Workplace Equality Programs and is now considered a model for how to tie diversity to business success. In July of 2006, the bank appointed Ellen Costello as CEO for its US-based Harris Bankcorp subsidiary, making her the first female chief executive officer in the history of Chicago’s banking industry.

Why has the Bank of Montreal made workplace equality and diversity a top business priority? What effect do equality and diversity programs have on employee attitudes and behaviour? And why do organizations often harbour false assumptions and myths about women and visible minority employees? These are the kinds of questions that we will attempt to answer in this chapter. First, we will define perception and examine how various aspects of the perceiver, the object or person being perceived, and the situation influence perception. Following this, we will present a theory and model of the perceptual process, and we will consider some of the perceptual tendencies that we employ in forming impressions of people and attributing causes to their behaviour. We will then examine the role of perception in achieving a diverse workforce and how to manage diversity, perceptions of trust and perceived organizational support, and person perception in human resources. In general, you will learn that perception and attribution influence who gets into organizations, how they are treated as members, and how they interpret this treatment.

**WHAT IS PERCEPTION?**

**Perception** is the process of interpreting the messages of our senses to provide order and meaning to the environment. Perception helps sort out and organize the complex and varied input received by our senses of sight, smell, touch, taste, and hearing. The key word in this definition is *interpreting*. People frequently base their actions on the
interpretation of reality that their perceptual system provides, rather than on reality itself. If you perceive your pay to be very low, you might seek employment in another firm. The reality—that you are the best-paid person in your department—will not matter if you are unaware of the fact. However, to go a step further, you might be aware that you are the best-paid person and still perceive your pay as low in comparison with that of the CEO of BMO or your ostentatious next-door neighbour.

Some of the most important perceptions that influence organizational behaviour are the perceptions that organizational members have of each other. Because of this, we will concentrate on person perception in this chapter.

**COMPONENTS OF PERCEPTION**

Perception has three components—a perceiver, a target that is being perceived, and some situational context in which the perception is occurring. Each of these components influences the perceiver’s impression or interpretation of the target (Exhibit 3.1).
The Perceiver

The perceiver’s experience, needs, and emotions can affect his or her perceptions of a target.

One of the most important characteristics of the perceiver that influences his or her impressions of a target is experience. Past experiences lead the perceiver to develop expectations, and these expectations affect current perceptions. An interesting example of the influence of experience on perception is shown in Exhibit 3.2. It illustrates the perceptions of 268 managerial personnel in a Fortune 500 company concerning the influence of race and gender on promotion opportunities. As you can see, Caucasian men were much less likely to perceive race or gender barriers to promotion than were Caucasian women, non-Caucasian men, and non-Caucasian women. Remember, these people were ostensibly viewing the same “objective” promotion system.

Frequently, our needs unconsciously influence our perceptions by causing us to perceive what we wish to perceive. Research has demonstrated that perceivers who have been deprived of food will tend to “see” more edible things in ambiguous pictures than will well-fed observers. Similarly, lonely university students might misperceive the most innocent actions of members of the opposite sex as indicating interest in them.

Emotions, such as anger, happiness, or fear, can influence our perceptions. We have all had the experience of misperceiving the innocent comment of a friend or acquaintance when we were angry. For example, a worker who is upset about not getting a promotion might perceive the consolation provided by a co-worker as gloating condescension. On the other hand, consider the worker who does get a promotion. She is so happy that she fails to notice how upset her co-worker is because he was not the one promoted.

In some cases, our perceptual system serves to defend us against unpleasant emotions. This phenomenon is known as perceptual defence. We have all experienced cases in which we “see what we want to see” or “hear what we want to hear.” In many of these instances, our perceptual system is working to ensure that we do not see or hear things that are threatening.

The Target

Perception involves interpretation and the addition of meaning to the target, and ambiguous targets are especially susceptible to interpretation and addition. Perceivers have a need to resolve such ambiguities. You might be tempted to believe that providing more information about the target will improve perceptual accuracy. Unfortunately, this is not always the case. Writing clearer memos might not always get the message across. Similarly, assigning minority workers to a prejudiced manager will not always improve his or her perceptions of their true abilities. As we shall see shortly, the perceiver does not or cannot always use all the information provided by the target. In these cases, a reduction in ambiguity might not be accompanied by greater accuracy.

EXHIBIT 3.2
Ratings of the perceived importance of race and gender for promotion opportunity in executive jobs.

Note: Table values are the percentages saying that race or gender was important or very important. N = number of cases. Source: Cox, T., Jr. (1993). Cultural diversity in organizations: Theory, research, & practice. San Francisco: Berrett-Koehler, p. 119.
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Perception, Attribution, and Judgment of Others

The Situation

Every instance of perception occurs in some situational context, and this context can affect what one perceives. The most important effect that the situation can have is to add information about the target. Imagine a casual critical comment about your performance from your boss the week before she is to decide whether or not you will be promoted. You will likely perceive this comment very differently from how you would if you were not up for promotion. Also, a worker might perceive a racial joke overheard on the job very differently before and after racial strife has occurred in the plant. In both of these examples, the perceiver and the target are the same, but the perception of the target changes with the situation.

SOCIAL IDENTITY THEORY

In the previous section, we described how characteristics of the perceiver, target, and the situation influence the perceiver’s interpretation of the target. In this section, we discuss a theory called social identity theory to help us understand how this happens. Let’s begin with a simple question: “Who are you?” Chances are when you answer this question you say things like, “student,” “Canadian,” “accountant,” and so on. In other words, you respond in terms of various social categories to which you believe you belong. This is what social identity theory is all about.

According to social identity theory, people form perceptions of themselves based on their characteristics and memberships in social categories. As a result, our sense of self is composed of a personal identity and a social identity. Our personal identity is based on our unique personal characteristics, such as our interests, abilities, and traits. Social identity is based on our perception that we belong to various social groups, such as our gender, nationality, religion, occupation, and so on. Personal and social identities help us answer the question, “Who am I?”

But why and how do we do this? As individuals, we categorize ourselves and others to make sense of and understand the social environment. The choice of specific categories depends on what is most salient and appropriate to the situation. For example, we might define people in a meeting according to their job title. Once a category is chosen, we tend to see members of that category as embodying the most typical attributes of that category, or what are called “prototypes.” Similarly, once we locate ourselves in a social category we tend to perceive ourselves as embodying the prototypical characteristics of the category. In this way, we develop a sense of who and what we are as well as our values, beliefs, and ways of thinking, acting, and feeling.

In addition to forming self-perceptions based on our social memberships, we also form perceptions of others based on their memberships in social categories. This is because social identities are relational and comparative. In other words, we define members of a category relative to members of other categories. For example, the category of professor is meaningful in relation to the category of student. As the comparison category changes, so will certain aspects of the focal social identity. So when the authors of this text are in the classroom, they are perceived as professors by their students and as having whatever attributes the students attribute to professors. However, one of the authors of this text lives next door to a university student who perceives him not as a professor, but as a “baby boomer.” Notice how her social categorization differs from those of the students in the classroom. As a result, her perception of the author will also differ because the attributes and characteristics associated with the age category of a “baby boomer” differ from those of a “professor.”

Social identity helps us understand how the components of the perceptual system operate in the formation of perceptions. We perceive people in terms of the attributes and characteristics that we associate with their social category relative to other categories. Thus, your perception of others is a function of how you categorize yourself (e.g., student) and your target (e.g., professor). If the situation changes, so might the
categorization and the relation between the perceiver and the target. For example, in a hospital, medical students might be perceived as doctors by nurses and patients, but in the classroom they are likely to be perceived as medical students by their professors.4

Because people tend to perceive members of their own social categories in more positive and favourable ways than those who are different and belong to other categories, social identity theory is useful for understanding stereotyping and discrimination, topics we discuss later in this chapter. Now let’s turn to a more detailed understanding of the perceptual process.

### A MODEL OF THE PERCEPTUAL PROCESS

In the previous section, we described how we form perceptions of ourselves and others based on social categories. But exactly how does the perceiver go about putting together the information contained in the target and the situation to form a picture of the target? Respected psychologist Jerome Bruner has developed a model of the perceptual process that can provide a useful framework for this discussion.5 According to Bruner, when the perceiver encounters an unfamiliar target, the perceiver is very open to the informational cues contained in the target and the situation surrounding it. In this unfamiliar state, the perceiver really needs information on which to base perceptions of the target and will actively seek out cues to resolve this ambiguity. Gradually, the perceiver encounters some familiar cues (note the role of the perceiver’s experience here) that enable her to make a crude categorization of the target, which follows from social identity theory. At this point, the cue search becomes less open and more selective. The perceiver begins to search out cues that confirm the categorization of the target. As this categorization becomes stronger, the perceiver actively ignores or even distorts cues that violate initial perceptions (see the left side of Exhibit 3.3). This does not mean that an early categorization cannot be changed. It does mean, however, that it will take a good many contradictory cues before one recategorizes the target, and that these cues will have to overcome the expectations that have been developed.

Let’s clarify your understanding of Bruner’s perceptual model with an example, shown on the right side of Exhibit 3.3. Imagine that a woman who works as an engineer for a large aircraft company is trying to size up a newly hired co-worker. Since he is an unfamiliar target, she will probably be especially open to any cues that might provide information about him. In the course of her cue search, she discovers that he has a Master’s degree in aeronautical engineering from Stanford University, and that he

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**EXHIBIT 3.3**

Bruner’s model of the perceptual process and an example.

<table>
<thead>
<tr>
<th>Model</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfamiliar target encountered</td>
<td>New co-worker</td>
</tr>
<tr>
<td>Openness to target cues</td>
<td>Observation; search for information</td>
</tr>
<tr>
<td>Familiar cues encountered</td>
<td>Co-worker is Stanford graduate with good grades</td>
</tr>
<tr>
<td>Target categorized</td>
<td>Co-worker is “good man” with “great potential”</td>
</tr>
<tr>
<td>Cue selectivity</td>
<td>Co-worker’s poor performance ignored or distorted</td>
</tr>
<tr>
<td>Categorization strengthened</td>
<td>Co-worker is still “good man” with “great potential”</td>
</tr>
</tbody>
</table>
graduated with top grades. These are familiar cues because she knows that Stanford is a top school in the field, and she has worked with many excellent Stanford graduates. She then proceeds to categorize her new co-worker as a “good man” with “great potential.” With these perceptions, she takes a special interest in observing his performance, which is good for several months. This increases the strength of her initial categorization. Gradually, however, the engineer’s performance deteriorates for some reason, and his work becomes less and less satisfactory. This is clear to everyone except the other engineer, who continues to see him as adequate and excuses his most obvious errors as stemming from external factors beyond his control.

Bruner’s model demonstrates three important characteristics of the perceptual process. First, perception is selective. Perceivers do not use all the available cues, and those they do use are thus given special emphasis. This means that our perception is efficient, and this efficiency can both aid and hinder our perceptual accuracy. Second, Bruner’s model illustrates that our perceptual system works to paint a constant picture of the target. Perceptual constancy refers to the tendency for the target to be perceived in the same way over time or across situations. We have all had the experience of “getting off on the wrong foot” with a teacher or a boss and finding it difficult to change his or her constant perception of us. Third, the perceptual system also creates a consistent picture of the target. Perceptual consistency refers to the tendency to select, ignore, and distort cues in such a manner that they fit together to form a homogeneous picture of the target. We strive for consistency in our perception of people. We do not tend to see the same person as both good and bad or dependable and untrustworthy. Often, we distort cues that are discrepant with our general image of a person to make the cues consistent with this image.

To test your understanding of Bruner’s model, refer back to the example in Exhibit 3.3 and explain the role of selectivity, constancy, and consistency. In the next section, we consider some specific perceptual biases that contribute to selectivity, constancy, and consistency in our perception of people.

BASIC BIASES IN PERSON PERCEPTION

For accuracy’s sake, it would be convenient if we could encounter others under laboratory conditions, in a vacuum or a test tube, as it were. Because the real world lacks such ideal conditions, the impressions that we form of others are susceptible to a number of perceptual biases.

