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Do Discriminatory Practices Influence the Hierarchical Structures of  
Business in the United States?

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## ABSTRACT

Discrimination along with the oppression of minority voices is a substantial part of the history here in the United States. Over the generations, the culture present in the U.S. has evolved; however, there are still residual issues that stem from a long history of oppressive practices. One of the places where we cite the most disparities in the United States is in the business world. People from various ethnic, culture and national backgrounds are disproportionately represented throughout corporate America. This is just as true for those with nontraditional gender identities and sexual orientations. The history of the United States has proven that social and economic barriers can be established on a systematic level; this is what serves as the inspiration for this thesis. The best way to understand how discrimination influences business hierarchies in the United States, is to understand the three major themes of this paper. First, representation, diversity and inclusion are nuanced and should not be perceived as one in the same. Conflating these ideals establishes a breeding ground for disproportionate treatment within an organization. Second, having a performance focused business orientation still leaves room for disparities. This is because while a hiring practice may not be designed to discriminate, the lack of consciousness in the hiring process still remains a catalyst for implicit bias. Lastly, there are a number of social factors that contribute to how successful an individual is within an organization. This includes both external and internal factors. These three themes will serve as catalysts for answering the overarching question of this paper; do discriminatory practices influence hierarchical business structures in the United States.

**Keywords:** Cultural Dimensions • Discrimination • Hierarchy • Caste • Socioeconomic Status

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## CHAPTER I: INTRODUCTION

### Introduction

The United States was founded on the principle that every man is created equal but the history of this nation is a clear indicator of something different. The history of this country highlights our existence as the land of opportunity rather than the land of *equal* opportunity. While we pride ourselves on having the most opportunity in the world, the notion is diminished by the fact that these opportunities are not equally accessible to the people of this nation. Throughout American society, resources are disproportionately allocated towards more affluent citizens leaving the middle class and lower middle class with limited alternatives. When we analyze the cultural and racial backgrounds of the United States's middle to lower class citizens, we find that the group is predominantly composed of minorities. Comparing this to the racial background of the upper class, we see that the group is primarily composed of white Americans. These disadvantages consistently stretch far beyond the borders of race and national origin. People of nontraditional gender orientation and sexual orientation are consistently underrepresented within the workplace. Even the women born into affluence struggle to advance their careers at the same rate as their male counterparts.

Historically, the weaponization of our democratic systems have been used to oppress the minority population. As a society we have made major strides in rectifying the mistakes of the past, however, there are still residual effects from generations of subverting the voices of the oppressed. With many businesses and corporations in the U.S. reflecting the current social ladder, I seek to determine if discriminatory practices influence the hierarchical structures of business in the United States. Discrimination, whether in its overt or covert form, comes at a

great detriment to the field of business. This paper will outline a number of critical issues in the existing business structure however, it is important to establish an important idea. This thesis does not serve as a solution to these problems, but rather an analysis of the current systems we have in place.

### **Purpose of the Study**

The focus of this study is to uncover the unconscious bias that exists throughout the hierarchical structure in business and acknowledge its discriminatory influence on the field. It is important to emphasize that this paper is not intended to be a “solution” for the existing issues but rather a breakdown of the problems and the origins of these issues. Since this paper looks at the field of business as a whole, it is critical that we consider a variety of demographics throughout this analysis. The law recognizes that discrimination does not just impact a single class of people and as a result, protections are extended to people of all genders, ethnicities, religions, and national origins. These protections are designed to ensure fair treatment, indiscriminate hiring practices, and deter targeted misconduct. Unfortunately, workplace discrimination has evolved alongside our protective laws and statues, creating new ways to present the same old prejudice. This study seeks to discover the ways in which discriminatory practices have an influence on the existing business structures in America.

### **Literature Review**

The fundamental question that serves as inspiration for this thesis is whether or not discriminatory practices influence the hierarchical structures of business in the United States. As we explore the major themes of this thesis, the connections present between our primary topics will help us answer questions posed throughout the course of this paper. Topics like implicit

bias, representation, socioeconomic status, and business culture have all been heavily researched but never within the confines of our dialogue. In the prevailing bodies of literature that I've researched, the topics present in this paper have been the primary focus of many articles. However, in this paper, the topics we discuss serve as a small component of a much larger dialogue. Each component is critical in understanding the key themes throughout the paper; themes we use to answer our fundamental question. To exemplify this, let's look at the three major themes of this paper.

First, representation, diversity, and inclusion are often used interchangeably. In actuality, each is different and being able to discern them as independent of one another is vital in understanding their value. This theme is used to outline how misconstruing the three increases the probability of disparate impact within a business hierarchy. Asia McCleary-Gaddy, Director of diversity and equity at the Hackensack Meridian School of Medicine, wrote an article that defines the difference between diversity, inclusion, and equity. In her article, McCleary-Gaddy similarly uses these topics as components of her primary discussion. While the foundation is similar, she uses the same ideas to analyze the potential impact specifically within the confines of an academic setting. My thesis takes a similar route but goes a bit further. Throughout my thesis, the impacts of inequity, poor representation, and exclusive practices, are all viewed within the scope of American society. This means everything from our education system to our business culture is considered when discussing the impact of these major issues. The scope of my research is larger and as a result, the implications of the same issues are more exhaustive.

The second major theme of this thesis deals with cultural dimensions. Geert Hofstede's Power Distance Index is a tool we use throughout the paper to measure specific social aspects that are present in American society and business. After discussing Hofstede's Power Distance

Index extensively, we analyze how the combination of specific cultural dimensions contribute to discrimination in our business structures. Many articles discuss inclusion, diversity, and equity as a means of shifting negative workplace cultures. While this information is valuable, little to no articles use Hofstede's cultural dimensions to identify the disparities that come as a result of specific cultural norms. Take Geert Hofstede's book for example, *Culture's Consequences*. Hofstede's primary focus of this book is the types of cultural dimensions and most importantly, the business consequences associated with specific cultural norms. The book's only goal is to establish what cultural dimensions are, why they are important, and how you can use them to change an existing business culture. While informative, the book does not use cultural dimensions in the way that this thesis does. Where Hofstede uses his research to educate and potentially shift workplace dynamics, the knowledge derived from Hofstede's research serves a different function in this paper. Throughout this thesis, the power distance index is primarily used to highlight the cultural dimensions present in the United States. By doing this, we can then isolate the specific cultural dimensions present in American society and determine how they contribute to discrimination within organizations.

The final theme of this thesis pertains to the hierarchy of social classes present in the United States, citing socioeconomic status as the basis for an American Caste system. The direct connection between socioeconomic status and education are used to highlight intangible social barriers that impede the advancement of specific social groups. In the book *Cutting Class: Socioeconomic Status and Education*, Shirley Steinberg provides insight on the education of various social classes, and the effects of class based privilege. The book provides an indepth look of the effects of economic status and the level of education associated with specific social classes. Both Steinberg and myself discuss socioeconomic status and education throughout our



texts. While our research does parallel one another, they differ in one critical aspect. Steinberg's book serves as an analysis of socioeconomic status and the education derived from class privileges. This thesis considers the same points but argues that these components are not just damaging social factors, but are a product of a longstanding system present in American society. We also identify a linear relationship where income status has a direct statistical impact on the level of education available to the members of this social hierarchy.

The inclusion of new information and fresh perspectives are necessary for the advancement of great dialogues. While much of the research presented throughout this paper has been covered extensively, they have not been used conjunctively as the basis for an argument. Each component of this paper serves as the framework for an overarching conclusion grounded in both facts and extensive research. This paper is the culmination of citing many great minds, connecting a plethora of information and using these connections to introduce a new perspective for many long standing dialogues.

## **Methodology**

The fundamental question that serves as inspiration for this thesis is whether discriminatory practices have an influence on the hierarchical business structures present in the United States. The purpose of this paper is not to identify a propagator of the issues in question, but rather get a grasp for an intangible issue. This paper will take the objective facts, statistics, and research surrounding our topic and utilize that archival research to answer the question posed at the start of this paper. However, in order to do so, we need to ask supplementary questions to help us come to a decisive conclusion at the end of this paper. Firstly, is there a hierarchical business structure present in the United States? If through our research we determine there is no business hierarchy in American society, then we cannot argue its effect on anyone or on

anything. Secondly, if a business hierarchy does exist, how does it impact those within it? Does the composition of its structure also have an impact? The second question posed in this paper is crucial in developing an answer to our primary question. Understanding how a system operates is the first step in developing a holistic view and truly grasping the subject matter. Much like a mechanic needs to understand how a car works before providing services, we need to understand how the hierarchy works before we can provide an analysis. Third, what specific impact does discrimination have on business hierarchies in the United States? Is there an identifiable group of people impacted? If the topics presented as our second research question serve as the how, then research question three serves as the who. If we are to definitively say that discriminatory practices have an influence on the hierarchical business structures in the United States, then identifying who is impacted is just as important as understanding how they are impacted.

