

Business 9861 - Inequality and Business

Fall 2023

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Fridays 9:00am – 12:00pm
(12 sessions)

Course homepage: <https://learn.ivey.ca/courses/5188>

1. COURSE DESCRIPTION

How are ‘opportunities’, both within organizations and in society more generally, created and constrained by social stratification in modern capitalist societies? What role do growing economic inequality and ethnic diversity play? Do inequality and diversity affect innovation and productivity? As government and business leaders grapple with how to respond to these questions, it is important that they understand how society is stratified, how this stratification is perpetuated, and its consequences. This course tackles these questions by addressing the following topics:

- Meritocracy, stratification and social mobility;
- Social and cultural capital;
- Gender inequality;
- Stratification by ethnicity, race, and immigrant status;
- Stratification, economic inequality, and attitudes;
- Discrimination in hiring;
- Salaries and compensation;
- Diversity and innovation;
- How diversity and inclusion have been (poorly) tackled in organizations.

2. COURSE OBJECTIVES

The course will challenge you to consider how inequality is produced in modern capitalist societies, how business contributes to it, and why it is important that business leaders pay attention to it. It will also challenge your ability to evaluate empirical research on this topic.

You will be expected to contribute informed and critical discussion of the readings and issues that they cover.

3. METHODS OF EVALUATION

Grades in this course will be based on four elements:

1. Weekly seminar participation (20%)
2. Weekly position papers (20%) - Due at noon on the Thursday before class (London, ON time)
3. Seminar moderating (20%) - Dates to TBD
4. Final term paper (40%) - Due Friday, December 14, 2023 at 3pm (London, ON time)

The weekly position papers should be entered directly into the text box for the assignment on Learn (<https://learn.ivey.ca/courses/5188>), though I suggest saving your work as a Word file before copying it into Learn. The final term paper must typed, double-spaced and in 12-point font, and submitted as a PDF file.

3.1 Class Participation (20%)

This course will only be successful if everyone participates in class, and thus I will not go easy on oral participation grades. If you don't participate regularly, you will get a poor grade. Opinion alone is not good enough, however. I expect you to draw on evidence from the required readings to support your arguments. I will also be looking for students to "think outside of the box" and give good logical arguments based on personal experience, previous education, and knowledge of current affairs. In short, you will be evaluated on your ability to critique the readings (including theory, methods and conclusions) and to put their findings in a wider context.

3.2. Position Papers (20% - 10 papers x 2 grades each)

You are required to write weekly 10 position papers on the required readings. Although I expect that you will do the readings for the first session, there is no position paper for the first week. You are required to complete 10 position papers over the remaining 11 weeks. You thus have one 'free' week. It is your decision on which week to 'take off'.

The position papers are worth a total of 20 grades (i.e., two points each). You will receive the full points for each satisfactorily completed paper that is submitted on time. If I don't think enough effort has gone into a paper, you will receive a grade of 0 for that week. If you satisfactorily complete all 10 position papers, you will receive 20/20 for this element of the course. While I will be happy to look at everything you submit, you will not receive a extra grades for competing eleven paper.

Each position paper must be at least one page in length and no more than two pages in length (typed, double-spaced, 12-point font; not including the title page). Papers outside of these limits will not be accepted. These weekly papers are due before noon (London, ON time) on the Thursday before the class that deals with the corresponding reading. Late papers will not be accepted.

Position papers should not simply summarize the week's readings. Instead, they should point out the essential findings of the required readings, draw connections between the required readings (including those in weeks before), and raise problems or questions that are meant to stimulate seminar discussion. You should be critical! At the end of each position paper (but still within the two-page length), you must also three questions based on the readings that you plan to consider for seminar discussion.

3.3 Seminar Moderating (20%)

Aside from the regular class participation in weekly seminars, each student will take the role of moderator for one or two classes (depending on the final number of students enrolled in the course). These presentations are worth a total of 20 percent of your final grade. The specific dates (and associated readings) on which you must moderate will be determined during the first seminar on September 15th.

The moderator's role is to stimulate discussion around the major ideas and evidence of the week's readings. Your primary role is to encourage informed discussion and debate. You should not lecture. Also, try to avoid asking questions that have simple yes or no answers. They seldom provoke discussion. Finally, while it is a good idea to have personal notes to guide your discussion, and you are welcome to share a handout or two to clarify a point if necessary, you should *not* give a PowerPoint presentation or provide extensive handouts.

A good moderator will ensure that the class discussion addresses the following:

- A critique of key terms and arguments;
- An evaluation of the data and methods used to support claims;
- Situation of the readings in the larger context of research in the area, related research and, when appropriate, current affairs.