Primacy and Recency Effects

Given the examples of person perception that we have discussed thus far, you might gather that we form our impressions of others fairly quickly. One reason for this fast impression formation is our tendency to rely on the cues that we encounter early in a relationship. This reliance on early cues or first impressions is known as the primacy effect. Primacy often has a lasting impact. Thus, the worker who can favourably impress his or her boss in the first few days on the job is in an advantageous position due to primacy. Similarly, the labour negotiator who comes across as “tough” on the first day of contract talks might find this image difficult to shake as the talks continue. Primacy is a form of selectivity, and its lasting effects illustrate the operation of constancy. Sometimes, a recency effect occurs in which people give undue weight to the cues they encountered most recently. In other words, last impressions count most. Landing a big contract today might be perceived as excusing a whole year’s bad sales performance.
Reliance on Central Traits

Even though perceivers tend to rely on early information when developing their perceptions, these early cues do not receive equal weight. People tend to organize their perceptions around **central traits**, personal characteristics of the target that are of special interest to them. In developing her perceptions of her new co-worker, the experienced engineer seemed to organize her impressions around the trait of intellectual capacity. The centrality of traits depends on the perceiver’s interests and the situation. Thus, not all engineers would organize their perceptions of the new worker around his intellectual abilities, and the established engineer might not use this trait as a central factor in forming impressions of the people she meets at a party.

Central traits often have a very powerful influence on our perceptions of others. Physical appearance is a common central trait in work settings that is related to a variety of job-related outcomes. Research shows an overwhelming tendency for those who are “attractive” to also be perceived as “good,” especially when it comes to judgments about their social competence, qualifications, and potential job success. In general, research shows that conventionally attractive people are more likely to fare better than unattractive people in terms of a variety of job-related outcomes, including employment potential, getting hired, being chosen as a business partner, given good performance evaluations, or being promoted. Physical height, which is one of the most obvious aspects of appearance, has also been found to be related to job performance, promotions, and career success. Taller and more attractive people are also more likely to be paid more, as discussed in “Research Focus: Physical Attractiveness and Height Pays Off.”

Implicit Personality Theories

Each of us has a “theory” about which personality characteristics go together. These are called **implicit personality theories**. Perhaps you expect hardworking people to also be honest. Perhaps you feel that people of average intelligence tend to be most friendly. To the extent that such implicit theories are inaccurate, they provide a basis for misunderstanding. The employee who assumes that her very formal boss is also insensitive might be reluctant to discuss a work-related problem with him that could be solved fairly easily.

Projection

In the absence of information to the contrary, and sometimes in spite of it, people often assume that others are like themselves. This tendency to attribute one’s own thoughts and feelings to others is called **projection**. In some cases, projection is an efficient and sensible perceptual strategy. After all, people with similar backgrounds or interests often do think and feel similarly. Thus, it is not unreasonable for a capitalistic businessperson to assume that other businesspeople favour the free enterprise system and disapprove of government intervention in this system. However, projection can also lead to perceptual difficulties. The chairperson who feels that an issue has been resolved and perceives committee members to feel the same way might be very surprised when a vote is taken. The honest warehouse manager who perceives others as honest might find stock disappearing. In the case of threatening or undesirable characteristics, projection can serve as a form of perceptual defence. The dishonest worker might say, “Sure I steal from the company, but so does everyone else.” Such perceptions can be used to justify the perceiver’s thievery.

Stereotyping

One way to form a consistent impression of other people is simply to assume that they have certain characteristics by virtue of some category that they fall into as suggested
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RESEARCH FOCUS

Physical Attractiveness and Height Pays Off

Consistent with evidence that physical attractiveness is related to obtaining employment and promotion, more attractive employees have also been found to enjoy more economic success in their careers. A recent study looked at the careers of 2500 law students from a prestigious law school in the United States. An independent panel of raters rated the students’ appearance on a scale from one to five. Five years after graduation, those of above-average attractiveness were earning eight to nine percent more than those of below-average attractiveness. After 15 years, those of above-average appearance were earning 12 to 13 percent more.

The research on attractiveness and salaries also suggests that attractiveness is more consistently related to economic success for men than for women. Roszell, Kennedy, and Grabb (1989) examined the relationship of attractiveness to income attainment for over 1000 Canadians. Attractive persons earned higher annual salaries than less attractive persons. With each increase in rated attractiveness on a five-point scale, the 1981 annual income of the respondent increased by $1988. After controlling for respondent gender, the gender composition of the job, and 1979 salaries, this figure dropped to $1046, but was still statistically significant. This relationship was found for men, older employees, and those engaged in male-dominated occupations, but not for women, younger employees, and those in female-dominated occupations.

In another study, Frieze, Olson, and Russell (1991) asked a group of people with corporate management experience to rate the physical attractiveness of 700 MBA graduates on a five-point scale. The starting salaries of male graduates receiving the highest attractiveness rating were approximately $5000 a year more than those receiving the lowest attractiveness rating. After five years, those receiving the highest rating earned $10 000 more than those receiving the lowest rating. Attractiveness had no impact on starting salaries of women but was related to later salaries, although not as strongly as for men. For each increment in attractiveness on the five-point scale, women earned $2000 more in salary five years later.

Several studies have also found physical height to be positively related to income. In one study, Good, Olson, and Frieze (1986) used height, weight, and body mass (weight relative to height) as indicators of physical attractiveness. They surveyed over 2000 MBA graduates of the University of Pittsburgh who graduated between 1973 and 1982. For men, weight but not height was found to predict starting salary, and both height and weight predicted the current (1983) salary. For each one-inch increase in height, the salary of the man was $600 higher. Overweight men earned $4000 less in salary than those of men with a normal weight. However, neither of these variables predicted the starting and current salary of the women in the sample.

More recently, Timothy Judge and Daniel Cable found that height was positively related to income for both men and women, an effect that appears to be stable over the course of one’s career. Their results indicate that each one-inch increase in height results in a predicted increase in annual earnings of about $800. Further, an individual who is 72 inches tall would be expected to earn $5525 more per year than someone who is 65 inches tall, or almost $166 000 more across a 30-year career.


by social identity theory. This perceptual tendency is known as stereotyping, or the tendency to generalize about people in a social category and ignore variations among them. Categories on which people might base a stereotype include race, age, gender, ethnic background, social class, occupation, and so on. There are three specific aspects of stereotyping:

- We distinguish some category of people (college professors).
- We assume that the individuals in this category have certain traits (absent-minded, disorganized, ivory-tower mentality).
We perceive that everyone in this category possesses these traits (“All my professors this year will be absent-minded, disorganized, and have an ivory-tower mentality”).

People can evoke stereotypes with incredibly little information. In a “first impressions” study, the mere designation of a woman as preferring to be addressed as “Ms.” led to her being perceived as more masculine, more achievement oriented, and less likeable than those who preferred the traditional titles “Miss” or “Mrs.”

Not all stereotypes are unfavourable. You probably hold favourable stereotypes of the social categories of which you are a member, such as student. However, these stereotypes are often less well developed and less rigid than others you hold. Stereotypes help us develop impressions of ambiguous targets, and we are usually pretty familiar with the people in our own groups. In addition, this contact helps us appreciate individual differences among group members, and such differences work against the development of stereotypes.

Language can be easily twisted to turn neutral or even favourable information into a basis for unfavourable stereotypes. For example, if British people do tend to be reserved, it is fairly easy to interpret this reserve as snobbishness. Similarly, if women who achieve executive positions have had to be assertive, it is easy to interpret this assertiveness as pushiness.

Knowing a person’s occupation or field of study, we often make assumptions about his or her behaviour and personality. Accountants might be stereotyped as compulsive, precise, and one-dimensional, while engineers might be perceived as cold and calculating. Reflect on your own stereotypes of psychology or business students.

On average, not all stereotypes are inaccurate. You probably hold fairly correct stereotypes about the educational level of the typical university professor and the on-the-job demeanour of the typical telephone operator. These accurate stereotypes ease the task of developing perceptions of others. However, it is probably safe to say that most stereotypes are inaccurate, especially when we use them to develop perceptions of specific individuals. This follows from the fact that stereotypes are most likely to develop when we do not have good information about a particular group.

This raises an interesting question: If many stereotypes are inaccurate, why do they persist? After all, reliance on inaccurate information to develop our perceptions would seem to be punishing in the long run. In reality, a couple of factors work to reinforce inaccurate stereotypes. For one thing, even incorrect stereotypes help us process information about others quickly and efficiently. Sometimes, it is easier for the perceivers to rely on an inaccurate stereotype than it is to discover the true nature of the target. The male manager who is required to recommend one of his 20 employees for a promotion might find it easier to automatically rule out promoting a woman than to carefully evaluate all his employees, regardless of gender. Second, inaccurate stereotypes are often reinforced by selective perception and the selective application of language that was discussed above. The Hispanic worker who stereotypes all non-Hispanic managers as unfair might be on the lookout for behaviours to confirm these stereotypes and fail to notice examples of fair and friendly treatment. If such treatment is noticed, it might be perceived as patronizing rather than helpful.

**Attribution: Perceiving Causes and Motives**

Thus far, we have considered social identity theory, Bruner’s model of perception, and discussed some specific perceptual tendencies that operate as we form impressions of others. We will now consider a further aspect of impression formation—how we perceive people’s motives. Attribution is the process by which we assign causes or motives to explain people’s behaviour. The attribution process is important because many
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Rewards and punishments in organizations are based on judgments about what really caused a target person to behave in a certain way.

In making attributions about behaviour, an important goal is to determine whether the behaviour is caused by dispositional or situational factors. **Dispositional attributions** suggest that some personality or intellectual characteristic unique to the person is responsible for the behaviour, and that the behaviour thus reflects the “true person.” If we explain a behaviour as a function of intelligence, greed, friendliness, or laziness, we are making dispositional attributions. In general, the business press attributed the turnaround of the Chrysler Corporation to Lee Iacocca’s leadership skills and market savvy, not to government loan guarantees or an improving economy.

**Situational attributions** suggest that the external situation or environment in which the target person exists was responsible for the behaviour, and that the person might have had little control over the behaviour. If we explain behaviour as a function of bad weather, good luck, proper tools, or poor advice, we are making situational attributions.

Obviously, it would be nice to be able to read minds to understand people’s motives. Since we cannot do this, we are forced to rely on external cues and make inferences from these cues. Research indicates that as we gain experience with the behaviour of a target person, three implicit questions guide our decisions as to whether we should attribute the behaviour to dispositional or situational causes.

1. Does the person engage in the behaviour regularly and consistently? (Consistency cues)
2. Do most people engage in the behaviour, or is it unique to this person? (Consensus cues)
3. Does the person engage in the behaviour in many situations, or is it distinctive to one situation? (Distinctiveness cues)

Let’s examine consistency, consensus, and distinctiveness cues in more detail.

### Consistency Cues

**Consistency cues** reflect how consistently a person engages in some behaviour over time. For example, unless we see clear evidence of external constraints that force a behaviour to occur, we tend to perceive behaviour that a person performs regularly as indicative of his or her true motives. In other words, high consistency leads to dispositional attributions. Thus, one might assume that the professor who has generous office hours and is always there for consultation really cares about his students. Similarly, we are likely to make dispositional attributions about workers who are consistently good or poor performers, perhaps perceiving the former as “dedicated” and the latter as “lazy.” When behaviour occurs inconsistently, we begin to consider situational attributions. For example, if a person’s performance cycles between mediocre and excellent, we might look to variations in workload to explain the cycles.

### Consensus Cues

**Consensus cues** reflect how a person’s behaviour compares to that of others. In general, acts that deviate from social expectations provide us with more information about the actor’s motives than conforming behaviours do. Thus, unusual, low-consensus behaviour leads to more dispositional attributions than typical, high-consensus behaviour. The person who acts differently from the majority is seen as revealing more of his or her true motives. The informational effects of low-consensus behaviour are magnified when the actor is expected to suffer negative consequences because of the deviance. Consider the job applicant who makes favourable statements about the role of big business in society while being interviewed for a job at General Motors. Such statements are so predictable in this situation that the interviewer can place little confidence in what they really indicate about the candidate’s true feelings and motives. On
the other hand, imagine an applicant who makes critical comments about big business in the same situation. Such comments are hardly expected and could clearly lead to rejection. In this case, the interviewer would be more confident about the applicant’s true disposition regarding big business.

A corollary to this suggests that we place more emphasis on people’s private actions than their public actions when assessing their motives. When our actions are not open to public scrutiny, we are more likely to act out our genuine motives and feelings. Thus, we place more emphasis on a co-worker’s private statements about his boss than we do on his public relations with the boss.