When a wildlife biologist wants to determine the impact that an animal's extinction will have on a food chain, they analyze the chain as a whole along with the animal's role within it. Similarly, if we want to determine if discrimination has an influence on the business structures in the United States, then we need to analyze the structure as a whole and discrimination's role within it. In addition to our collection of both qualitative and quantitative data, this thesis will incorporate interviews from a group of accomplished business professionals each of which hold over a decade of experience. These participants were selected for their dynamic professional experiences, vast accomplishments, and their familiarity with business structures in the United States. While their anonymity must be maintained, the core competencies derived from their ten plus years of experience, put each of them in a unique position to provide insight to a very complex systemic problem. These interviews were conducted over zoom with each consultation lasting about an hour. During our dialogues, the participants were asked questions about their

professional and personal lives. It is through these dialogues that I established a framework for this thesis and uncovered a series of themes pertaining to our topic. The many commonalities between the interviews established a foundation for which research could be discussed. By spending over 60 hours reading various bodies of literature and analyzing extensive archival research, the information presented in this thesis serves as a comprehensive overview of many interconnected topics.

As we begin to uncover the major themes of this paper, keeping our reference questions in mind will be pivotal in helping us form an answer to the question posed at the beginning of this thesis. With this in mind, below are the reference questions that we should be considering throughout the remainder of the paper.

**Research Question 1:** Is there a hierarchical business structure present in the United States?

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**Research Question 2:** If a business hierarchy does exist, how does it impact those within it?

↳ Does the composition of its structure also have an impact?

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**Research Question 3:** What is the specific impact that discrimination has on business hierarchies?

↳ Is there a specific and identifiable group of people impacted?

## Chapter II: What are the Problems

### Understanding the Issues

As we embark on this investigative analysis, there are a few vital concepts that many struggle to discern. *Diversity, representation, and inclusivity* are three topics that are frequently misconstrued as being one in the same. In reality and especially within the context of this thesis, understanding the difference between the three are pivotal in not only a deeper understanding of the issues, but in being able to recognize these aspects throughout the business realm. Discerning between representation and diversity is easily the most challenging task. For the sake of this paper, you can think of representation as a distribution of diverse cultural and ethnic groups throughout all levels/aspects of a business. Diversity is slightly more complex in its definition. Diversity is not about equal opportunity. Diversity is about providing apt individuals with equal access to opportunities regardless of their gender, sexual orientation, ethnic or cultural background.

With representation and diversity defined, inclusion is the last aspect that needs to be addressed. Inclusion is often depicted through vague and impetuous policies established by corporate titans. These agencies reduce the concept of inclusion to the production of a company policy with no regard to their business culture. The only true form of inclusion is *intentional inclusivity*. Intentional inclusivity is a sustainable business practice which actively seeks ways to involve every member of every group in every aspect of business. If that sounds next to impossible, it's because it is. A perfectly inclusive corporation is an unattainable goal, but one that should be held nonetheless. Any organization that adopts a business structure of intentional inclusivity is embarking on a journey that will last as long as the business does. While they will never achieve perfect inclusion, the corporation's employees, culture, and business practices will

be reflective of their inclusive principles. Principles that prioritize people rather than profit and empathy over margins.

### **Diversity Problems in the Workplace**

In order to properly comprehend the dynamics of workplace diversity, it is vital that we first understand the significance of diversity within the labor force. There have been a multitude of studies analyzing the economic impact of diversifying a work environment. The universal conclusion alluded to by analysts like Sophia Lee, is that diversity in the workplace yields “increased innovation, new perspectives, a plethora of skill sets, better performance, and increased profits just to name a few” (Lee, 2021). While discussing the benefits of diversity, Participant 5 emphasized, “[companies] are going to make better decisions when they bring in a broader range of identities and backgrounds and experiences into the decision making process.” (Participant 5, 2023). The coalescence of these benefits are all indicators of the workplace being more effective when diversification is implemented. However, these studies have not been enough to remove the negative stigma surrounding minority employment. It also has not reduced predisposed gender roles that make discriminating against groups like pregnant women less common in the workplace. These stigmas are so deeply rooted that the NAACP reported that, “white men with a criminal record are more likely to get an interview than Black men with no criminal record” (NAACP, 2021). A separate study determined that throughout North America, “women are 14% less likely to be promoted than their male colleagues” (Somers, 2022). Studies like these are conducted with the sole purpose of illuminating social divides rooted in our society. When we exclude entire ethnic groups from employment opportunities, or lessen the accessibility of growth opportunities for women, we deprive our economy of the indisputable benefits of diversification. Whether this exclusion is intentional or not, the ostracization of any

group creates a pattern reminiscent of this nation's past. When asked about her ability to find employment coming out of college, Participant 2 explained, "I frankly didn't get the kind of jobs that I should have gotten. What I do know is that my cohorts with similar records got better opportunities than I did." When asked why she believes that happened, Participant 2 stated, "I think it has to do with my gender and race honestly. I can think of a few places that didn't hire me for no good reason." (Participant 2, 2023). Under the Civil Rights Act of 1991, Title VII distinctly prohibits discrimination within the workplace and throughout the hiring process. Though we have this legislation in place, there are still cases that parallel the story shared by Participant 2. The Equal Employment Opportunity Commission reported 61,331 charges of workplace discrimination in 2021 alone. 92.6% of these cases ended in favor of the defendant but, employers still ended up paying over 480 million dollars in settlements for victims of discrimination (Flynn, 2022). With over 1.8 million complaints filed with the EEOC since 1997, discrimination is still a prevalent and costly issue that exists in the workplace.

### **Diversification vs. Representation**

The distinction between diversification and representation is important because these terms are often misconstrued as denoting the same concepts. Diversification in a work environment is not the same as representation within a work environment. When analyzing the racial composition of the labor force, the Bureau of Labor Statistics documents that, "people of color comprise nearly one-third of the labor force" (Burns, 2012). When we compare these findings to that of the racial composition of fortune 500 CEOs, DiversityInc. shows that "95.8% are white, 1.8% are Asian, 1.2% are Hispanic, and 0.8% are African American" (Burns, 2012). These statistics corroborate the assertion that diversification does not equate to representation. The theory is strengthened when you analyze the status of women in the workplace.

The best way to conceptualize the difference between representation and diversity is to understand when they are relevant. The easiest example of diversity is the selection of apt employees through the hiring pool. A company that values diversity does not just hire those who best fit the framework of their preexisting culture but rather, those who are qualified regardless of their ethnic background, national origin, or gender identity. The process of acquiring new talent may help us understand what it means to be diverse, but it does not give us an idea of how to view representation in a different light. We can best understand representation by looking at the roles attributed to groups of varying origin. Put simply, if your work environment is evenly composed of various ethnic groups, then your workplace is diverse. However, if the individuals who rank highest in the organization are composed of one specific group, then there are clear issues with representation.

The common justification for a lack in representation is the absence of viable candidates in the application process. Employers can not select diverse candidates if there are not diverse applicants within the hiring pool. The problem with this defense is that it accuses the result of being the cause. The issue is not a poor pool of applicants, the issue is poor representation. An organization should not expect a diverse pool of applicants when their company (or industry) is poorly representative of the world we live in. Take a look at the demographics for aerospace engineering. The field is male dominated with as few as 9% of the industry being composed by women in 2019. Though there have been fluctuations in recent years, the field has yet to see more than a 2% increase in female engineers. A continued look at these statistics indicate that the industry lacks ethnic representation as well. Hispanic or Latino individuals only composed 11% of the field with Black or African Americans accounting for as little as 4% in 2021 (Zippa, 2022). In an article discussing the value of representation, Susan Caminiti, a writer and content

editor for CNBC, shares data that emphasizes the significance of representation. “Nearly 80% of workers [surveyed by CNBC] want to work for a company that values diversity, equity and inclusion”. The article goes on to say, “Gen X and Gen Z are purpose-driven generations that act on principle and hold organizations accountable. They’re opting to work for companies with clear value systems and corresponding behaviors around inclusion, transparency, fairness, and sustainable business practices” (Caminiti, 2021). People do not apply to jobs or industries where they do not feel represented. With Gen Z projected to compose 27% of the workforce by 2025, businesses need to consider how diversity and representation can be integral parts of their sustainability plan.