You should start by providing a short summary—5-7 minutes—*that ties the readings together*. Do not summarize each of the readings separately. Instead, layout how the readings overlap, complement each other, and/or contradict each other.

3.4 Final Term Paper (40%) – Due: Friday, April 15 at 3pm

The final paper must be between 15 and 18 pages in length (typed, double-spaced, 12-point font, not including the title page and reference list). It is just as important to keep the paper less than 18 pages as it is to ensure that you have more than 15 pages. The paper is due on Friday, December 14, 2023 at 3pm. Late papers will not be accepted.

The final paper must directly address at least one of the weekly topics covered in this course. It must have clear relevance to business and/or management. You must ask for special permission to write on an issue outside of these topics. The paper must take the form of a critical review of the major theoretical and methodological developments, and empirical findings related to the topic that you choose. While you should be sure to include the most important and influential sources in the field, the paper should not be an annotated bibliography. Instead, you will be expected to describe how the field has developed, what we know now, where there continues to be debate, and areas for future research. When necessary—for example, when studies have contradictory findings—you should critique the theory, data and methods of the influential works you discuss with the goal of explaining the reasons for the discrepancies between them. There is no set number of articles that should be discussed, though I expect that you will have little problem considering 20 influential articles.

The final paper should be written in a format acceptable for publication in a top academic journal (such as APA, Chicago or MLA style). I don't care which you use as long you are consistent and there are **no footnotes**. I expect both assignments to be polished, so you should start as soon as possible.

4. COURSE SCHEDULE AND REQUIRED READINGS

Please complete the required readings BEFORE attending class (including for the first session). I suggest reading the articles in the order they listed. Supplemental readings are not required.

1. Sept 15: Why study inequality and business?

Wilkinson, Richard E. and Kate E. Pickett (2009) "Income Inequality and Social Dysfunction," *Annual Review of Sociology*, 35: 493-511.

Riaz, S. (2015) "Bringing inequality back in: The economic inequality footprint of management and organizational practices," *Human Relations*, 68(7), 1085-1097.

Marens, Richard (2018) "Laying the Foundation: Preparing the Field of Business and Society for Investigating the Relationship Between Business and Inequality," *Business & Society*, 57(6): 1252-1285.

Supplemental reading:

Albrecht, Don E., and Scott G. Albrecht (2007) "The Benefits and Costs of Inequality for the Advantaged and Disadvantaged," *Social Science Quarterly*, 88 (2): 382-403.

Amis, John M., Johanna Mair, and Kamal A. Munir (2020) "The organizational reproduction of inequality," *Academy of Management Annals*, 14(1): 195-230.

Bapuji, Hari (2015) "Individuals, interactions and institutions: How economic inequality affects organizations," *Human Relations*, 68(7):1059-1083.

Bapuji, Hari, Bryan W. Husted, Jane Lu and Raza Mir (2018) "Value Creation, Appropriation, and Distribution: How Firms Contribute to Societal Economic Inequality," *Business & Society*, 57(6): 983-1009.

Henderson, Rebecca (2017) "Why Inequality is an Urgent Business Problem," *Harvard Business Review*, <https://hbr.org/2017/03/why-inequality-is-an-urgent-business-problem>

Neckerman, Kathryn M. and Florencia Torche (2007) "Inequality: Causes and Consequences," *Annual Review of Sociology*, 33:335-357.

Piketty, Thomas (2014) *Capital in the Twenty-First Century*. Harvard University Press.

2. Sept 22: Meritocracy and stratification

Davis, Kingsley and Wilbert E. Moore (1945) "Some Principles of Stratification," *American Sociological Review*, 10: 242-249.

Wrong, Dennis H. (1959) "The Functional Theory of Stratification: Some Neglected Considerations," *American Sociological Review*, 24:772-82.

Daniels, Norman (1978) "Merit and Meritocracy," *Philosophy and Public Affairs*, 7(3):206-223.

Corak, Miles (2013) "Income Inequality, Equality of Opportunity, and Intergenerational Mobility," *Journal of Economic Perspectives*, 27(3): 79-102.

3. Sept 29: Race, ethnicity and immigration

Lang, Kevin and Ariella Kahn-Lang Spitzer (2020) 'Race Discrimination,'

The Journal of Economic Perspectives, 34(2): 68-89.

Hechter, Michel (1978) "Group Formation and the Cultural Division of Labor," *American Journal of Sociology*, 84: 293-318.