### Distinctiveness Cues

Distinctiveness cues reflect the extent to which a person engages in some behaviour across a variety of situations. When a behaviour occurs across a variety of situations, it lacks distinctiveness, and the observer is prone to provide a dispositional attribution about its cause. We reason that the behaviour reflects a person’s true motives if it “stands up” in a variety of environments. Thus, the professor who has generous office hours, stays after class to talk to students, and attends student functions is seen as truly student oriented. The worker whose performance was good in his first job as well as several subsequent jobs is perceived as having real ability. When a behaviour is highly distinctive, in that it occurs in only one situation, we are likely to assume that some aspect of the situation caused the behaviour. If the only student-oriented behaviour that we observe is generous office hours, we assume that they are dictated by department policy. If a worker performed well on only one job, back in 1985, we suspect that his uncle owns the company!

### Attribution in Action

Frequently, observers of real life behaviour have information at hand about consistency, consensus, and distinctiveness. Let’s take an example that shows how the observer puts such information together in forming attributions. At the same time, the example will serve to review the previous discussion. Imagine that Smith, Jones, and Kelley are employees who work in separate firms. Each is absent from work today, and a manager must develop an attribution about the cause to decide which personnel action is warranted.

- **Smith**—Smith is absent a lot, his co-workers are seldom absent, and he was absent a lot in his previous job.
- **Jones**—Jones is absent a lot, her co-workers are also absent a lot, but she was almost never absent in her previous job.
- **Kelley**—Kelley is seldom absent, his co-workers are seldom absent, and he was seldom absent in his previous job.

Just what kind of attributions are managers likely to make regarding the absences of Smith, Jones, and Kelley? Smith’s absence is highly consistent, it is a low-consensus behaviour, and it is not distinctive, since he was absent in his previous job. As shown in Exhibit 3.4, this combination of cues is very likely to prompt a dispositional attribution, perhaps that Smith is lazy or irresponsible. Jones is also absent consistently, but it is high-consensus behaviour in that her peers also exhibit absence. In addition, the behaviour is highly distinctive—she is absent only on this job. As indicated, this combination of cues will usually result in a situational attribution, perhaps that working conditions are terrible, or that the boss is nasty. Finally, Kelley’s absence is inconsistent. In addition, it is similar to that of co-workers and not distinctive, in that he was inconsistently absent on his previous job as well. As shown, this combination of cues suggests that some temporary, short-term situational factor causes his absence. It is possible that a sick child occasionally requires him to stay home.
Chapter 3  Perception, Attribiution, and Judgment of Others

Biases in Attribution

As the preceding section indicates, observers often operate in a rational, logical manner in forming attributions about behavior. The various cue combinations and the resulting attributions have a sensible appearance. This does not mean that such attributions are always correct, but that they do represent good bets about why some behavior occurred. Having made this observation, it would be naive to assume that attributions are always free from bias or error. Earlier, we discussed a number of very basic perceptual biases, and it stands to reason that the complex task of attribution would also be open to bias. Let's consider three biases in attribution: the fundamental attribution error, actor–observer effect, and self-serving bias.

Fundamental Attribution Error. Suppose you make a mistake in attributing a cause to someone else’s behavior. Would you be likely to err on the side of a dispositional cause or a situational cause? Substantial evidence indicates that when we make judgments about the behavior of people other than ourselves, we tend to overemphasize dispositional explanations at the expense of situational explanations. This is called the fundamental attribution error.

Why does the fundamental attribution error occur? For one thing, we often discount the strong effects that social roles can have on behavior. We might see bankers as truly conservative people because we ignore the fact that their occupational role and their employer dictate that they act conservatively. Second, many people whom we observe are seen in rather constrained, constant situations (at work, or at school) that reduce our appreciation of how their behavior can vary in other situations. Thus, we fail to realize that the observed behavior is distinctive to a particular situation. That conservative banker might actually be a weekend skydiver!

The fundamental attribution error can lead to problems for managers of poorly performing employees. It suggests that dispositional explanations for the poor performance will sometimes be made even when situational factors are the true cause. Laziness or low aptitude might be cited, while poor training or a bad sales territory is ignored. However, this is less likely when the manager has had actual experience in performing the employee’s job and is thus aware of situational roadblocks to good performance.

Actor–Observer Effect. It is not surprising that actors and observers often view the causes for the actor’s behavior very differently. This difference in attributional perspectives is called the actor–observer effect. Specifically, while the observer might be busy committing the fundamental attribution error, the actor might be emphasizing the role of the situation in explaining his or her own behavior. Thus, as actors, we are often particularly sensitive to those environmental events that led us to be late or absent. As observers of the same behavior in others, we are more likely to invoke dispositional causes.

We see some of the most striking examples of this effect in cases of illegal behavior, such as price fixing and the bribery of government officials. The perpetrators and those close to them often cite stiff competition or management pressure as causes of their ethical lapses. Observers see the perpetrators as immoral or unintelligent.
Why are actors prone to attribute much of their own behaviour to situational causes? First, they might be more aware than observers of the constraints and advantages that the environment offered. At the same time, they are aware of their private thoughts, feelings, and intentions regarding the behaviour, all of which might be unknown to the observer. Thus, I might know that I sincerely wanted to get to the meeting on time, that I left home extra early, and that the accident that delayed me was truly unusual. My boss might be unaware of all of this information and figure that I am just unreliable.

Self-Serving Bias. It has probably already occurred to you that certain forms of attributions have the capacity to make us feel good or bad about ourselves. In fact, people have a tendency to take credit and responsibility for successful outcomes of their behaviour and to deny credit and responsibility for failures. This tendency is called self-serving bias, and it is interesting because it suggests that people will explain the very same behaviour differently on the basis of events that happened after the behaviour occurred. If the vice-president of marketing champions a product that turns out to be a sales success, she might attribute this to her retailing savvy. If the very same marketing process leads to failure, she might attribute this to the poor performance of the marketing research firm that she used. Notice that the self-serving bias can overcome the tendency for actors to attribute their behaviour to situational factors. In this example, the vice-president invokes a dispositional explanation (“I’m an intelligent, competent person”) when the behaviour is successful.

Self-serving bias can reflect intentional self-promotion or excuse making. However, again, it is possible that it reflects unique information on the part of the actor. Especially when behaviour has negative consequences, the actor might scan the environment and find situational causes for the failure. To be sure, when a student does very well on an exam he is very likely to make a dispositional attribution. However, upon receiving a failing grade, the same student is much more likely to find situational causes to explain his grade!

PERSON PERCEPTION AND WORKFORCE DIVERSITY

The realities of workforce diversity have become an important factor for many organizations in recent years. Workforce diversity refers to differences among employees or potential recruits in characteristics such as gender, race, age, religion, cultural background, physical ability, or sexual orientation. The interest in diversity stems from at least two broad facts. First, the workforce is becoming more diverse. Second, there is growing recognition that many organizations have not successfully managed workforce diversity.

The Changing Workplace

As we mentioned in Chapter 1, the composition of the labour force is changing. Thirty years ago, it was mainly Caucasian and male. Now, changing immigration patterns, the aging of baby boomers, and the increasing movement of women into paid employment make for a lot more variety. Immigrants to Canada from all parts of the world are making the Canadian population and labour force increasingly multicultural and multiethnic. According to Statistics Canada, the number of visible minorities in Canada is expected to double by 2017 and will form more than half the population in greater Toronto and Vancouver. If current trends continue, then one in every five persons in Canada will be non-white when Canada celebrates its 150th birthday in 2017. And in less than a decade, 48 percent of Canada’s working-age population will be between the ages of 45 and 64.
Not only is the labour pool changing, but many organizations are seeking to recruit more representatively from this pool so that they employ people who reflect their customer base—an effort to better mirror their markets. This is especially true in the growing service sector, where contact between organizational members and customers is very direct. As discussed in the chapter opening vignette, the Bank of Montreal has been very active in developing programs to hire, develop, and promote visible minorities, women, aboriginal people, and disabled persons, as have many other companies, including the YMCA in Toronto, Shell Canada Ltd., Federal Express Canada Ltd., the Royal Bank of Canada (RBC), and the RCMP, among others.26

The changing employment pool is not the only factor that has prompted interest in diversity issues. Globalization, mergers, and strategic alliances mean that many employees are required to interact with people from substantially different national or corporate cultures. Compounding all this is an increased emphasis on teamwork as a means of job design and quality enhancement.

Valuing Diversity

In the past, organizations were thought to be doing the right thing if they merely tolerated diversity—that is, if they engaged in fair hiring and employment practices with respect to women and minorities. Firms were considered to be doing especially well if they assisted these people to “fit in” with the mainstream corporate culture by “fixing” what was different about them.27 For example, women managers were sometimes given assertiveness training to enable them to be as hard-nosed and aggressive as their male counterparts!

Recently, some have argued that organizations should value diversity, not just tolerate it or try to blend everyone into a narrow mainstream. To be sure, a critical motive is the basic fairness of valuing diversity. However, there is increasing awareness that diversity and its proper management can yield strategic and competitive advantages. These advantages include the potential for improved problem solving and creativity when diverse perspectives are brought to bear on an organizational problem, such as product or service quality. They also include improved recruiting and marketing when the firm’s human resources profile matches that of the labour pool and customer base (see Exhibit 3.5). The results of a recent study indicate that more organizations are adopting diversity as part of their corporate strategy to improve their competitiveness in global markets. Another study found that organizations with more gender-diverse management teams have superior financial performance.28

At IBM, diversity is embedded in the overall strategy, business goals, and policies toward employees, and the company is now regarded as a leader in workplace diversity. At IBM Canada, 26 percent of those in senior leadership positions are women, and one-third of employees are women.29 The Bank of Montreal also believes that building a diverse workforce that reflects the communities and individuals it serves and giving all employees equal opportunities to reach their career goals is its greatest competitive advantage. Procter & Gamble also values diversity and even celebrates it. To find out how, see “Applied Focus: Celebrating Diversity at Procter & Gamble”

Stereotypes and Workforce Diversity

If there is a single concept that serves as a barrier to valuing diversity, it is the stereotype. Let’s examine several workplace stereotypes and their consequences. Common workplace stereotypes are based on gender, age, race, and ethnicity.

Racial and Ethnic Stereotypes. Racial and ethnic stereotypes are pervasive, persistent, frequently negative, and often self-contradictory. Most of us hold at least some stereotypical views of other races or cultures. Over the years, such stereotypes exhibit remarkable stability unless some major event, such as a war, intervenes to change them. Then, former allies can acquire negative attributes in short order.
Personal experience is unnecessary for such stereotype formation. In one study, people were asked to describe the traits of a number of ethnic groups, including several fictional ones. Although they had never met a Danerian, a Pirenian, or a Wallonian, this did not inhibit them from assigning traits, and those they assigned were usually unfavourable! Such stereotypes often contain contradictory elements. A common reaction is to describe a particular group as being too lazy, while at the same time criticizing it for taking one’s job opportunities away.

There is a remarkable shortage of serious research into racial and ethnic matters in organizations. Nevertheless, what follows is a sample of some typical findings. Just getting in the door can be a problem:

The Urban Institute sent out teams of black and white job applicants with equal credentials. The men applied for the same entry-level jobs in Chicago and Washington, D.C., within hours of each other. They were the same age and physical size, had identical education and work experience, and shared similar personalities. Yet in almost 20% of the 476 audits, whites advanced farther in the hiring process, researchers found.

Even after getting in the door, career tracking based on racial or ethnic stereotypes is common. For instance, one study found that a stereotype that “African Americans can’t handle pressure” was partially responsible for a lack of acceptance of African Americans in managerial roles. Many companies have promoted African American executives to positions having to do with affirmative action, diversity, or urban affairs in spite of their extensive credentials in other substantive areas of business. Similarly, the stereotype of Asian Americans as technical wizards has interfered with their opportunity to ascend to high general management positions.

Attributions can play an important role in determining how job performance is interpreted. For example, one study found that good performance on the part of
Procter & Gamble employees in Toronto and elsewhere around the world celebrate their diversity with jerk pork samosas, Romanian meatballs, and, playfully, Fruit To Go from the gay, bisexual, lesbian, and transgendered employees booth. But it is more than just a feel-good event for the 800 employees who work out of the Toronto headquarters of P&G Canada—employees who represent more than 40 different countries and speak at least 30 different languages. There is a bottom-line purpose as well for the world’s largest consumer goods company. For one, employees are more productive in an environment that respects and accepts their differences. Also, by “leveraging that diversity,” Procter & Gamble believes it can sell more soap and toothpaste.