### Chapter III: Tackling the Issues

#### Business Culture

As we discussed at the start of this thesis, businesses will hide behind their policies to market themselves as progressive and intuitive organizations. Regardless of the policies in place, the individuals who work within an organization are the greatest contributors to a company's culture. Policies exist as express principles of a company, as such they sometimes succeed in influencing company culture, however, policies alone are not enough to change an organization. In an article discussing business culture, author Prachi Juneja emphasizes "the first and the foremost factor affecting culture is the individual[s] working with the organization. The employees in their own way contribute to the culture of the workplace. The attitudes, mentalities, interests, perception and even the thought process of the employees affect the organization culture" (Juneja, 2021). Juneja then proceeds to provide an example of how a business culture is cultivated through the individuals hired; however, the example is not applicable within the context of this thesis. A more relevant case can be seen when we review the lawsuit brought against Activision. Activision is a large gaming company with a number of subsidiaries responsible for the creation, distribution and marketing of various gaming titles. In 2021 the company was sued for its existing "frat boy" culture where many women felt harassed, targeted, and subjected to gross misconduct. These employees were subjected to a number of situations that simply have no place in the professional setting. This lawsuit is a result of Activism maintaining a culture that indirectly promoted discrimination. When you don't hire people who are educated on what it means to maintain an inclusive working environment, you run the risk of developing a culture that is ignorant of their own poisonous behavior. There are a number of companies that embody this unconscious and self-destructive model; the foundational issues that

connect them is lack of diversity. These organizations are often composed of individuals who share similar perspectives; it is this collective mindset that results in the development of exclusive business cultures. These organizations are best described as being “cliquish” for their tendency to group employees based on various factors (i.e. graduating institution, local upbringing, shared ethnic experiences, religious or political beliefs).

There are a multitude of things that contribute to the development of poor business cultures, some of which we will discuss. However, the overlooked proponent in this issue is known as *unconscious bias*. Unconscious bias (often called implicit bias) is stereotypes and assumptions ingrained in the unconscious minds of all people. Within seconds, we unknowingly judge one another because of our nationality, gender, age, and perceived social status. This form of prejudice makes developing a truly inclusive workplace very challenging. Developing an inclusive work environment without first becoming aware of your own unconscious bias, creates a system that will always be in conflict. An article outlining the negative impacts of unconscious bias explained that there are two ways areas where unconscious bias had the most influence. The first is in the hiring process and the second involves when people are promoted. The article explains that “[Unconscious bias] can affect whether the managers decided to hire the candidates or not [specifically because of] the manager's subconscious attitude towards that person during the interview”. The article goes on to explain that “when considering people for promotions, managers can be affected by an unconscious bias. Rather than considering a person's work performance or contribution to a team, a manager can base a promotion off of a bias that they may have about certain people.” (EasyLlama, 2023). Ultimately, the best way to combat implicit bias is through training and education. The more you expand your awareness of implicit bias, the better equipped you are to become cognizant of your own inherent prejudice.

Company culture is the result of a cumulative effort of multiple individuals. Jerry Pico, an author and scholar of organizational culture had this to share. “True culture change means altering the way the organization lives and breathes. It shapes the way people make decisions, get their work done, what they prioritize, and how they interact with colleagues, clients, and customers. Its really only successful and powerful when business leaders see it as their responsibility” (Pico, 2017). The people who compose an organization have a greater influence on work dynamics than company values or beliefs. Policies alone aren’t enough to regulate the conduct of an entire company. The issue with hierarchical business structures in the United States is that their composition promotes discrimination. The combination of specific cultural dimensions is what I suspect indirectly promotes discriminatory practices.

### **Cultural Dimensions**

A crucial point established toward the start of this paper was the significant role that company culture plays in deterring discriminatory practices. While we have placed a great emphasis on culture, we have yet to fully explain what makes it so impactful. What are the components of culture that makes it a crucial part of this discussion? The answer to this question is cultural dimensions. *Cultural dimensions* are the characteristics we assign to organizations in order to understand what their existing culture looks like. Cultural dimensions are the product of Geert Hofstede, a Dutch social psychologist who dedicated his life to academia and industry. His research on organizational cultures has resulted in major national interest in management and leadership strategies across the globe. One of his most notable contributions is referred to as *Hofstede's power distance index*. This scale is a valuable tool we can use to better understand the range of business orientations we see in the United States and internationally. Before we can use Hofstede’s research to our advantage, we need to familiarize ourselves with the terminology.

Hofstede's index covers *power distance*, *individualism*, *masculinity*, *uncertainty avoidance*, *normative orientation*, and *indulgence*. While indulgence is a component of cultural dimensions, for the purposes of this paper it will not be covered. Our time is better served covering the remaining four dimensions since they have greater relevance in this dialogue.

When analyzing the dimensions of business hierarchies, one of the dynamics we see in abundance is power distance. Power distance can be best understood as relations of power. The lower an organization's power distance, the less title, status, and formal position matter. As a result of these power dynamics, organizations with lower power distance are considered to be "flatter" organizations. The flatter an organization, the more value each voice holds. This differs from the structure found in organizations with high power distance. In organizations with high power distance, formal position and level of influence are directly correlated. This means that the higher your perceived status, the more power you hold. This makes the ascension of the corporate ladder unavoidable for those trying to increase their influence within an organization. Companies with high power distance reflect the same dynamics that can be found in hierarchies because the higher the power distance, the more pointed an organization is.

Individualism can be understood as the level of interdependence among society's members. If you want to know how individualistic a company is, you can do the "I, We" test. If the members of an organization view themselves as part of a "We", then the organization is collectivistic. Alternatively, if the members of an organization view themselves as an "I", then the company is more individualistic. The higher a company's individualism, the less they view themselves as a we. Naturally there will be overlap. Some people will have a we mentality, and others will only think about themselves. Ultimately, the perception that is the most apparent will

dictate the organization's mentality.

Masculinity determines the perception of men's role within the organization. A high score on masculinity indicates a large masculine presence but it also alludes to certain societal drivers. Competition, achievement, success, and the need to be the best in the field, are all drivers associated with companies with high levels of masculinity. Organizations that have a lower masculine score are considered to be "feminine". Companies structured with low levels of masculinity are concerned more about quality of life and promoting gender engagement. This portion of the index conforms heavily to standardized gender roles.

Uncertainty avoidance deals with the level of tolerance a business has for unknown situations, people, and ideas. An organization with weak uncertainty avoidance has a willingness to take risk and believes that deviating from normal protocol isn't problematic, so long as it leads to innovation. This results in high job mobility and a more casual work environment. Organizations who maintain a strong level of uncertainty avoidance attempt to mitigate risk as much as possible. Roles are clear, responsibilities are articulated and there is a major emphasis on avoiding failure.

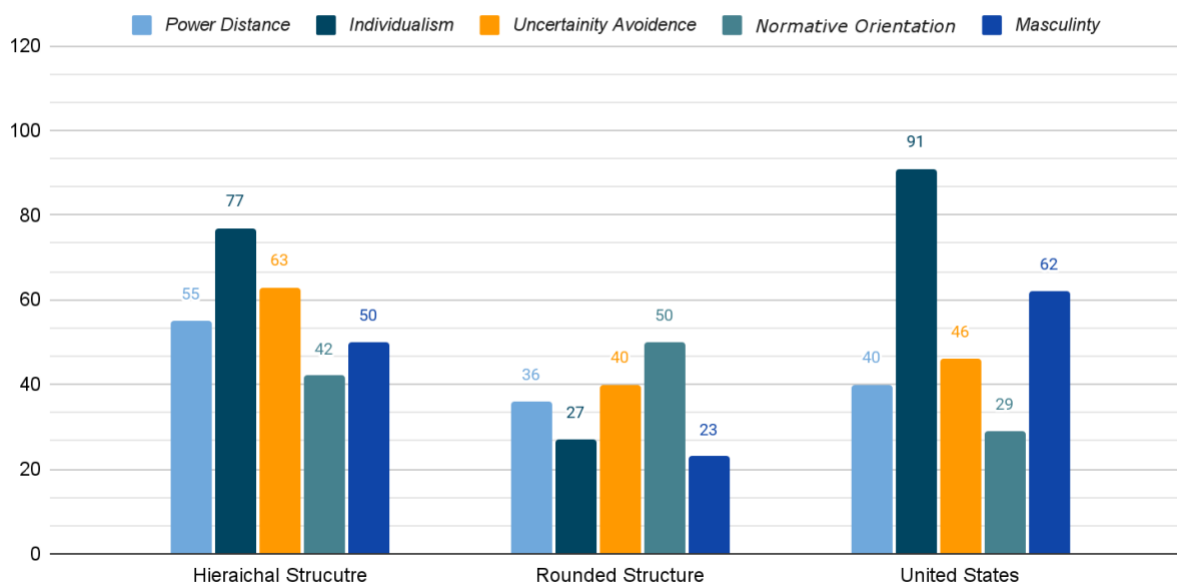
Last is normative orientation. This portion of Hofstede's index determines if an organization has a long term orientation, or a short term orientation. High normative orientation indicates a long term approach to business. This usually means there is a greater emphasis on sustainability and setting long term goals. Lower levels of normative orientation indicate a short term approach to business. Businesses with short term orientations can still set long term goals but there is often a greater emphasis on smaller time frames (i.e. 3 - 4 months).