Banerjee, Rupa, Feng Hou, Jeffrey Reitz and Tingting Zhang (2021) "Evaluating Foreign Skills: Effects of Credential Assessment on Skilled Immigrants' Labour Market Performance in Canada," *Canadian Public Policy*, 47: 358-372.

4. Oct 6: Gender and sexuality

Cohen, Philip N. and Matt L. Huffman (2003) "Individuals, Jobs, and Labor Markets: The Devaluation of Women's Work," *American Sociological Review*, 68: 443-463.

Abraham, Mabel (2016) "Pay Formalization Revisited: Considering the Effects of Manager Gender and Discretion on Closing the Gender Wage Gap," *Academy of Management Journal*, 60(1): 29-54

Waite, Sean, Vesna Pajovic, and Nicole Denier. 2020. "Lesbian, gay and bisexual earnings in the Canadian labor market: New evidence from the Canadian Community Health Survey," *Research in Social Stratification and Mobility*, 67: 100484.

5. Oct 13: Cultural capital

Phillips, L. T., N. M. Stephens, S. S. M. Townsend and S. Goudeau (2020) "Access is not enough: Cultural mismatch persists to limit first-generation students' opportunities for achievement throughout college," *Journal of Personality and Social Psychology*, 119(5), 1112-1131.

Gray, Barbara and Jennifer J. Kish-Gephart (2013) "Encountering Social Class Differences at Work: How 'Social Class' Perpetuates Inequality," *The Academy of Management Review*, 38(4), 670-699.

Van Dijk, Hans, Dorien Kooij, Maria Karanika-Murray, Ans De Vos and Bertolt Meyer (2020) "Meritocracy a myth? A multilevel perspective of how social inequality accumulates through work," *Organizational Psychology Review*, 10(3-4): 240-269.

6. Oct 20: Social capital, networks and careers

Granovetter, Mark (1974) "The Strength of Weak Ties," *American Journal of Sociology*, 78: 1360-80.

Seibert, Scott E., Maria L. Kraimer, and Robert C. Liden (2001) "A Social Capital Theory of Career Success," *The Academy of Management Journal*, 44 (2): 219-37.

McDonald, Steve, Nan Lin, and Dan Ao (2009) "Networks of Opportunity: Gender, Race, and Job Leads," *Social Problems*, 56 (3): 385-402.

Yang, Yang, Nitesh V. Chawla, and Brian Uzzi (2019) "A network's gender composition and communication pattern predict women's leadership success," *Proceedings of the National Academy (PNAS)*, 116 (6): 2033-2038.

7. Oct 27: Hiring, promotion and performance assessment

Pager, Deva, Bart Bonikowski, and Bruce Western (2009) "Discrimination in a low-wage labor market: A field experiment," *American Sociological Review* 74 (5), 777-799.

Joshi, Aparna, Jooyeon Son and Hyuntak Roh (2015) "When can women close the gap? A meta-analytic test of sex differences in performance and rewards," *The Academy of Management Journal*, 58(5): 1516-1545.

Quadlin, Natasha (2018) "The Mark of a Woman's Record: Gender and Academic Performance in Hiring," *American Sociological Review*, 83 (2): 331-60.

8. Nov 3: Within firm pay dispersion

Lazear, Edward P. (2018) "Compensation and Incentives in the Workplace," *The Journal of Economic Perspectives*, 32 (3): 195-214.

Downes, Patrick E. and Daejeong Choi (2014) "Employee reactions to pay dispersion: A typology of existing research," *Human Resource Management Review*, 24(1): 53-66.

Wang, T., B. Zhao and S. Thornhill (2015) "Pay dispersion and organizational innovation: The mediation effects of employee participation and voluntary turnover," *Human Relations*, 68(7): 1155-1181.

Sarkar, Debo, and Amanda Dealy Haverstick (2010) "The Preventive Pay Equity Audit: Guidance for Modeling the Regression Analysis," *ABA Journal of Labor & Employment Law*, 26 (1): 61-75

9. Nov 10: Executive compensation

Bebchuk, Lucian A., K.J. Martijn Cremers and Urs C. Peyer (2011) "The CEO pay slice," *Journal of Financial Economics*, 012: 199-221.

Burak, Esra (2018) "Is The Sky the Limit? Fair Executive Pay as Performance Rises," *Social Problems*, 65(2): 211-230.

Hart, Timothy A., Parthiban David, Feibo Shao, Corey J. Fox, and Michelle Westermann-Behaylo (2015) "An Examination of the Impact of Executive Compensation Disparity on Corporate Social Performance," *Strategic Organization*, 13 (3): 200-223.

Kiatpongsan, S. and M.I. Norton (2014) "How much (more) should CEOs make? A universal desire for more equal pay," *Perspectives on Psychological Science*, 9(6), 587-593.