The company today is a far cry from the staid, predominantly male, white organization that Tim Penner, president of P&G Canada, joined 27 years ago, “And we’re richer for it,” said Penner, adding that diversifying the workforce is now a core strategic mission. P&G’s continued success in marketing its household-name products—Crest, Mr. Clean, Tide, Pampers—to even more households rides on expanding its reach as the cultural makeup of Canada changes and new consumer markets open up around the world.

“Have fun, learn a lot, enjoy your day and . . . increase your cultural competency,” Penner told employees, who were among more than 20 000 company P&G employees joining the “international celebration” in several countries around the world.

At P&G, said Penner, “it’s not as superficial as saying someone who is black can market better to black people, or that French people can market better to French people, that women can market better to women.” Instead, it enriches everyone in the organization to have exposure to more cultures and, ultimately, gives all P&G employees a better understanding of their customers. He said the best and most creative decisions are made by teams drawn from a diverse cross-section of employees.

There are eight official “affinity groups” at P&G Canada, one of which is the gay, bisexual, lesbian, and transgendered employee group. The others are the Asian Professional Network, the Black Professional Network, the Latino Network, the French Canadian Network, the Women’s Leadership Council, the Christian Network, and the Jewish Network.

These networks exist primarily to make the employees feel more comfortable about participating fully in corporate life, but they also exist as resource groups for colleagues who might want advice on targeting a specific market sector. The fact that colleagues will actively seek out others from different backgrounds signals an acceptance that is not always found in other workplaces. But quite apart from the marketing aspect, there is a real benefit to having more diverse employees involved in making decisions as the company moves forward. The most diverse teams have better ideas and get the best business results as measured by the bottom line. For P&G, diversity is a competitive advantage.

African American managers was seen to be due to help from others (a situational attribution), while good performance by Caucasian managers was seen to be due to their effort and abilities (a dispositional attribution).\textsuperscript{35}

Racial and ethnic stereotypes are also important in the context of the increasing globalization of business. In one study, researchers asked American business students to describe Japanese and American managers along a number of dimensions. The students viewed Japanese managers as having more productive employees and being better overall managers. However, the students preferred to work for an American manager.\textsuperscript{36} One can wonder how such students will respond to international assignments. Of course, all groups have stereotypes of each other. Japanese stereotypes of Americans probably contribute to Americans not being promoted above a certain level in Japanese firms.

Finally, recent evidence suggests that organizations are simply reflections of the environments in which they are a part. Thus, if prejudice, negative stereotyping, ethnocentrism, and discrimination exist within the environment that an organization inhabits, it is very likely that these problems will surface within the organization itself.\textsuperscript{37}

**Gender Stereotypes.** One of the most problematic stereotypes for organizations is the gender stereotype. Considering their numbers in the workforce, women are severely underrepresented in managerial and administrative jobs. Although women now occupy a significant and growing proportion of entry- and mid-level management positions, this is not the case for top-level positions. According to a study of 500 of Canada’s top companies by Catalyst Canada, women hold only 14.4 percent of corporate officer positions including presidents, executive-vice-presidents, and chief operating officers. As a result, it’s predicted that women’s overall representation in corporate Canada will not reach 25 percent until 2025.\textsuperscript{38}

There is evidence that gender stereotypes are partially responsible for discouraging women from business careers and blocking their ascent to managerial positions. This underrepresentation of women managers and administrators happens because stereotypes of women do not correspond especially well with stereotypes of businesspeople or managers. As indicated in the chapter opening vignette, a major barrier to women’s advancement to managerial positions in the Bank of Montreal was myths about the company’s female employees. These myths have their basis in gender stereotypes.

What is the nature of gender stereotypes? A series of studies have had managers describe men in general, women in general, and typical “successful middle managers.” These studies have determined that successful middle managers are perceived as having traits and attitudes that are similar to those generally ascribed to men. That is, successful managers are seen as more similar to men in qualities such as leadership ability, competitiveness, self-confidence, ambitiousness, and objectivity.\textsuperscript{39} Thus, stereotypes of successful middle managers do not correspond to stereotypes of women. The trend over time in the results of these studies contains some bad news and some good news. The bad news is that male managers today hold the same dysfunctional stereotypes about women and management that they held in the early 1970s when researchers conducted the first of these studies. At that time, women managers held the same stereotypes as the men. The good news is that the recent research shows a shift by the women—they now see successful middle managers as possessing attitudes and characteristics that describe both men and women in general. However, although good managers are described today as possessing less masculine characteristics than in past decades, the most recent research indicates that both men and women of varying age, education, and work experience still describe a good manager as possessing predominantly masculine characteristics.\textsuperscript{40}

Granting that gender stereotypes exist, do they lead to biased human resources decisions? The answer would appear to be yes. In a typical study, researchers asked male bank supervisors to make hypothetical decisions about workers who were described equivalently except for gender.\textsuperscript{41} Women were discriminated against for
promotion to a branch manager’s position. They were also discriminated against when they requested to attend a professional development conference. In addition, female supervisors were less likely than their male counterparts to receive support for their request that a problem employee be fired. In one case, bias worked to favour women. The bank supervisors were more likely to approve a request for a leave of absence to care for one’s children when it came from a female. This finding is similar to others that show that gender stereotypes tend to favour women when they are being considered for “women’s” jobs (such as secretary) or for “women’s” tasks (such as supervising other women), but not traditional male jobs. One recent study found that when women are successful in traditional male jobs, they are less liked, and being disliked had a negative effect on their evaluations and recommendations for rewards, including salary and special job opportunities.

In general, research suggests that the above findings are fairly typical. Women suffer from a stereotype that is detrimental to their hiring, development, promotion, and salaries. Female managers are also more likely than male managers to have to make off-the-job sacrifices and compromises in family life to maintain their careers. However, there is growing evidence that the detrimental effects of such stereotypes are reduced or removed when decision makers have good information about the qualifications and performance of particular women and an accurate picture of the job that they are applying for or seeking promotion into. In particular, several studies reveal convincingly that women do not generally suffer from gender stereotypes in performance evaluations that their supervisors provide. This is not altogether surprising. As we noted earlier, stereotypes help us process information in ambiguous situations. To the extent that we have good information on which to base our perceptions of people, reliance on stereotypes is less necessary. Day-to-day performance is often fairly easy to observe, and gender stereotypes do not intrude on evaluations.

On the other hand, hiring and promotion decisions might confront managers with ambiguous targets or situations and prompt them to resort to gender stereotypes in forming impressions. In fact, one recent study found that when participants read descriptions of mixed-sex pairs’ team performance and were asked to evaluate the male and female members, females were rated as less competent, less influential in achieving a successful team outcome, and less likely to have taken on a leadership role unless there was specific information about the female member’s excellent performance, her contribution to the success of the team was irrefutable, or there was definitive information about the excellence of her past performance. Thus, participants resorted to negative stereotype-based attributions in evaluating women’s performance when there was ambiguity about the source of the team’s success.

In another study, women were perceived as less competent and characterized as less achievement oriented than men when there was ambiguity about how successful they had been when performing a traditional male job. However, when success was made explicit, women were not perceived as less competent than men. Finally, when women make up a very small proportion of an employee group (15–20 percent), they tend to suffer a “tokenism” effect that exaggerates the effect of stereotypes. Under such circumstances, research shows that women’s performance appraisals suffer. Evidently, people view token women as less capable of doing a “man’s” job.

Fortunately, as shown in Exhibit 3.6, an increasing number of Canadian organizations like BMO have been removing barriers to women’s advancement in organizations. For example, at Dominion of Canada General Insurance Company, 7 of the 12 senior executives at the Toronto-based property and casualty insurer are women. Shell Canada Ltd. of Calgary now has more women than men on its list of potential senior managers. And women have made the most significant progress moving into senior management and executive positions in the financial services industry. On the other hand, industries that tend to be stereotypically male, such as paper and forest products, steel production, motor vehicles and parts, oil and gas, and general manu-
facturing and construction, continue to have the lowest representation of women in senior positions.\textsuperscript{53}

Organizations that remove perceptual barriers to the advancement of women have much to gain. A study of Fortune 500 companies found that companies with the highest representation of women in senior management positions have a 35 percent higher return on equity and a 34 percent greater return to shareholders than firms with the fewest women in senior positions.\textsuperscript{54}
Age Stereotypes. Another kind of stereotype that presents problems for organizations is the age stereotype. Knowing that a person falls into a certain age range, we have a tendency to make certain assumptions about the person’s physical, psychological, and intellectual capabilities. Exhibit 3.7 presents generation stereotypes in terms of work characteristics.

What is the nature of work-related age stereotypes? Older workers are seen as having less capacity for performance. They tend to be viewed as less productive, creative, logical, and capable of performing under pressure than younger workers. In addition, older workers are seen as having less potential for development. Compared with younger workers, they are considered more rigid and dogmatic and less adaptable to new corporate cultures. Not all stereotypes of older workers are negative, however. They tend to be perceived as more honest, dependable, and trustworthy (in short, more stable). In general, these stereotypes are held by both younger and older individuals. It is worth noting that these stereotypes are essentially inaccurate. For example, age seldom limits the capacity for development until post-employment years. Further, research has found that age and performance are unrelated, and some recent studies indicate a shift toward a more positive perception about older workers.

However, the relevant question remains: Do age stereotypes affect human resources decisions? It would appear that such stereotypes can affect decisions regarding hiring, promotion, and skills development. In one study, researchers had university students make hypothetical recommendations regarding younger and older male workers. An older man was less likely to be hired for a finance job that required rapid, high-risk decisions. An older man was considered less promotable for a marketing position that required creative solutions to difficult problems. Finally, an older worker was less likely to be permitted to attend a conference on advanced production systems. These decisions reflect the stereotypes of the older worker depicted above, and they are doubtless indicative of the tendency for older employees to be laid off during corporate restructuring.

Unfortunately, the reality for older workers is consistent with the research. According to the Ontario Human Rights Commission, discrimination on the basis of age is experienced by people as young as 40 to 45, who are often passed over for merit pay and promotions or pressured to take early retirement. In a blatant example of such discrimination, a job fair held in Toronto several years ago stated that the target audience was 18 to 54 year olds. Many older workers were offended, and a complaint was made to the Ontario Human Rights Commission. Again, however, we should recognize that age stereotypes may have less impact on human resources decisions when managers have good information about the capacities of the particular employee in question.

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A literature review on generational diversity by psychologist Constance Patterson, PhD, indicates differences in work ethics and values among traditionalists, baby boomers, Gen-Xers, and millennials.

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EXHIBIT 3.7

Generation Stereotypes

To combat age stereotypes and discrimination, Canada’s Association for the 50 Plus (CARP) has worked with the Ontario Human Rights Commission on a public awareness campaign that included a poster featuring photographs of older people with the tag line, “Nobody has a shelf life. Stop age discrimination now.” The association has also begun to award the best employers for older workers in an attempt to overcome negative assumptions that older workers are costly, unproductive, harder to work with, and too set in their ways. Companies are scored based on how they treat older workers in areas such as recruitment, retention, skill development, compensation and benefits, retirement planning, and education. Previous winners have included the Royal Bank, Merck Frosst, Home Depot Canada, and Avis Rent A Car.

Managing Diversity

Given the prevalence of the stereotypes noted above, valuing diversity is not something that occurs automatically. Rather, diversity needs to be managed to have a positive impact on work behaviour and an organization. Before continuing, read the You Be the Manager feature to find out what the Ottawa Police Service is doing to manage diversity.

So what can organizations do to achieve and manage a diverse workforce? Some common examples are listed below. For a more extensive list see Exhibit 3.8.

- Select enough minority members to get them beyond token status. When this happens, the majority starts to look at individual accomplishments rather than group membership because they can see variation in the behaviours of the minority.
- Encourage teamwork that brings minority and majority members together.
- Ensure that those making career decisions about employees have accurate information about them rather than having to rely on hearsay and second-hand opinion.
- Train people to be aware of stereotypes.

A good example of a company that has a diverse workforce is Ford Australia, which has been recognized as a leader of diversity management. Ford Australia believes...
The Ottawa Police Service has a big problem on its hands. It is facing the total turnover of its senior ranks. The majority of them will be retiring within the next five to ten years. And if that’s not enough, most of those who will replace them have less than five years of experience. Set against this reality is the changing face of the city. One in five residents is born outside of Canada, and while this immigrant population isn’t as sizable as it is in some other municipalities, it is still growing at twice the rate of the general population. With such a population shift, police chief Vince Bevan has stated that, “we would not be a legitimate police organization unless we had the capacity to communicate with and understand the diverse population that calls Ottawa home. . . If we can’t communicate with the victims, who is going to investigate crimes committed against them? And if we can’t penetrate organized crime because we can’t speak the language and don’t understand the culture, who’s going to halt its spread?”