After such an extensive review, it would be beneficial to provide a brief summary of the key components we've covered. The lower an organization's power distance, the less title, status, and formal position matter (this is considered a flat organization). In organization's with high power distance, ascending the corporate ladder is essential in increasing your influence within the company. Individualism in its simplest form can be identified through the "I, We" test. The cultural dimension of masculinity measures the influence of men in an organization and the company's societal drivers (i.e. competition, achievement, etc.). Companies with high uncertainty avoidance emphasize avoiding risks as much as possible. When uncertainty avoidance is low, it indicates a willingness to take chances. Lastly, normative orientation just dictates whether a company has a long term focus or a short term focus.

Now that we've established an in-depth understanding of cultural dimensions, we can finally take a deep dive into Hofstede's power distance index. Below is a diagram comparing the cultural dimensions in the United States to that of rounded and hierarchical structures. This diagram gives us the opportunity to both visualize the components of cultural dimensions and compare the U.S. to rounded and hierarchical structures.

Table 1

### Comparing the Cultural Dimensions present in United States to Rounded and Hierarchical Structures



Source: WordPres

Accessed: March 26, 2023

This graph highlights the business orientation that can be found in the United States and compares it to that of a typical rounded or hierarchical structure. The U.S. sports the highest level of individualism on the globe, showcasing numbers well above the average individualism found in hierarchical structures. This metric closely coincides with the history of America; a nation founded on the importance of independence. Their normative orientation can be qualified as having a heavy focus on the short term. When you consider present marketing strategies and the high level of consumerism in the United States, this too makes sense. Uncertainty avoidance in the U.S. closely parallels that of rounded structures, indicating a willingness to take risks. Power distance is surprisingly low, reflecting a perception of status that also corresponds with more rounded structures. Masculinity on the other hand, is our second highest cultural

dimension, a metric that indicates a high level of masculine influence and a highly competitive nature.

Alone, each cultural dimension provides a piece of the puzzle that when brought together, provides a clear image. Each cultural dimension folds into one another, creating a system formed by its most prominent components. This brings me to the main assertion of this section. In the United States, individualism, masculinity, and uncertainty avoidance are the primary catalyst for discrimination within business hierarchies. As we've learned, an organization that is highly individualistic promotes a culture that prioritizes the self over anything else. While people will work towards a collective goal, the main objective is protecting one's self interests. In organizations that have adopted this kind of mentality, the incentive for helping others is not as high as structures that are inherently collectivistic. This rings even more true in highly competitive fields. While discussing her transition into upper management, interview participant 1 shared, "I had to learn the hard way that people weren't out to support me anymore, people were out to beat me for the position. It was so competitive to the point where it was cliquish. It got so bad to where if you needed information for the vice president and you knew it was at a certain person's desk, you would ask them and they would say they don't have it. A lot of games were played so you had to learn to play with piranhas in the water." (Participant 1, 2022). If we couple this concept with the highly masculine structure found in the U.S, the probability for disparities grows exponentially. Women who enter businesses with a culture that is highly masculine and highly individualistic are disproportionately impacted. In discussing her experience as a woman in business, Participant 1 shared, "[my husband and I] were ready to start our family and so I got pregnant. All the HRs started talking to figure out what to do and my boss determined that a woman wouldn't be capable of handling such a high profile job with a kid



at home. My husband agreed to stay home and take care of the kid, and I told them I wanted to keep my job. They wanted to repatriate me but I told them my personal life had nothing to do with my job. I reminded them that they have several men in the same position who haven't been asked to leave their position and I don't think it's legal to discriminate against me." (Participant 1, 2022).

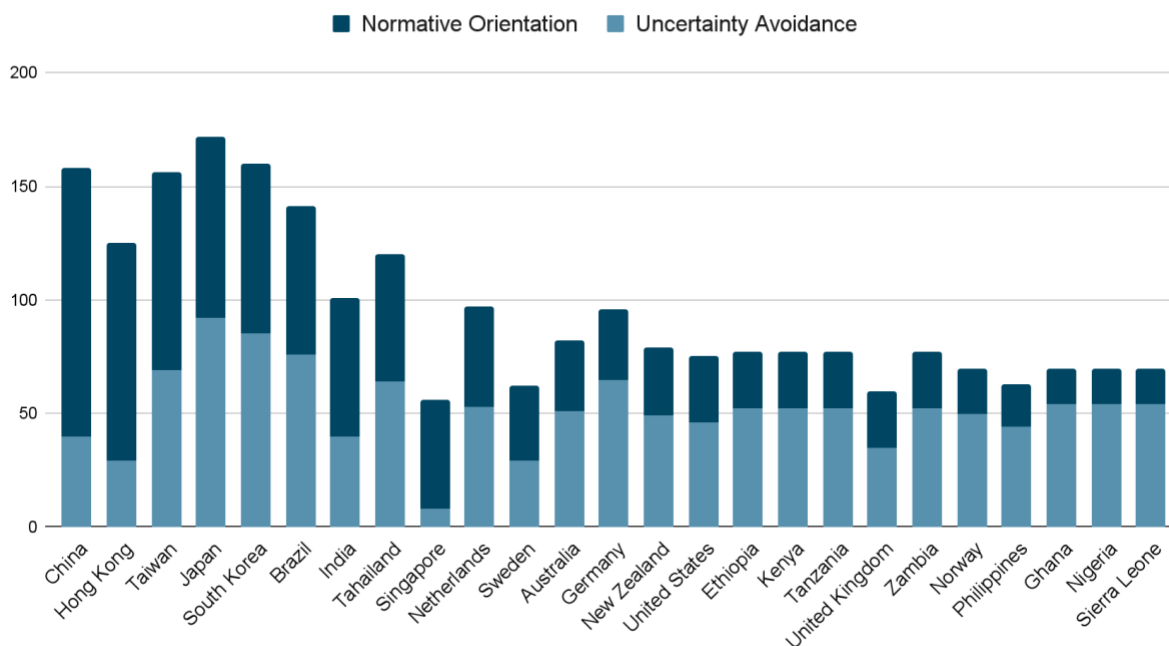
There are two points to be made here. Firstly, the experiences explained here do not mean women cannot succeed within these structures, the strong female participants of this thesis are all prime examples of the opposite. However, their experiences in addition to our research are indicative of a disproportionate business orientation that makes success less obtainable for individuals simply because of their identity. For someone within an organization to derive benefits, preference, or support purely because they are a member of a specific demographic, points to a system that hasn't been structured fairly. Secondly, this conclusion does not mean there aren't any organizations combating these dimensions. What's important to remember is that Hofstede's power distance index looks at nations holistically and breaks down their cultural dimensions. While the U.S has made leaps and bounds, the current structure of business in America maintains a hierarchical orientation. It is this orientation that limits some while unjustly supporting others.

Let's take another set of cultural dimensions and look at the ways they imbue discrimination within American business culture. The graph indicates that the United States has a short term normative orientation, suggesting a heavy emphasis on fast results. They couple this with low uncertainty avoidance demonstrating a willingness to take risks. Separately, these practices can offer industries across the globe with a structure that promotes innovation and encourages success in highly competitive markets. However, the combination of the two within

the United States becomes a catalyst for additional issues. After taking another look at Hofstede's power distance index, the graph below demonstrates a clear correlation between normative orientation and uncertainty avoidance.