10. Sept 17: Stratification and attitudes

Newman, Benjamin J., Christopher D. Johnston and Patrick L. Lown (2015) "False Consciousness or Class Awareness? Local Income Inequality, Personal Economic Position, and Belief in American Meritocracy," *American Journal of Political Science*, 59(2):326-340.

Uslaner, Eric M. and M. Brown (2005) "Inequality, trust, and civic engagement," *American Politics Research*, 33 (6): 868-894.

Korpi, Walter and Joakim Palme (1998) "The Paradox of Redistribution and Strategies of Equality," *American Sociological Review*, 63: 661-87.

11. Nov 24: Organizational diversity, ideas and performance

Burt, Ronald (2004) "Structural Holes and Good Ideas," *American Journal of Sociology*, 110(2): 349-399.

Zhang, Letian (2020) "An Institutional Approach to Gender Diversity and Firm Performance," *Organizational Science*, 31(2): 245-265.

Tasheva, Sabina and Amy J. Hillman (2019) "Integrating Diversity at Different Levels: Multilevel Human Capital, Social Capital, and Demographic Diversity and Their Implications for Team Effectiveness," *Academy of Management Review*, 44(4): 746-765.

12. Dec 1: Policy on equity, diversity and inclusion

Bezrukova, Katerina, Chester S. Spell, Jamie L Perry, and Karen A. Jehn (2016) "A meta-analytical integration of over 40 years of research on diversity training evaluation," *Psychological Bulletin*, 142(11): 1227-1274.

Carter, Evelyn R., Ivuoma N. Onyeador, and Neil A. Lewis Jr. (2020) "Developing & delivering effective anti-bias training: Challenges & recommendations," *Behavioral Science & Policy* 6(1): 57-70.

Dobbin, Frank, Daniel Schrage and Alexandra Kalev (2015) "Rage against the Iron Cage: The Varied Effects of Bureaucratic Personnel Reforms on Diversity," *American Sociological Review*, 80: 1014-1044.

Tamtik, Merli and Melissa Guenter (2019) "Policy Analysis of Equity, Diversity and Inclusion Strategies in Canadian Universities – How Far Have We Come?" *Canadian Journal of Higher Education*, 49 (3): 41–56

ACADEMIC OFFENCES: PLAGIARISM AND ACADEMIC INTEGRITY

Scholastic offences are taken seriously and students are directed to read the appropriate policy, specifically, the definition of what constitutes a Scholastic Offence, at http://www.uwo.ca/univsec/pdf/academic_policies/appeals/scholastic_discipline_grad.pdf.

All required papers may be subject to submission for textual similarity review to the commercial plagiarism-detection software under license to the University for the detection of plagiarism. All papers submitted for such checking will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

SUPPORT SERVICES: HEALTH AND WELLNESS

As part of a successful graduate student experience at Western, we encourage students to make their health and wellness a priority. Western provides several on campus health-related services to help you achieve optimum health and engage in healthy living while pursuing your graduate degree. See <https://www.uwo.ca/health>.

Students who are in emotional/mental distress should refer to Mental Health Support at <https://www.uwo.ca/health/psych/index.html> for a complete list of options about how to obtain help. Additionally, students seeking help regarding mental health concerns are advised to speak to someone they feel comfortable confiding in, such as their faculty supervisor, their program director or program coordinator.

ACCESSIBLE EDUCATION WESTERN

Western is committed to achieving barrier-free accessibility for all its members, including graduate students. As part of this commitment, Western provides a variety of services devoted to promoting, advocating, and accommodating persons with disabilities in their respective graduate program.

Graduate students with disabilities (for example, chronic illnesses, mental health conditions, mobility impairments) are strongly encouraged to register with [Accessible Education Western \(AEW\)](#), a confidential service designed to support graduate and undergraduate students through their academic program. With the appropriate documentation, the student will work with both AEW and their graduate programs (normally their Graduate Chair and/or Course instructor) to ensure that appropriate academic accommodations to program requirements are arranged. These accommodations include individual counselling, alternative formatted literature, accessible campus transportation, learning strategy instruction, writing exams and assistive technology instruction.

A FINAL WELCOME AND REQUEST OF STUDENTS

I welcome individuals of all ages, backgrounds, beliefs, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, ability, and other visible and nonvisible differences. I consider this classroom to be a place where you will be treated with respect. All members of this class are expected to contribute to a respectful, welcoming and inclusive environment for every other member of the class. If it is appropriate to our learning and you feel comfortable doing so, I ask that you share your unique point of view as we explore the course content.