Recruitment is also part of the problem. According to sergeant Syd Gravel, when police services talk of recruiting, what they usually mean is processing applications. “If the chief comes to me and says, ‘We’ve got to hire 30 people,’ I go and pull out 200 files from the filing cabinet from people who were naturally attracted to policing. And I go through the files and bring them down to 30 excellent candidates, and we would hire 30 people.” The problem is that the names in that filing cabinet resemble less and less the names one encounters on Ottawa’s streets.

Immigrant communities, however, have traditionally shown little interest in policing. Many immigrants come from nations where the police oppress rather than serve the public. Others arrive in Canada only to find themselves or their youth too often targeted by police using racial profiling. For these communities, a policing career for their children just doesn’t come up as an option to consider.

In addition to the difficulties in recruiting from immigrant communities, the retention of women and visible minorities is also a problem. The results from focus groups that included officers and civilian staff who were women, visible minorities, gay, lesbian, bisexual, or transgender indicated that while white male officers didn’t believe the organization had a retention problem, the female officers voiced discontent and a desire to leave the service. Civilian employees in the focus groups felt the same way, and while visible minority officers found the recruitment process to be fair and welcoming, once on board they felt that their peers viewed them as “employment equity” hires. When a consultant looked at the retention rates of the 1200-strong force, he discovered that white men stayed roughly 29 years, women stayed 15 years, and visible minorities 8 years. Thus, retention is a problem for some groups.

What should the Ottawa Police Service do to create a more diverse workforce? You be the manager.

**QUESTIONS**

1. What should the Ottawa Police Service do to begin the process of creating a more diverse workforce?

2. What are some specific strategies that the Ottawa Police Service might employ to recruit and retain employees from diverse backgrounds?

To find out what the Ottawa Police Service is doing, consult The Manager’s Notebook at the end of the chapter.

that having a diverse workforce is important for understanding the needs of their customers and that diversity has many benefits that provide a competitive advantage in the marketplace. The company uses the following strategies for managing diversity:

- Recruits a diverse workforce that resembles and understands the company’s customers. Ford Australia currently has over 68 nationalities represented in its plants.
- The company has extensive training programs to ensure that its diversity mission is understood, supported, and acted on at every work site.
- Builds respect in the workforce through celebration and acknowledgement. Harmony Day is a celebration that actively promotes workforce diversity in a fun and celebratory way. It is an example of how Ford Australia constantly reinforces the positive benefits of diversity. The celebrations include international food, music, decorations, and dancing.

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<th>Strategic Initiative</th>
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<td>• Internship programs and sponsored scholarships</td>
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<td>• Recruiting efforts targeting universities and community colleges with diverse student bodies</td>
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<td>Retention</td>
<td>• Corporate-sponsored employee resource or affinity groups</td>
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<td>• Employee benefits (e.g., adoption, domestic partner, eldercare, flexible health, and dependent spending accounts)</td>
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<td>• Work-life programs and incentives (e.g., onsite childcare, flexible work schedules, onsite lactation facilities)</td>
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<td>External Partnership</td>
<td>• Minority supplier programs</td>
</tr>
<tr>
<td></td>
<td>• Community service outreach</td>
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<tr>
<td>Communication</td>
<td>• Award programs providing public recognition of managers and employees for diversity achievement</td>
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<tr>
<td></td>
<td>• Newsletters, internal websites on diversity</td>
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<td></td>
<td>• Senior leadership addresses, town hall meetings, business updates</td>
</tr>
<tr>
<td>Training</td>
<td>• Awareness training on the organization’s diversity initiative</td>
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<tr>
<td></td>
<td>• Issue-based/prevention training (e.g., sexual harassment, men and women as colleagues)</td>
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<td></td>
<td>• Team-building and group-process training</td>
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<tr>
<td>Staffing and Infrastructure</td>
<td>• Dedicated diversity staff</td>
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<td>• Executive and local diversity councils</td>
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Strategies to optimize the benefits of women in the workforce. Ford Australia offers flexible work arrangements such as job sharing, telecommuting, childcare facilities, and work–life balance programs. The company has been recognized as an employer of choice for women.

Uses surveys and other measurement tools to communicate the diversity message and track the effectiveness of its diversity programs. The company continuously seeks feedback from the workforce to ensure that its diversity programs and practices are working effectively; employees participate in focus groups to identify what diversity initiatives are working; the workforce is given a Pulse Survey that assesses Ford Australia’s commitment to and performance in achieving a diverse workforce; and all managers at Ford Australia are assessed for their ability to manage, support, and improve diversity initiatives as part of their performance review. The assessments are a way for the company to hold managers accountable for diversity.

At IBM, diversity is considered to be a fundamental value and business imperative. The company has implemented many programs to ensure that the workplace is free of discrimination and harassment and full of opportunity for all people. In addition to race, gender, and physical disabilities, diversity at IBM also includes human differences such as culture, lifestyle, age, religion, economic status, sexual orientation, gender identity and expression, marital status, thought, and geography.

Diversity at FedEx Canada focuses on communicating respect and fostering awareness of the importance of diversity to the business. Managers are held accountable in their performance appraisal for creating a diverse workplace. A guaranteed fair treatment process policy enables employees to bring any instance of perceived or real discrimination to management for redress. The importance of diversity is communicated in a variety of ways, including lectures on various topics to Diversity Month celebrations that take place at FedEx offices across the country.

BC Hydro has an Aboriginal Cross-Cultural Awareness Program that focuses on building relationships. BC Hydro’s transmission lines cross more than 500 aboriginal reserves, so employees need to be aware of aboriginal rights and customs and the laws that protect aboriginal lands. Employees learn how diversity can affect their work in a particular community. Aboriginals serve as subject-matter experts for the training program, which includes face-to-face meetings. Training takes place in a traditional setting within a particular community and has included dancing and singing.

Although diversity training programs are one of the most common approaches for managing diversity, there is little hard research on the success of these programs. However, there is some anecdotal evidence that these programs can actually cause disruption and bad feelings when all they do is get people to open up and generate stereotypes and then send them back to work. Awareness training should be accompanied by skills training that is relevant to the particular needs of the organization. This might include training in resolving intercultural conflict, team building, handling a charge of sexual harassment, or learning a second language.

Basic awareness and skills training are not the only components of managing diversity. Organizations must use a number of other tactics. In future chapters, we will consider the following:

- Comprehensive attitude change programs that focus on diversity (Chapter 4).
- Recognizing diversity in employee needs and motives (Chapter 5).
- Using alternative working schedules to offer employees flexibility (Chapter 6).
- Using employee surveys to foster better communication (Chapters 10 and 16).

In summary, many organizations today have implemented programs to manage diversity. In fact, it is estimated that organizations spend $8 billion annually on diversity training. For many organizations, diversity is believed to be a business imperative that can improve competitiveness and firm performance. Although some have questioned the
benefits of diversity programs, it is generally believed that diversity can result in positive outcomes when organizations take certain actions in the management of diversity. According to Michele Jayne and Robert Dipboye, diversity programs will be most successful when the following actions are taken as part of a diversity initiative:  

- **Build senior management commitment and accountability.** Diversity programs involve change for the organization, and to be successful they require the visible, active, and ongoing involvement and commitment of senior management.
- **Conduct a thorough needs assessment.** To be effective, diversity programs need to be tailored to an organization’s business, culture, and people. A thorough needs assessment of employees, jobs, and the organization will help to ensure that the right issues are identified and appropriate interventions are implemented.
- **Develop a well-defined strategy tied to business results.** The foundation for a successful diversity program is tying the diversity strategy to the business strategy and results. The diversity strategy should guide decision making and help employees understand and accept the business case for change and how diversity supports the business strategy.
- **Emphasize team building and group process training.** Team building and group process training can help ensure that the different skills and perspectives of a diverse group are used to improve task performance. These efforts encourage group members to share information and develop a deeper understanding of the resources available to the team.
- **Establish metrics and evaluate the effectiveness of diversity initiatives.** Diversity metrics should be established to track progress and evaluate the effectiveness of a diversity program.

**PERCEPTIONS OF TRUST**

Do you trust your boss? This is a question that more and more people are asking themselves today. In the last several years, the importance of trust in organizations has become especially evident in the face of the Enron and WorldCom scandals. Not surprisingly, employee trust toward management is reported to be on the decline. One survey found that 47 percent of those who responded agreed that a lack of trust is a problem in their organization. In another survey, 40 percent indicated that they do not believe what management says. A decline in trust can be a serious problem because trust perceptions influence organizational processes and outcomes, such as sales levels, net profits, and employee turnover. While most of us have some basic understanding of what trust means, most definitions of trust refer to it as a willingness to be vulnerable and to take risks with respect to the actions of another party. More specifically, “trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another.” Trust perceptions toward management are based on three distinct perceptions: ability, benevolence, and integrity. Ability refers to employee perceptions regarding management’s competence and skills. Benevolence refers to the extent that employees perceive management as caring and concerned for their interests and willing to do good for them. Integrity refers to employee perceptions that management adheres to and behaves according to a set of values and principles that the employee finds acceptable. The combination of these three factors influences perceptions of trust. Keeping in mind that trust refers to a willingness to be vulnerable to the actions of others, how trusting would you be if you perceived your boss to be incompetent, unconcerned about your welfare, or driven by a set of values that you find unaccept-
able? Not surprisingly, higher perceptions of management ability, benevolence, and integrity are associated with greater perceptions of trust. Furthermore, perceptions of trust in management are positively related to job satisfaction, organizational commitment, job performance and organizational citizenship behaviour, and negatively related to turnover intentions.75 How is it that trust results in positive attitudes and behaviours? A recent study conducted in a small manufacturing firm that produces tools found that perceptions of trust in the plant manager and the top management team were positively related to employees’ ability to focus. Thus, trust in management allows employees to focus their attention on value-producing activities.76

**PERCEIVED ORGANIZATIONAL SUPPORT**

Whether or not you trust your boss probably has a lot to do with how much they support you, or rather, your perceptions of their support. Perceived organizational support (POS) refers to employees’ general belief that their organization values their contribution and cares about their well-being. When employees have positive perceptions of organizational support, they believe that their organization will provide assistance when it is needed for them to perform their job effectively and to deal with stressful situations.77

According to organizational support theory, employees who have strong perceptions of organizational support feel an obligation to care about the organization’s welfare and to help the organization achieve its objectives. They feel a greater sense of purpose and meaning and a strong sense of belonging to the organization. As a result, employees incorporate their membership and role within the organization into their social identity. In addition, when POS is strong, employees feel obligated to reciprocate the organization’s care and support. As a result, POS has a number of positive consequences. Research has found that employees who have greater POS have higher job performance and are more satisfied with their jobs, more committed to the organization, and less likely to be absent from work and to quit. They are also more likely to have a positive mood at work and to be more involved in their job, and they are less likely to experience strain symptoms such as fatigue, burnout, anxiety, and headaches.78

As shown in Exhibit 3.9, there are a number of factors that contribute to employees’ POS. First, because supervisors function as representatives of their organizations through their actions and decisions, they represent the organization to employees. As a result, favourable treatment and support from supervisors, or perceived supervisor support, contributes strongly to POS. Interestingly, supervisors with more positive perceptions of POS are themselves perceived by employees as being more supportive. Thus, supervisors who experience greater POS provide more support to others.79 In addition, fair organizational procedures as well as favourable rewards and job conditions are also strongly related to POS.

What can organizations do to develop employee perceptions of organizational support? One study found that supportive human resources practices that demonstrate an investment in employees and recognition of employee contributions are most likely to lead to the development of greater POS. Such practices signal to employees that the organization values and cares about them. Some examples of supportive human resources practices include participation in decision making, opportunities for growth and development, and a fair reward and recognition system.80 Of course, equality and diversity programs such as those at the Bank of Montreal are also good examples of how an organization invests in its employees and develops a high level of POS.
PERSON PERCEPTION IN HUMAN RESOURCES

Perceptions play an important role in human resources and can influence who gets hired and how one is evaluated once they are hired. Job applicants also form perceptions during the recruitment and selection process, and their perceptions influence their attraction to an organization and whether or not they decide to accept a job offer. In this section, we consider the role of perceptions in three important areas of human resources: the employment interview, applicant perceptions of recruitment and selection, and the performance appraisal.