Table 2

Relation Between Normative Orientation & Long-term Orientation



Source: WordPres

Accessed: March 26, 2023

This graph isolates normative orientation and uncertainty avoidance to accentuate the connection between the two. On average, the lower an organization's normative orientation, the lower the uncertainty avoidance. This means as a company becomes more focused on short term goals they simultaneously become more inclined to take risks. These cultural dimensions together lay the foundation for a high pressure business environment that is often unforgiving in nature. While on the surface this doesn't seem discriminatory, it is the end result that proves to be more damaging to the development of diversity. Participant 2 shared in reference to the

minority leaders throughout her professional career, “I can literally count them on one hand”. (Participant 2, 2023). This was as a result of her work organizations purely focusing on results. A short term oriented business that prioritizes risk taking consistently hires and retains individuals they believe can get the job done. When asked about values in place that promoted diversity and inclusivity, Participant 5 noted, “at IBM it was all about results; it was never discussed. If you could get the job then, we don’t care what you look like. While there was no time to talk about diversity, there was diversity and that's where I would like to see a lot of organizations.” (Participant 5). In organizations where aptitude is the primary focus of the hiring process, historically disparaged groups do have an opportunity to find gainful employment. However, they do not have the equal opportunity to obtain said employment. Earlier in this thesis, we stressed the importance of mindfulness in the hiring process. The issue is not the principle of hiring apt individuals but rather the indirect impact it has on those applying for roles within an organization. Some will argue that all apt individuals (if they truly are qualified) will have equal opportunity for employment, but evidence points to a much different story. We saw this in our section on diversity problems in the workplace where the NAACP explained that “white men with a criminal record are more likely to get an interview than Black men with no criminal record” (NAACP, 2021). While discussing her experience, Participant 4 explained, “I get called out for an interview and after doing my homework [on the company] I’m ready to fire on all cylinders. As soon as I introduce myself, I could tell that he detected my accent. He ended up asking me about my immigration status which is a question I didn’t know he wasn’t allowed to ask. I answered truthfully that I was on a student visa and he said that there was no point in us talking.” (Participant 4). Participant 4’s experience is a prime example of *accent bias*, a form of unconscious bias that is omnipresent in the United States. Accent bias is a form of unconscious

bias that impacts an individual's perception of someone based on their accent while speaking English. With English being the primary language spoken throughout the United States, it is a form of social currency that only impacts you when you don't have it. In an article outlining the ways we can minimize discrimination, Dr. Pragya Agarwal explains, "People have linguicism or "accenticism" without realizing it. When we impose our judgments about a specific person on the whole group or community that this individual belongs to then we have a bias. Research has shown that we tend to unconsciously group people into a specific social class and prejudice against them based on their accents. By thinking that someone with a particular accent is not very smart or clever, we are showing our unconscious bias." Agarwal goes on to explain, "[a foreign accent] is often a barrier to career progression in the modern workplace." (Agarwal, 2018).

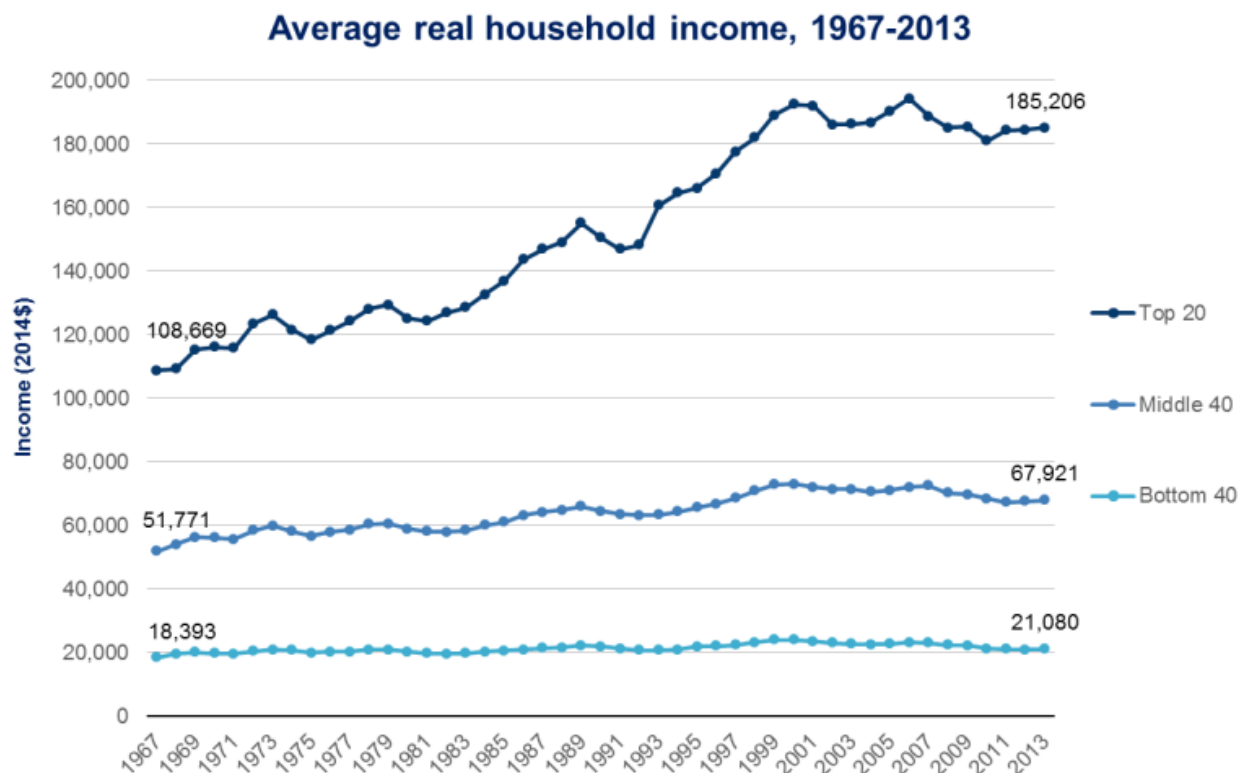
The purpose of this paper is to highlight the ways in which discrimination influences the hierarchical structure of business we have in the United States. The varying cultural dimensions that are most prevalent in the U.S. compound the preexisting issues of discrimination. Uncertainty avoidance, individualism, masculinity, and normative orientation all play key roles in creating an environment that results in indirect forms of disproportionality. A major lesson derived from this section is that some groups benefit as a result of their pre-existing social position while others indirectly suffer as a result of their identity. This systematic inconsistency creates barriers of entry for anyone who does not conform to the predisposed social norms. ()

## **American Caste**

A major lesson derived from our discussion on cultural dimensions is that identity can be advantageous for some and a hindrance for others. The United States has a long history of oppression that reaches far beyond the abolition of slavery. The implementation of Jim Crow laws created a series of discriminatory regulations used to control and imprison the black populus. The indigenous people who once inhabited this land have been disenfranchised by a government offering empty promises and insincere concern. As of today, we are only eight years removed from the full legalization of same-sex marriage in the United States. Every one of these pivotal moments in American history are indicative of a nation with inconsistent concern for certain “inalienable” rights. Centuries of this inconsistency has promoted a social structure governed by disproportionality.

Our social structure can be categorized in many ways but the prevailing classification throughout the United States is based on income. Since the late 1960s, the Census Bureau has painstakingly documented the average household income for the three income classes in the United States.

Table 3



Source: Brookings

Accessed: March 26, 2023

As decades pass, low income families have consistently made less than \$22,000 annually. This means the least affluent of the top 20% (upper class) makes quintuple that of the most affluent within the lower class. Even the richest of the middle class is still separated from the top 20% by at least \$40,000. Were we to venture beyond the upper class, we would eventually reach the top 1%; a category all its own. In 2020, 63% (\$26 trillion) of all new wealth was acquired by the richest 1 percent, while 37% (\$16 trillion) was distributed to the rest of the world. The argument often presented in response to these statistics is that the United States is a land of opportunity. Anyone with drive and work ethic can create a better life for themselves regardless of their background. In many ways this mentality suggests that fixing a bad situation is as easy as just doing it. I urge you to go out and tell a homeless person to just buy a house or approach a

starving child and tell them to eat. If you sense some hesitation in response to my suggestion, then you recognize that there are additional factors that contribute to their situation. Not all barriers develop as a result of malice, some develop as a byproduct of a poorly constructed system. The hierarchical business orientation in the United States is one such system. In order to further our understanding of how, we need to identify the connection between income, education and their relation to the existing business structure.