Perceptions in the Employment Interview

You have probably had the pleasure (or displeasure!) of sitting through one or more job interviews in your life. After all, the interview is one of the most common organizational selection devices, applied with equal opportunity to applicants for everything from the janitorial staff to the executive suite. With our futures on the line, we would like to think that the interview is a fair and accurate selection device, but is it? Research shows that the interview is a valid selection device, although it is far from perfectly accurate, especially when the interviewer conducts it in an unstructured, free-form format. However, the validity of the interview improves when interviewers conduct a more structured interview.81

What factors threaten the validity of the interview? To consider the most obvious problem first, applicants are usually motivated to present an especially favourable impression of themselves. As our discussion of the perception of people implies, it is difficult enough to gain a clear picture of another individual without having to cope with active deception! A couple of the perceptual tendencies that we already discussed in this chapter can also operate in the interview. For one thing, there is evidence that interviewers compare applicants to a stereotype of the ideal applicant.82 In and of itself, this is not a bad thing. However, this ideal stereotype must be accurate, and this requires a clear understanding of the nature of the job in question and the kind of person who can do well in this job. This is a tall order, especially for the interviewer.

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EXHIBIT 3.9

Predictors and consequences of perceived organizational support.

who is hiring applicants for a wide variety of jobs. Second, interviewers have a tendency to exhibit primacy reactions.\textsuperscript{83} Minimally, this means that information the interviewer acquired early in the interview will have an undue impact on the final decision. However, it also means that information the interviewer obtained before the interview (for instance, by scanning the application form or résumé) can have an exaggerated influence on the interview outcome.

A couple of perceptual tendencies that we have not discussed are also at work in interviews. First, interviewers have a tendency to give less importance to positive information about the applicant.\textsuperscript{84} This tendency means that negative information has undue impact on the decision.\textsuperscript{85} It might occur because interviewers get more feedback about unsuccessful hiring than successful hiring (“Why did you send me that idiot?”). It might also happen because positive information is not perceived as telling the interviewer much, since the candidate is motivated to put up a good front. In addition, contrast effects sometimes occur in the interview.\textsuperscript{86} This means that the applicants who have been interviewed earlier affect the interviewer’s perception of a current applicant, leading to an exaggeration of differences between applicants. For example, if the interviewer has seen two excellent candidates and then encounters an average candidate, she might rate this person lower than if he had been preceded by two average applicants (see Exhibit 3.10). This is an example of the impact of the situation on perception.

It is clear that the interview constitutes a fairly difficult setting in which to form accurate impressions about others. It is of short duration, a lot of information is generated, and the applicant is motivated to present a favourable image. Thus, interviewers often adopt “perceptual crutches” that hinder accurate perception.

Earlier, we noted that the validity of the interview improves when it is structured. But what exactly is a structured interview? According to Derek Chapman of the University of Calgary and David Zweig of the University of Toronto, interview structure involves four dimensions: evaluation standardization (the extent to which the interviewer uses standardized and numeric scoring procedures); question sophistication (the extent to which the interviewer uses job-related behavioural questions and situational questions); question consistency (the extent to which the interviewer asks the same questions in the same order of every candidate); and rapport building (the extent to which the interviewer does not ask personal questions that are unrelated to the job). They also found that interviews were more likely to be structured when the interviewer had formal interview training and focused on selection rather than recruitment during the interview.\textsuperscript{87} Structured interviews probably reduce information overload and ensure that applicants can be more easily compared, since they have all responded to an identical sequence of questions.\textsuperscript{88}
Perceptions of Recruitment and Selection

When you meet company recruiters and complete selection tests, chances are you form perceptions of recruiters and the organization. In fact, research on recruitment and selection indicates that how job applicants are treated during the recruitment and selection process influences their perceptions toward the organization and their likelihood of accepting a job offer. According to signalling theory, job applicants interpret their recruitment experiences as cues or signals about what it is like to work in an organization. For example, questions that are invasive and discriminatory might send a signal that the organization discriminates and does not value diversity; poor treatment during the hiring process might signal a lack of professionalism and respect of employees. These perceptions are important because they influence a job applicant’s likelihood of remaining in the selection process and accepting a job offer.

Applicants also form perceptions toward organizations based on the selection tests they are required to complete. This research has its basis in organizational justice theory, which is described in more detail in Chapter 4. Essentially, job applicants tend to form more positive perceptions of the selection process when selection procedures are perceived to be fair. Furthermore, applicants who have more positive perceptions of selection fairness are more likely to view the organization favourably and to have stronger intentions to accept a job offer and recommend the organization to others. Among various selection procedures, employment interviews and work samples are perceived more favourably than cognitive ability tests, which are perceived more favourably than personality tests and honesty tests. Thus, how job applicants are treated during the recruitment and selection process has important implications for their perceptions, attitudes, intentions, and behaviour.

Perceptions and the Performance Appraisal

Once a person is hired, however imperfectly, further perceptual tasks confront organization members. Specifically, the organization will want some index of the person’s job performance for decisions regarding pay raises, promotions, transfers, and training needs.

Objective and Subjective Measures. It is possible to find objective measures of performance for certain aspects of some jobs. These are measures that do not involve a substantial degree of human judgment. The number of publications that a professor has in top journals is a good example. In general, though, as we move up the organizational hierarchy, it becomes more difficult to find objective indicators of performance. Thus, it is often hard to find quantifiable evidence of a manager’s success or failure. When objective indicators of performance do exist, they are often contaminated by situational factors. For example, it might be very difficult to compare the dollar sales of a snowmobile salesperson whose territory covers British Columbia with one whose territory is Nova Scotia. Also, while dollar sales might be a good indicator of current sales performance, it says little about a person’s capacity for promotion to district sales manager.

Because of the difficulties that objective performance indicators present, organizations must often rely on subjective measures of effectiveness, usually provided by managers. However, the manager is confronted by a number of perceptual roadblocks. He or she might not be in a position to observe many instances of effective and ineffective performance. This is especially likely when the employee’s job activities cannot be monitored directly. For example, a police sergeant cannot ride around in six squad cars at the same time, and a telephone company supervisor cannot visit customers’ homes or climb telephone poles with all of his or her installers. Such situations mean that the target (the employee’s performance) is frequently ambiguous, and we have seen that the perceptual system resolves ambiguities in an efficient but often inaccurate manner.
Even when performance is observable, employees often alter their behaviour so that they look good when their manager is around.

**Rater Errors.** Subjective performance appraisal is susceptible to some of the perceptual biases we discussed earlier—primacy, recency, and stereotypes. In addition, a number of other perceptual tendencies occur in performance evaluation. They are often called rater errors. One interrelated set of these tendencies includes leniency, harshness, and central tendency (Exhibit 3.11). **Leniency** refers to the tendency to perceive the performance of one’s ratees as especially good, while **harshness** is the tendency to see their performance as especially ineffective. Lenient raters tend to give “good” ratings, and harsh raters tend to give “bad” ratings. Professors with reputations as easy graders or tough graders exemplify these types of raters. **Central tendency** involves assigning most ratees to a middle-range performance category—the extremes of the rating categories are not used. The professor who assigns 80 percent of her students C’s is committing this error.

Each of these three rating tendencies is probably partially a function of the rater’s personal experiences. For example, the manager who has had an especially good group of employees might respond with special harshness when management transfers him to supervise a group of slightly less able workers. It is worth noting that not all instances of leniency, harshness, and central tendency necessarily represent perceptual errors. In some cases, raters intentionally commit these errors, even though they have accurate perceptions of workers’ performance. For example, a manager might use leniency or central tendency in performance reviews so that his employees do not react negatively to his evaluation.

Another perceptual error that is frequently committed by performance raters is called the **halo effect.** The halo effect occurs when the observer allows the rating of an individual on one trait or characteristic to colour the ratings on other traits or characteristics. For example, in a teacher evaluation system, a student might perceive his instructor as a nice person, and this might favourably influence his perception of the instructor’s knowledge of the material and speed in returning exams and papers. Similarly, a manager might rate an employee as frequently late for work, and this might in turn lead her to devalue the employee’s productivity and quality of work. As these examples illustrate, halo can work either for or against the ratee. In both cases, the rater fails to perceive differences within ratees. The halo effect tends to be organized around central traits that the rater considers important. The student feels that being nice is an especially important quality, while the manager places special emphasis on promptness. Ratings on these characteristics then affect the rater’s perceptions of other characteristics.
The similar-to-me effect is an additional rater error that may, in part, reflect perceptual bias. The rater tends to give more favourable evaluations to people who are similar to the rater in terms of background or attitudes. For example, the manager with an MBA degree who comes from an upper-middle-class family might perceive a similar employee as a good performer even though the person is only average. Similarly, a rater might overestimate the performance of an individual who holds similar religious and political views. Such reactions probably stem from a tendency to view our own performance, attitudes, and background as “good.” We then tend to generalize this evaluation to others who, to some degree, similar to us. Raters with diverse employees should be especially wary of this error.

Given all these problems, it should be clear that it is difficult to obtain good subjective evaluations of employee performance. Because of this, human resources specialists have explored various techniques for reducing perceptual errors and biases. There has been a tendency to attempt to reduce rater errors by using rating scales with more specific behavioural labels. The assumption here is that giving specific examples of effective and ineffective performance will facilitate the rater’s perceptual processes and recall.

Exhibit 3.12 shows a behaviourally anchored rating scale that gives very specific behavioural examples (from top to bottom) of good, average, and poor customer service. It was developed for the J.C. Penney Company. With such an aid, the rater may...
be less susceptible to perceptual errors when completing the rating task, although the evidence for this is mixed. Furthermore, there is also some evidence that a performance appraisal system that accurately measures employees’ performance and ties it to rewards can increase employees’ perceptions of trust toward management.

Wanted: Diversity at Ottawa Police Service

1. In order to reach out to the diverse groups in Ottawa, the Ottawa Police Service needed to first find out how it is perceived as an employer. So they launched a process of consultation with community groups to find out what strategies they should put in place to help recruit a police service that reflects the community. The service’s corporate planning section also put together focus groups of officers and civilian staff representing different groups. The recommendations of the community groups and the police staff were very similar. Telephone surveys of sworn officers and civilian employees on changes that management needed to make were also conducted. More than 90 recommendations emerged that were eventually distilled into 17 that formed the blueprint for the service’s outreach recruitment program. A project team then took the recommendations to the Police Services Board and made a case for making the first recommendation—to be a diverse and bias-free organization—one of the 10 organizational values. The board approved, which means that henceforth, the chief is required by the Police Services Act to go to the board every three years and report on how the service is living up to that value.

2. In order to recruit and retain a more diverse workforce, the Ottawa Police Service developed programs to recruit from immigrant communities that have traditionally shown little interest in policing. For example, a volunteer recruiter initiative brings on board people from various communities to help the police recruit. After training, they go out with a pair of police employees, one uniformed and one civilian, to job fairs and career days to speak about policing as a career. Another program has the Ottawa police teaming up with the Ontario Provincial Police to go into an English-as-second-language class to teach young newcomers Criminal Code terminology and to talk about policing as a career. To help young candidates with entry requirements, the police service is setting up information sessions to prepare people for the aptitude tests, which are set out by the province. Holding information sessions to explain to young immigrants what the tests are about, or matching up mentors with young candidates to answer their questions one on one, begins to put them on an equal footing to start the application process, says staff sergeant Syd Gravel. And if that’s not enough, police and Somali youth play in a competitive basketball league in the hopes that Somali kids will see policing as a future occupation. To make the case that diversity means reaching out to all, not to some, the police service framed all the work in terms of being an employer of choice for all. According to police chief Vince Bevan, “We wanted to make sure that we had a workplace where they would thrive, where they would be successful, and where they would be good ambassadors back to the community about what it was like to work for the Ottawa Police Service.” One of the force’s 10 values is to be a diverse and non-discriminatory police service.

1. Perception involves interpreting the input from our senses to provide meaning to our environment. Any instance of perception involves a perceiver, a target, and a situational context. The experience, needs, and emotions of the perceiver affect perception, as does the ambiguity of the target.

2. According to social identity theory, people form perceptions of themselves and others based on their characteristics and memberships in social categories. Bruner’s model of the perceptual process suggests that we are very receptive to cues provided by the target and the situation when we encounter an unfamiliar target. However, as we discover familiar cues, we quickly categorize the target and process other cues in a selective manner to maintain a consistent and constant picture of the target.

3. The main biases in person perception include primacy, recency, implicit personality theory, reliance on central traits, projection, and stereotyping. Gender, age, race, and ethnic stereotypes are especially problematic for organizations.

4. Attribution is the process of assigning causes or motives to people’s behaviour. The observer is often interested in determining whether the behaviour is due to dispositional (internal) or situational (external) causes. Behaviour is likely to be attributed to the disposition of the actor when the behaviour (1) is performed consistently, (2) differs from that exhibited by other people, and (3) occurs in a variety of situations or environments. An opposite set of cues will prompt a situational attribution.

5. The tendency of observers to overemphasize dispositional attributions is known as the fundamental attribution error. In contrast, actors are more likely to explain their own behaviour in situational terms, and this actor–observer difference in attributions is known as the actor–observer effect. Our tendency to take credit for success and to deny responsibility for failure is known as the self-serving bias.

6. The changing nature of the workplace and increasing diversity has highlighted the importance of valuing and managing employee diversity, which can yield strategic and competitive advantages for the organization.

7. Racial, ethnic, gender, and age stereotypes can result in discriminatory human resources decisions and are a major barrier to valuing diversity. Organizations can use a number of tactics, including training, to manage diversity.

8. Perceptions of trust involve a willingness to be vulnerable and to take risks with respect to the actions of another party. Trust perceptions toward management are based on perceptions of ability, benevolence, and integrity. Perceived organizational support (POS) refers to perceptions about how much an organization values an individual’s contribution and cares about one’s well-being. POS perceptions are influenced by perceived supervisor support, fairness, rewards, and job conditions.

9. Judging the suitability of job applicants in an interview and appraising job performance are especially difficult perceptual tasks, in part because the target is motivated to convey a good impression. In addition, interviewers and performance raters exhibit a number of perceptual tendencies that are reflected in inaccurate judgments, including contrast effects, leniency, harshness, central tendency, halo, and similar-to-me effects. Structured interviews can improve the accuracy of perceptions in the employment interview, and behaviourally anchored rating scales can improve performance appraisals. According to signalling theory, job applicants form perceptions about organizations on the basis of their recruitment and selection experiences and their perceptions influence the likelihood that they will accept a job offer. Job applicants form more positive perceptions of the selection process when the selection procedures are perceived as being fair.
In Chapter 2, you learned about a personality variable called self-monitoring, which is the extent to which people observe and regulate how they appear and behave in social settings and relationships. Low self-monitors are not concerned about how they appear to others and fitting in with those around them. Their opposites are high self-monitors, who take great care to observe and control the images they project. High self-monitors tend to show concern for socially appropriate behaviour, to tune in to social and interpersonal cues, and to regulate their behaviour and self-presentation according to these cues. Self-monitoring has a positive effect on a number of important work outcomes such as promotions, interview success, performance, and job satisfaction.

High self-monitors have an advantage in social situations where strong norms exist and adherence to them is rewarded. This is because high self-monitors have a tendency to closely observe social cues and use them as guides for how to present themselves. Because they are concerned about how others perceive them, high self-monitors are more likely to change their behaviour to suit different situations and others’ expectations. If they believe that others are likely to view them negatively, high self-monitors will be inclined to behave in a way that counteracts the negative perception. This has implications for work situations where negative stereotypes disadvantage women. In particular, can self-monitoring help women overcome negative gender stereotypes?

To find out, Francis Flynn and Daniel Ames of Columbia University conducted a study in which graduate students worked in mixed-sex groups (which are often subjected to negative gender stereotypes). The researchers reasoned that because of negative gender stereotypes, women faced a dilemma when performing traditional male tasks. To be perceived favourably when performing a traditional male task, women might adopt stereotypical masculine behaviours (e.g., assertiveness) to counter negative female stereotypes. However, such behaviours violate the traditional female role and could result in a backlash from others. Flynn and Ames reasoned that self-monitoring might help women decide when it is appropriate to violate the female stereotype and demonstrate traditional masculine behaviours. They might also be able to minimize any potential backlash when social cues suggest that others perceive them as being overly assertive. Thus, women who are high self-monitors might be able to overcome the negative gender stereotype ascribed to them and also minimize any backlash associated with exhibiting stereotypical male behaviours.

Participants were required to complete a semester-long group project as part of the first-year curriculum in a master’s of business administration (MBA) program. At the beginning of the term, students were assigned to a four- or five-member team. Each team included at least one woman. The teams had to conduct a rigorous analysis of a corporation of their choosing in terms of the firm’s revenues and costs, projections of the firm’s future growth and profitability, as well as an analysis of the firm’s industry, competitive strategy, and corporate structure. At the end of the semester, each team submitted a single report of its analysis and recommendations.

Participants then completed several surveys in which they provided ratings of their self-monitoring and rated each team member on his or her social influence and contribution to the project. Consistent with negative gender stereotypes, women were rated as having less influence than men over group decisions and outcomes and were perceived as less valuable contributors than men. However, women who were high self-monitors were rated as being more influential and as having contributed more to the group than women who were low self-monitors. Self-monitoring did not have the same beneficial effects for men.

In a second study, the authors had MBA students participate in a mixed-sex dyadic negotiation exercise. The negotiation task involved the acquisition of a food exporter and the objective was to maximize one’s payoff. The results indicated that, once again, self-monitoring had a positive effect on the performance of women but not men. Self-monitoring was especially beneficial for women on distributive bargaining issues in which a unit of gain for one party entails a unit of loss for the other. One of the reasons for this finding is that the women who were high self-monitors were more responsive to their partners’ assertive behaviour than women who were low self-monitors. In other words, high self-monitoring women were able to adapt to an assertive negotiating partner by behaving more assertively themselves, something that low self-monitoring women were not able to do.
In summary, the results of this study suggest that women who are high self-monitors are able to overcome negative gender stereotypes in situations where traditional masculine characteristics are perceived as being necessary for effective task performance. As a result, high self-monitoring women were perceived as having more influence and making a greater contribution to the group compared to women who were low self-monitors. Thus, the effect of self-monitoring appears to be different for men and women and more beneficial for women because they experience different gender stereotypes.


**DISCUSSION QUESTIONS**

1. Discuss how differences in the experiences of students and professors might affect their perceptions of students’ written work and class comments.

2. Using implicit personality theory, explain how physical attractiveness influences job-related outcomes in employment interviews and performance appraisals.

3. Discuss the occupational stereotypes that you hold about computer programmers, the clergy, truck drivers, bartenders, and bankers. How do you think these stereotypes have developed? Has an occupational stereotype ever caused you to commit a socially embarrassing error when meeting someone for the first time?

4. Use Bruner’s perceptual model (Exhibit 3.3) and social identity theory to explain why performance appraisals and interviewers’ judgments are frequently inaccurate.

5. Discuss how perceptions of organizational support can influence employees’ attitudes and behaviour. What can organizations do to develop positive perceptions of organizational support?

6. Suppose an employee does a particularly poor job on an assigned project. Discuss the attribution process that this person’s manager will use to form judgments about this poor performance. Be sure to discuss how the manager will use consistency, consensus, and distinctiveness cues.

7. A study of small business failures found that owners generally cited factors such as economic depression or strong competition as causes. However, creditors of these failed businesses were much more likely to cite ineffective management. What attribution bias is indicated by these findings? Why do you think the difference in attribution occurs?

8. Discuss the factors that make it difficult for employment interviewers to form accurate perceptions of interviewees. Explain why a gender or racial stereotype might be more likely to affect a hiring decision than a performance appraisal decision. How can interviews and performance appraisals be designed to improve the accuracy of perceptions?

9. What are the implications of social identity theory for diversity in organizations? Describe some of the things that an organization can do to remove the barriers to workplace diversity. List some of the advantages gained by organizations that effectively manage a diverse workforce.
INTEGRATIVE DISCUSSION QUESTIONS

1. Describe how the principles of operant learning theory and social cognitive theory can be used to manage workplace diversity and reduce the effects of workplace stereotypes. How can the organizational learning practices described in Chapter 2 be used for managing diversity?

2. Consider how the four basic types of managerial activities described in Chapter 1 (i.e., routine communication, traditional management, networking, and human resource management) can influence employees’ perceptions of trust and perceived organizational support (POS). How should managers perform each of these activities to improve employees’ perceptions of trust and POS?

ON-THE-JOB CHALLENGE QUESTION

Telecom giant LM Ericsson AB is the world’s biggest supplier of mobile phone equipment and networks. Currently, the company employs 21,300 people in Sweden and about 50,500 in 140 other countries around the world. The company is now offering buyouts to up to 1000 of its employees in Sweden. It is a voluntary package, but it is only being offered to employees between the ages of 35 and 50. The company also announced plans to hire 900 new employees over the next three years, but only those who are under the age of 30. According to the company’s global head of human resources, “The purpose of this program is to correct an age structure that is unbalanced . . . We would like to make sure we employ more young people in order not to miss a generation in 10 years’ time.”

What do you think of Ericsson’s voluntary buyout package and new hiring plans? Do perceptions have anything to do with their hiring plans? Is this something that Canadian organizations should consider? What are the implications?


EXPERIENTIAL EXERCISE

Beliefs about Older Workers

The following items are an attempt to assess the attitudes people have about older workers. The statements cover many different opposing points of view; you may find yourself agreeing strongly with some of the statements, disagreeing just as strongly with others, and perhaps feeling uncertain about others.
Read each statement carefully. Using the numbers from 1 to 5 on the rating scale, mark your personal opinion about each statement in the blank space next to each statement. Remember, give your personal opinion according to how much you agree or disagree with each item. In all cases, older refers to those who are 50 years of age or older.

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<td>Strongly agree</td>
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<td>Disagree</td>
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____ 1. Older employees have fewer accidents on the job.
____ 2. Most companies are unfair to older employees.
____ 3. Older employees are harder to train for jobs.
____ 4. Older employees are absent more often than younger employees.
____ 5. Younger employees have more serious accidents than older workers.

____ 6. If two workers had similar skills, I’d pick the older worker to work with me.
____ 7. Occupational diseases are more likely to occur among younger employees.
____ 8. Older employees usually turn out work of higher quality.
____ 9. Older employees are grouchier on the job.
____ 10. Younger workers are more cooperative on the job.
____ 11. Older workers are more dependable.
____ 12. Most older workers cannot keep up with the speed of modern industry.
____ 13. Older employees are most loyal to the company.
____ 14. Older workers resist change and are too set in their ways.
____ 15. Younger workers are more interested than older workers in challenging jobs.

____ 16. Older workers can learn new skills as easily as other employees.
____ 17. Older employees are better employees.
____ 18. Older employees do not want jobs with increased responsibilities.
____ 19. Older workers are not interested in learning new skills.
____ 20. Older employees should ‘step aside’ (take a less demanding job) to give younger employees advancement opportunities.

____ 21. The majority of older employees would quit work if they could afford it.
____ 22. Older workers are usually outgoing and friendly at work.
____ 23. Older workers prefer less challenging jobs than those they held when they were younger.
____ 24. It is a better investment to train younger workers rather than older workers.
____ 25. Older employees in our department work just as hard as anyone else.
____ 26. Given a choice, I would not work with an older worker on a daily basis.
____ 27. A person’s performance declines significantly with age.
**Scoring and Interpretation**

The scale you have just completed measures your attitudes toward older workers. To score your beliefs about older workers, subtract your responses to each of the following items from 6: 1, 2, 5, 6, 7, 8, 11, 13, 16, 17, 22, and 25. For example, if you put 2 for item 1, give yourself a 4 (6 minus 2). Then simply add up your resulting responses to all 27 items. Your score should fall somewhere between 27 and 135. Low scores indicate an overall negative belief about older workers, while high scores indicate positive beliefs. Thus, the higher your score, the more favourable your attitudes are toward older workers.

Research on older workers has generally found that a negative stereotype of older workers exists in organizations. The danger of this is that it can lead to negative attitudes and discriminatory behaviour toward older workers.

A recent study of 179 employees from three organizations obtained scores that ranged from 54 to 118. The average score was 90, which indicated somewhat positive beliefs about older workers. As reported in other studies, older workers had more positive beliefs about older workers than younger workers. However, younger workers who had more interactions with older workers were found to have more positive beliefs about older workers.