Due to their lack of resources, low income families are among the most vulnerable members of our society. Individuals making below the national median have no choice but to purchase or rent property within their means. Banks routinely base access to house based loans on the gross monthly income of the borrower in question. This means the further outside of their income group an individual ventures, the less likely they are to receive a loan. The result is that a majority of low income families own or rent low income property. What many people do not know is that public schools receive a decent portion of their funding from property taxes. Mark Lieberman, a former reporter for the Washington Post explains that, “local property tax revenue covers more than a third of all of America’s annual spending on K-12 public schools” (Lieberman, 2022). This is true for around  $\frac{4}{5}$  of the United States, meaning roughly ten states fund public education with a softer dependency on property tax. Ultimately, the percentage varies from state to state. Take Pennsylvania for example. Elizabeth Fitch, feature editor at Duquesne University explains that in Pennsylvania, “a mere 38% of school district revenues are funded by the state. After adding a sliver of federal funding, local property taxes are forced to make up the remaining 58% [of public school funding]” (Fitch, 2021). Regardless of the exact percentage derived from property tax, there is a direct correlation between property value and the funds attributed to public education. Individuals who classify as low income earners purchase or rent

low income property. Since the property value associated with low income housing is minimal, less property tax can be collected resulting in reduced funds for public school education. Having adequate funding for an academic institution is pivotal in determining the future of students in the United States. In an article outlining the long term implications of our current educational system, we learn that “[low income students] are less likely to complete a bachelor’s degree than their higher income peers (54% vs 78%).” We also discover that even high achieving low income students struggle. The article explains, “high-achieving lower income students dropout of high school or do not graduate on time at a rate twice that of their higher income peers (8% vs 4%).” (Wyner, 2023). The reason this information is such a critical part of our discussion is because in the United States, level of education is indicative of one’s earning potential. While discussing the value of education, Participant 2 shared, “I think access to education is a key differentiator. I think it opens up all kinds of opportunities.” (Participant 2, 2023). The graph below outlines a similar belief by highlighting the connection between education and the average income derived from it.



Table 4: Average Projected Income Based on Level of Education

EDUCATION LEVEL	AVERAGE INCOME
Less than 9th grade	\$26,293
9th to 12th grade, no diploma	\$27,987
High school graduate (includes equivalency)	\$39,976
Some college, no degree	\$48,555
Associate's degree	\$51,161
Bachelor's degree	\$80,478
Bachelor's degree or more	\$91,892
Master's degree	\$98,268
Professional degree	\$151,348
Doctoral degree	\$141,178

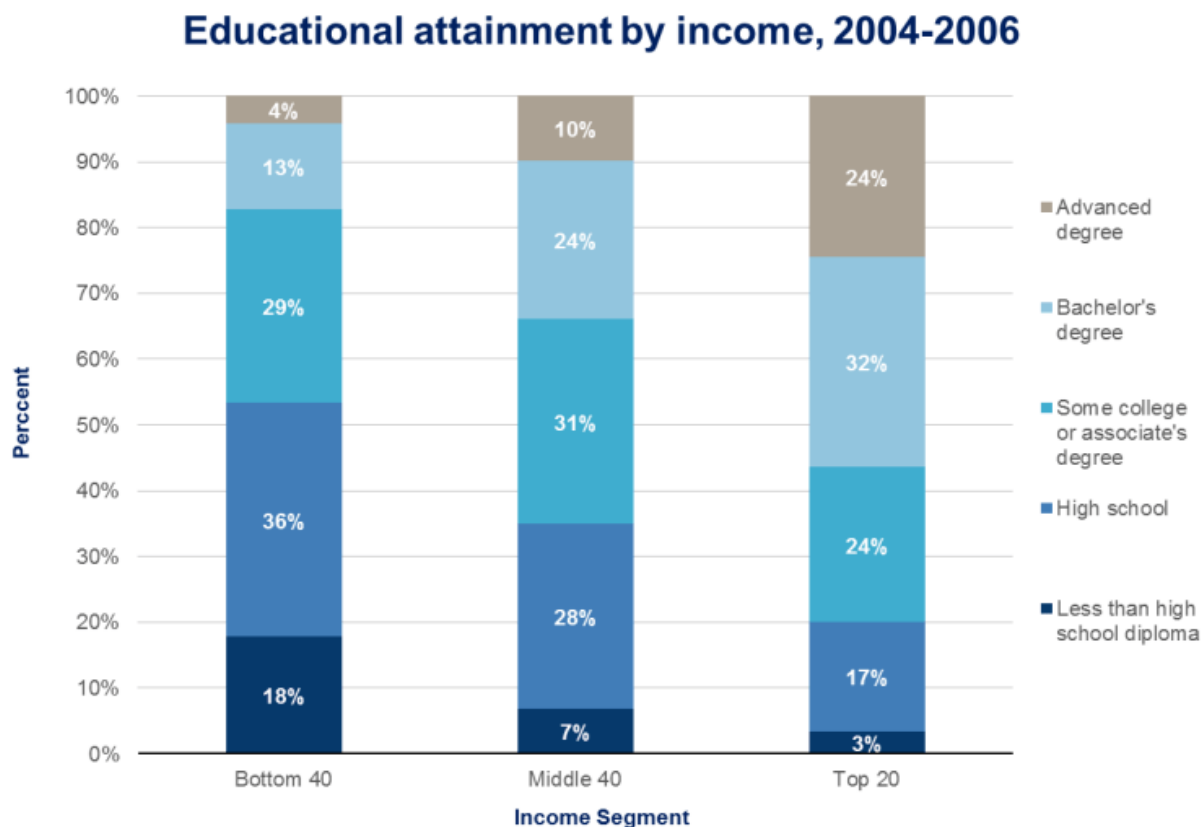
*Source: The Ascent*

*Accessed: March 26, 2023*

High school graduates receive an average income that falls just under \$40,000 a year. The acquisition of an Associate's degree alone would increase their average annual earning potential by \$11,000. Those who managed to obtain Master's degrees stand to make an average of \$98,000, nearly 2.5 times the amount a high school diploma would get them. The most insightful

component of this research is its relation to the established income classifications in the United States. The diagram below outlines the education levels for each class of income earner.

Table 5



*Source: Brookings*

*Accessed: March 26, 2023*

The bottom 40% living below the national median is predominantly composed of citizens who have completed a high school level education or less. Considering the relationship between education and earning potential, the most we can anticipate for 54% of average low income earners is \$40,000 annually. Conversely, only a fifth of those in the top 20% have a high school diploma or less. We also see that almost 60% of these upper income earners have acquired a bachelor's degree or more. This graph in addition to our understanding of the earning potential highlights how intertwined education is with socioeconomic status. More than half of those

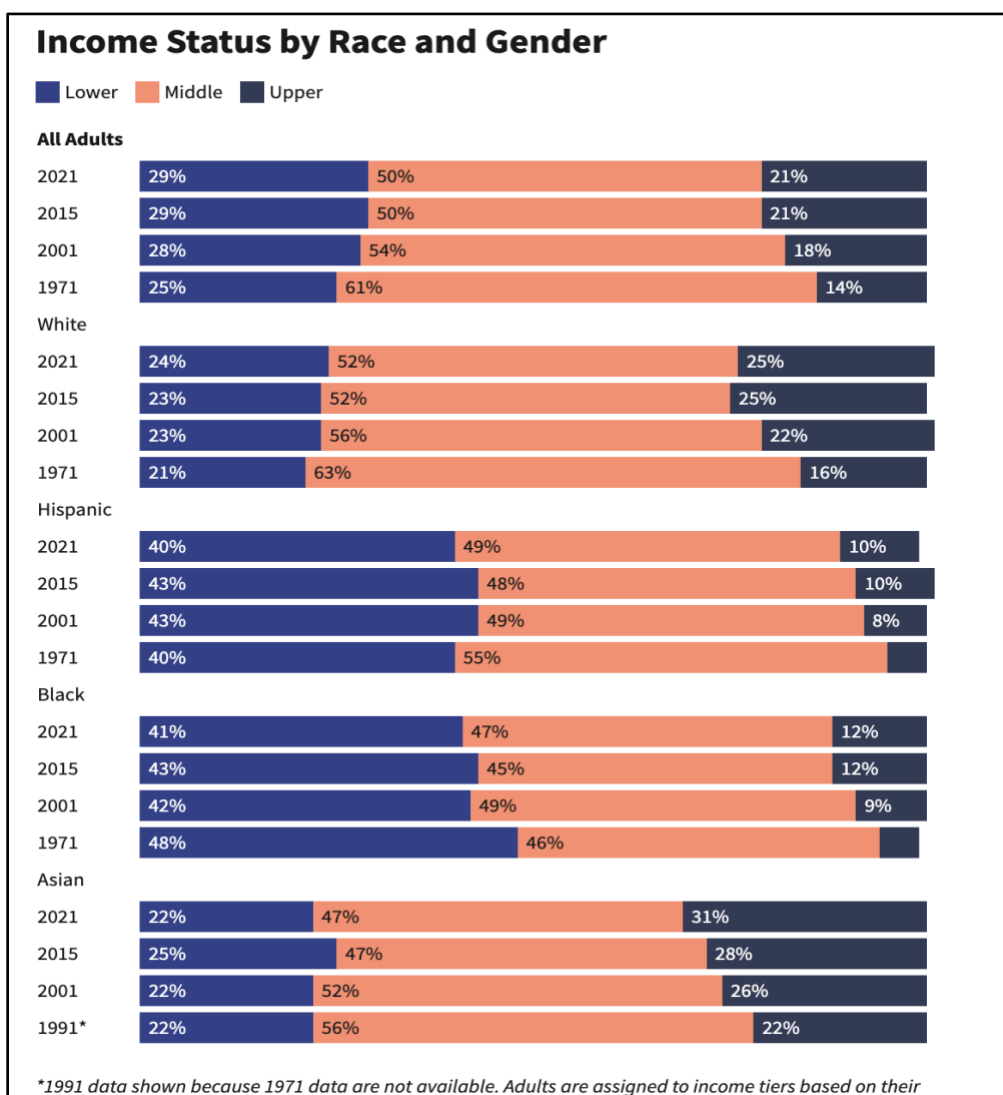
living below the national median never go beyond high school while more than half of those ranking in the top 20% of earners obtain a bachelor's degree or more. These demographics are the polar opposite of one another not just educationally, but economically as well. The richest low income earner is separated by the poorest of the top 20% by upwards of \$40,000. While education is not the sole dictator of an individual's socioeconomic status, education establishes a clear and present framework for financial development.

With statistics pointing to a constant uphill battle with education, low income earners deal with a socioeconomic landscape entirely different from that of middle class citizens or upper income earners. With more than half of those classified under the framework of low income only obtaining a high school level education or less, few will be in a financial position to overcome their economic status. The most impoverished of this nation often remain impoverished because they cannot afford to finance their education; couple this with the information we know about the average low income family and the constructs of this system become more apparent. Low income earners purchase or rent low income housing which hold low property value. This means less property taxes can be collected resulting in reduced funding for public education. Students that attend these poorly funded institutions are statistically more likely to drop out of high school or never reach college. The same is true for students who can be identified as stemming from low income families. Their level of education can be traced to their average earning potential which in the best case scenario, is projected to put them just short of middle class status. This near linear path is a prime example of a *transitive relationship*. The rule of transitive relationships in its simplest form tells us that, if  $A = B$  and  $B = C$ , then  $A = C$ . Being from a low income background does not predestine you to live below the national median forever. However, the probability that you will is substantially higher as a result of your classification as a low income

earner. If we apply the same logic of transitive relationships we can identify the systemic issues derived from the American caste. 54% of low income earners fail in their pursuit of higher learning, resulting in a high school level education or less. The interconnectivity of education and income indicates that the lower your level of education, the lower your average annual income. Under the rule of transitive relationships, this means that we can anticipate 54% of low income earners to never exceed the threshold of the national median. Again, while this is not a guarantee, these connections emphasize the tremendous odds that the most vulnerable members of our society must overcome.

From the moment you are born in the United States, you are adopted into a caste system dictated by your family's socioeconomic status. Our existing social constructs favor the affluent while ridiculing the most vulnerable members of our society for failing to fly in a system designed to clip their wings. Low income earners are tasked with the goal of surmounting a system that inadvertently, never gives them a fair shot. This information becomes even more disheartening when you identify the demographics who comprise the bottom 40%. The graph below showcases income status in the United States by race and gender, illuminating those most affected by socioeconomic status.

Table 6



Source: Investopedia

Accessed: March 26, 2023

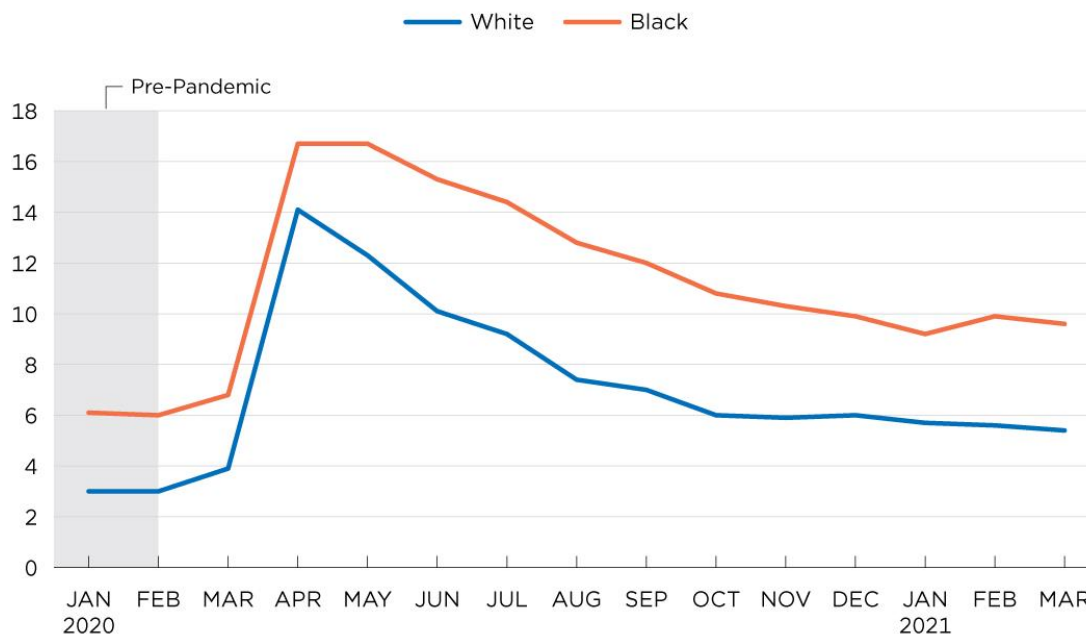
Almost 50% of the Black and Hispanic populus comprise the low income earner category. This means the issues impacting that of the bottom 40% disproportionately affect Black and Hispanic Americans. Since individuals within this category are statistically less likely to be successful, their access to employment opportunities is less than that of Asian or White American citizens. The chart shows us that over the course of several decades, Asian and White communities have consistently averaged less than a quarter of their populus below the national

median. Conversely, the percentage of upper income earners for both White and Asian Americans has exceeded 20% since 2015, with Asian communities reaching 31% in 2021. In that same year, only 10% of Hispanic Americans qualified as upper income earners, numbers reflecting the same as six years prior. The same could be said for Black Americans who had seemingly become stagnant. After 12% qualified as upper income earners in 2015, 2021 shows no net change in percentage. The Covid-19 pandemic of 2020 was a year that drastically changed the economic landscape of the world. In the United States, everyone was affected but not everyone was affected equally. The graph below provides a progression of the unemployment rates for Black and Hispanic Americans compared to that of White Americans during the pandemic.

Table 7

**Unemployment Rate, by Race: 2020-2021**

(In percent)



Source: United States Census Bureau

Accessed: March 26, 2023

Unemployment rates skyrocketed for both White and Black Americans however, the rate in which unemployment decreased differed over time. After reaching its peak in April, White Americans saw a 4% decrease in unemployment within two months. During that same time, Black Americans saw a measly 1% decrease. Prior to the pandemic there was a 3% difference in unemployment rates between Black and White Americans. The pandemic took this 3% difference and doubled it by August. Housing, debt, and access to food also impacted Black Americans differently. The United States Census Bureau noted that compared to White Americans, Black Americans were more uncertain about their ability to pay for housing in February and 11.1% less likely to have enough food to eat in January. Black Americans were

also more likely to use credit cards, loans or borrow money with the intent of covering food, rent and gas (Census, 2021).