To facilitate class discussion and your understanding of age stereotypes, form a small group with several other members of the class and consider the following questions. (Note that the instructor can also do this as a class exercise. Students should write their score, age, and interactions with older workers on a piece of paper and hand it in to the instructor, who can then determine the relationship between age, interactions with older workers, and beliefs about older workers.)

1. Students should first compare their scores to each other and to the average score indicated above (90). Do group members have positive or negative beliefs about older workers? Do some group members have more positive or negative beliefs than others in the group?

2. Each member of the group should indicate their age. Determine the average age of the group and categorize those members above the average as being “older” and those below the average as being “younger.” Then calculate the average score of the two age groups. Is there a difference in beliefs about older workers between older and younger group members?

3. Each group member should indicate how often they interact with older workers (daily, several times a week, once a week, or monthly). Based on group members’ responses, create two categories that correspond to high and low interactions with older workers. Calculate the average score of these two groups. Is there a difference in beliefs about older workers between those who have more and those you have less interaction with older workers?

4. Why do some students have positive or negative beliefs about older workers? What are the implications of these beliefs at work and outside of work?

5. What can you do to develop more positive beliefs about older workers?


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**CASE INCIDENT**

**Evaluating Gregory**

After six months in her new position as manager, Nina was faced with the task of having to conduct performance reviews of her staff. She was worried because she had never done performance reviews and was not sure how to do them. However, to ease her way into it, she decided to start with Gregory. Gregory was a recent hire in her department, and Nina felt that he was the most attractive-looking guy she had hired since she became manager. She felt it would be easy to evaluate his performance.

1. Using Bruner’s model of the perceptual process, discuss how Nina’s perception of Gregory might influence her evaluation of his performance. What are some of the perceptual biases that might come into play?

2. What can Nina do to prevent perceptual errors and bias in her performance evaluations?
CASE STUDY

Accounting for Failure

It had been a long two years, but Nancy Koharski had at last gained some peace of mind. She was struck with the irony of how the same company that acted as a consultant to help other firms increase productivity and employee morale could be so blind to its own problems.

Company Background

Berry, Hepworth & Associates (BH&A) is a large regional accounting firm headquartered in Calgary. Over 125 professionals work at the Calgary office, and additional branch offices are located in Edmonton, Red Deer, and Regina. BH&A is the dominant audit firm in the region and has earned a solid reputation in bank auditing and management information systems. The company was founded in the 1940s and has experienced tremendous growth in recent years.

BH&A is divided into four departments: Commercial Audit, Healthcare, Financial Institutions Audit Group (FIAG), and the Management Information Systems Group. The latter is composed mainly of computer programmers, but includes two psychologists who consult with clients on organizational behaviour issues. Among the audit staff it is informally recognized that Commercial Audit is the best department in terms of clientele and working conditions, but opportunities are limited owing to a large number of staff. The bank audits performed by FIAG are widely seen as boring and therefore undesirable, and the FIAG staff are quietly referred to as “nerds” and “brown-nosers.” However, it is acknowledged that FIAG does offer a good career path, as banks constitute a significant portion of BH&A’s business. In fact, because they are so terribly overworked, FIAG actively recruits (in effect, forces) BH&A people into the department.

All new staff persons are first assigned to Commercial Audit; the “choice” to specialize is made after a year or so of experience. There is no direct supervisor responsible for any particular person’s training and development. Instead, the manager or “in-charge” on a particular assignment is responsible for helping the new “junior” on the job. While the in-charge is required to provide a verbal review after each assignment, focusing on areas for improvement, these are seldom provided. Every six months, a formal professional appraisal is held. In preparation, review forms are completed anonymously by everyone in the firm. Each junior can review in-charges and managers, who in turn evaluate the juniors.

Scheduling for jobs is, according to company policy, unbiased: juniors are to be assigned to upcoming jobs purely on a rotational basis. No in-charge can request that a particular junior be placed or withheld from a job.

The Working Environment

BH&A is a very conservative firm. Most of the partners come from small towns or rural environments. Among the entire professional staff at Calgary, there is only one divorcée, fewer than 10 smokers, and one “possible” homosexual. The older members of the firm believe that while the firm has grown, it has not sacrificed the positive qualities it enjoyed as a smaller firm, including company loyalty and pride.

Chartered accounting at BH&A is structured to be competitive. More staff are hired each year than is necessary. It is commonly understood that one must outperform one’s peers to survive. The six-month review is especially dreaded because BH&A tends to fire the two lowest-ranked juniors—despite assurances that the firm will retain newcomers at least until they have met the two-year requirement for the Chartered Accountant licence. Juniors are apprehensive about the anonymous comments because they figure prominently in the review process, and yet juniors are unable to defend themselves against unknown sources. Numerous juniors reported being afraid to open a small envelope that appeared unexpectedly during review time (the envelopes in fact contained the employee’s income tax statement). Much gallows humour can be heard around review time, and juniors tend to develop a real sense of comradeship.

The high performance expectations of BH&A appear to have given a rise to a “martyr complex,” a curious blend of masochism and machoism. Ulcers and other stress-related illnesses are seen as evidence of hard work and status symbols. Numerous complaints are made about long working hours, but in reality these are boasts about how hard one is working. Overtime statistics are kept informally and compared among co-workers as if they were baseball statistics. FIAGs are particularly notorious for this sort of behaviour. Calling in sick is not acceptable as it is seen as a sign of weakness and lack of dedication. One manager was in a car accident and taken to the hospital with a concussion. He returned to work that afternoon wearing the hospital bandage around his head.

It is understood that people must prove their loyalty by working very hard for years on end. The ultimate payoff is elevation to partnership. Currently, there are only 35 partners dividing the profits of one of the top accounting firms in the region. The monetary reward should be great indeed for those who survive.

Golden Boys and Audit Drones

The college recruiter who first interviewed Nancy Koharski spoke at length about the informal, family atmosphere at BH&A, and how Nancy would find greater personal attention and a more relaxed working environment than at a traditional accounting firm. BH&A, he had gone on to say, was proud of its success.
in attracting women to the firm. He noted that the first female professional had been hired in 1977, and related several humorous stories about the “early pioneers.”

One story concerned a female auditor who was not strong enough to carry the old-fashioned adding machines to clients. Rather than admit it, she kept “forgetting” to bring the machine. Nancy was impressed by the interview and eventually accepted an offer from BH&A.

Nancy was determined to make partner, and to that end she threw herself into her new job with a vengeance. She took considerable pride in her hard work and initial accomplishments during her first few months. This pride, however, was tempered with a gnawing feeling that her efforts were not being noticed and that she was being passed over for more important assignments and being given more than her fair share of “grunt work.” She noticed that, somehow, certain male juniors were always assigned to the prize jobs and clients and worked repeatedly for the same managers. These “golden boys,” as her colleagues sarcastically nicknamed them, also seemed to learn the office gossip and other information well before the women in the office. They seemed to enjoy excellent personal relationships with the managers, playing together on company-sponsored sports teams and joking about incidents that happened while they roomed together while out of town.

In contrast, Nancy’s female friends at the office referred to themselves and most other women at BH&A as “audit drones.” Each staff member was required to complete time sheets that billed time to clients at quarter-hour intervals. It was regarded as a major humiliation to write “unassigned,” especially after having been at the firm for a while. It soon became apparent to Nancy that the audit drones were often left to fend for themselves over long periods, trying to scrounge up work. They were usually the last to be assigned to jobs, which tended to be the dreaded bank audits. When unassigned, they had little choice but to go door to door asking for any kind of menial work, while the golden boys worked overtime on plum assignments. One of Nancy’s female friends put the situation this way: “I’m not given the chance to develop. But what can I do? If I complain, I could be replaced by somebody fresh out of school who could do what I’m doing inside a week. And for less money.” Another friend remarked that “the most a woman can hope for here is to avoid being fired.”

Nancy also began to hear stories that were considerably more disturbing than the ones the interviewer had first told her. One story described the difficult transition period at BH&A when women first joined the company at the professional level. Apparently, some men openly blamed the women for upsetting what had been a comfortable work environment. A second story concerned the lone woman assigned to the Red Deer office. She was told by co-workers that the manager “hated to waste time developing women who would eventually end up leaving the firm.” She was assigned to Commercial Audit, but it became so obvious that she was not being scheduled for commercial jobs that her male co-workers commented on it to her. She spoke with the managing partner of the office and, after apparently receiving no help, felt compelled to join the FLAGs as the only way to work in the office. Another story concerned a pregnant manager who was said to have been relieved of her clients as soon as she began to “show,” and was not allowed to work on engagements outside the office. Following her pregnancy, she was apparently told she had lost her “special relationship” with clients. Further, her requests for occasional time off for childcare were denied.

Most disturbing of all were the statements of a number of male colleagues. Female staff members were told repeatedly and directly that “Women don’t belong in accounting” as it was “no place for a woman.” Since women would “obviously” marry and want children, it was inevitable that they would eventually leave the firm. These men pointed to the high turnover rate for female staff members as proof of the validity of their beliefs. They explained that because the work was so demanding and time consuming, it would be “impossible” for women to combine family life with an accounting career.

Nancy was startled to learn that these attitudes were espoused, not only by older men at the firm, but by a number of younger men as well. The more sympathetic men admitted that it was “unfair that they didn’t have to make the same choice . . .” but they had wives at home or in less demanding jobs who could manage the family in their absence.

This belief in the unsuitability of women was never openly questioned by male staff members. If a women countered with something like: “The job is only impossible for working mothers if the company chooses to make it impossible,” she was apt to be met with blank stares. Working mothers were told that BH&A could not offer them special treatment, shorter hours, or less travel time because the men who had accepted these hardships would rebel. The more arguments and stories that Nancy heard with a similar ring, the more she began to resent the company and the golden boys.

The Dragon Lady

Several of the older women at BH&A struck Nancy as being rather cold and demanding. Indeed, the most loathed of these women was nicknamed “dragon lady.” While they were always very professional in their dress and manner, they did not go out of their way to offer support or encouragement to the younger female staff members. Three of these women tended to fawn over two influential male partners. It was rumoured that one of these women had supported the policy of selected firings as a “way to shut them up and make them work harder.”
The Confrontation

Two women who had been at the firm for several years complained to the partners about the apparent bias in the scheduling of work assignments. They were told that they were “imagining things” because the company policy was designed to prohibit such abuses. When pressed to explain why women were always the “extra junior” on bank jobs, the partners responded that this was because there were higher-level women in FIAG with whom they could room while out of town, but none at Commercial Audit. The cost of an extra hotel room for a lone woman was not feasible, given the tight budgets. The women were also told that, while the men at the firm were liberal and had no problems working with women, many of the older clients would not accept dealing with a female authority figure. To avoid this problem, women were not assigned where it was felt they would not be accepted. Finally, it was explained that if any one woman had been neglected, it was a “regrettable oversight” in trying to assign so many employees. The meeting was concluded with a promise to review the situation. Nothing more was heard.

The Decision

One by one, Nancy’s more senior female friends quit the firm after they had “served time,” that is, fulfilled the two-year licensing requirement. If they were mentioned in the company at all after they left, it was along the lines of “They obviously weren’t Berry, Hepworth material,” or “They couldn’t hack life in Calgary.”

After two years and six days with BH&A, Nancy, too, announced that she was leaving. One colleague, the “dragon lady,” urged her to voice her complaints about the treatment of women at the firm to the personnel partner during her exit interview. Nancy decided to do so, and received what she concluded was a fitting send-off: throughout the entire interview, the partner sat clipping his nails and declined to respond to a single issue she raised.


1. Discuss several examples of conflicting or contradictory perceptions at BH&A. What effect do these perceptions have on organizational members’ attitudes and behaviour? What effect do they have on the organization?

2. Use social identity theory and Bruner’s model of the perceptual process to explain the various perceptions of the employees and partners at BH&A.

3. The chapter discusses how selection interviewers can make perceptual errors. What does the case say about perceptual errors on the part of job applicants? Use signalling theory to explain Nancy’s perceptions of BH&A.

4. Use the concepts of stereotyping and the halo effect to explain the contrast between the golden boys and the audit drones.

5. Are there any aspects to the organization of work at BH&A that could lead to perceptual problems in performance appraisals? What should be done about this?

6. Compare and contrast this case with the BMO vignette that opened the chapter.

7. Suppose that you were appointed to a newly created position at BH&A, manager of diversity. What would you do to better manage diversity at the firm?