The Pandemic, while detrimental for everyone, exacerbated the disparities already present in our social structure. The socioeconomic byproduct of Covid-19 exemplifies the vulnerability of low income households. The existing disparities for Black and Hispanic Americans put these citizens in a particularly vulnerable position that only worsened because of the pandemic. This doesn't mean that White and Asian Americans didn't face their share of hardships; however, when nearly half an entire ethnicity can be qualified as low income, we need to acknowledge a pre-existing framework for discrimination. That pre-existing framework is the American Caste system. The caste-like composition of American society is one that impacts us all. The disproportionate hardships of low income earners, especially those of Black and Hispanic descent, promotes a society that regards low income earners (most of which are Black or Hispanic) as second class citizens. This caste system deprives businesses of the innovation that stems from diversity. Industries across the United States may never reach their full potential because they lack the friction necessary for growth. Friction that is often brought about through different perspectives and cultures merging together with a common purpose.



## Chapter IV: Conclusion

### Findings

At the start of this paper, we determined three supplementary questions necessary for determining if discriminatory practices influence business hierarchies in the United States. First, is there a hierarchical business structure present in the United States? Second, if a business hierarchy does exist, how does it impact those within it? Does the composition of its structure also have an impact? Lastly, what specific impact does discrimination have on business hierarchies? Is there a specific and identifiable group of people impacted? The research presented throughout the course of this thesis has laid the framework necessary for answering these supplementary questions so, let's address them sequentially.

Answering the first research question is a critical component of this paper because the belief that there *is* a business hierarchy serves as the very foundation for this thesis. If the answer to this question remains unclear, then the content of this paper is built on a premise alone. The archival research presented throughout this paper alludes to the presence of a hierarchy, but the reason we can definitively state that there is a hierarchical business structure in the United States, is because of the connections we can develop as a result of this archival research. To clarify what this means, let's consider the three most common business formations that can be found in the United States. According to the IRS, sole proprietorships, partnerships, and corporations are the three most common business formations (IRS, 2023). Each of these formations have some form of top down structure that is proven through additional archival research. When discussing the ownership style of sole proprietorships, writer Devra Gartenstein explained, "A sole proprietorship is owned 100 percent by the single individual whose name is listed on its business licenses. If he decides to share equity, he'll have to change his business structure." (Gartenstein,

2018). Gartenstein expressly notes that one person has full ownership over a sole proprietorship which means one person has an immense amount of control of the organization. This is a classic example of a hierarchical structure because everything flows down from the owner who solely dictates the functions of the business. Partnerships are constructed in a similar way with two or more individuals sharing the authority. In an article outlining business partnerships and how to handle them, the writers at Bolender Law Firm say, “creating and maintaining a hierarchy of the corporation results in clear expectations for everyone involved, wards off resentments later, and helps paint a solid picture for employees who should understand who is in charge, second in command, and holding positions down the line.” (JBolender, 2019). The term hierarchy is expressly used when explaining how to handle partnerships emphasizing the connection between the two. The writers also emphasize concepts we know to be aspects of power distance; a term used to describe relations of power. “Who is in charge” is a key component of a functioning hierarchy and establishes power dynamics that must be adhered to. Corporations, while similar to partnerships, have a slightly different composition. Even with their variation, corporations still conform to a traditional hierarchical structure. In the article *Who Manages a Corporation, and how is it Organized?*, the writers at MyCompanyWorks explains, “A Corporation has 3 levels: it is owned by Shareholders, who elect Directors (known as the “Board of Directors”), who appoint officers (CEO/President, Treasurer/CFO, Secretary, etc.) to run the day-to-day activities of the company” (2023). Corporations clearly have more layers than a sole proprietorship or even partnerships however, they still conform to the structure of a hierarchy. Ownership is allocated to the Shareholders meaning they have a tremendous amount of influence. They elect directors who then appoint officers and so on. This is a clear outline that coincides with hierarchical structures since the flow of management begins at the top and dictates the positions and roles beneath.

Even without this knowledge we can still conclude a hierarchical business structure exists in the United States because of the solutions presented to specific issues we discussed in Chapters II and III. Issues pertaining to diversity, inclusion, and unconscious bias are all reflections of an organization's existing culture. We've learned through our research that an organization's business culture is heavily reliant on the conduct of management, implying a level of influence that flows from the top down. Todd Macey, writer for vitalLearning shared, "Organizational culture is shaped by many factors, leadership chief among them. The values, vision and goals of your company come from the top down. Management's actions can encourage a quality culture that keeps employees happy, attracts new talent and builds a quality job environment." (Macey, 2016). While management does not solely control business cultures, they reinforce the cultures present in an organization through their conduct. The strong influence of management is indicative of attributes that coincide with that of hierarchical structures.

The three most common formations of business in the United States all mimic the top down structure of hierarchies. We also understand that solutions for resolving issues in business culture begin at the executive level and move down, a process that is also indicative of hierarchical influence. The archival research gathered here and throughout this paper provides us the insight necessary to say that there *is* a hierarchical business structure present in the United States. With the first of our supplementary questions answered, we have verified the foundation of this thesis and can continue to analyze the findings developed throughout this paper.

The second of our research questions asks us to determine how the hierarchical business structure present in the United States impacts those within it. Ultimately, we want to determine if and how the composition impacts the members of an organization. The section on Cultural Dimensions in Chapter III is one that guides our answer to this question. In our dialogue on

cultural dimensions, we cover Hofstede's power distance index extensively and utilize it to analyze the cultural dimensions present in the United States. It is during this analysis that we learn individualism, masculinity and uncertainty avoidance are the most prevalent cultural dimensions in the United States. The culmination of this knowledge and prior research led to the hypothesis that these three cultural dimensions serve as a primary catalyst for discrimination within business hierarchies. To verify this assertion, we coupled each of these primary cultural dimensions with another cultural value present in the United States. This was used to determine the impact that each primary dimension would have on the members of an organization. When pairing America's high individualism with its high masculinity, we saw that women were disproportionately impacted as a result of these two dimensions together. The testimony provided by Participant 1 in particular was representative of a common theme for many women in business. Discrimination and disparate treatment are commonplace despite the professional or even legal ramifications of this behavior. We also analyzed how uncertainty avoidance and short term orientations impacted those within an organization. This analysis established two things. Firstly, having a performance focused business orientation still leaves room for disparities. This is because while a hiring practice may not be designed to discriminate, the lack of consciousness in the hiring process still remains a catalyst for implicit bias. This is why we covered intentional inclusivity in Chapter II where understanding what are the problems was the key focus. The second thing established within this analysis actually reinforced a theme mentioned at the start of this paper. There are a number of social factors that contribute to how successful an individual is within an organization. Our coverage of implicit bias, along with the link between socioeconomic position and education, all serve as support for that theme. This theme is strengthened when you look at the research on equal employment opportunities provided by the

NAACP in Chapter II or consider how accent bias played a role in Participant 4's career in Chapter III.

Chapter II's section on cultural dimensions and our understanding of business culture provides us with the necessary tools to answer the second of our supplementary questions. The individuals that comprise a business hierarchy are indirectly impacted as a result of the existing cultural dimensions in the United States. While these dimensions are a major contributor, they are not the sole reason that disparities are commonplace throughout the corporate environment. The business hierarchy itself serves as an internal factor that contributes to disparities for those within an organization. Specific issues like unconscious bias and the American caste system, serve as external factors because they originated from outside of organizations. While the composition of an organization as a hierarchy *does* have a specific and identifiable impact, it is not the sole perpetrator of these issues.

If the answer to our second research question was challenging to grasp, the information presented here should remedy any misunderstanding. The shocking complexities of our second research question served as inspiration for our third research question. This question challenges us to identify the specific impact that discrimination has on business hierarchies in the United States. Providing specific examples as to who is impacted is just as important because we aren't just saying there is an issue, we are identifying the parties affected. The American caste system (a subject covered in Chapter III), is the primary resource we can use to answer reference question 3, while also clarifying the answer to our second research question. The major lesson derived in the discussion about the American caste system, is that the United States is divided by its three main classifications. The bottom 40% or low income earners. These individuals are the most vulnerable members of our society, lying well below the national median. Middle class

America or the middle 40%. These individuals make anywhere between fifty and eighty thousand dollars a year. Last is the top 20% or the upper income earners. To put things in perspective, the poorest member of the upper income category is richer than the most affluent of low income earners by upwards of \$40,000 (see Table 3). When you look at the level of education that makes up these classifications, we see the clearest discrepancy between the low income earners and upper income earners. This illustrates that they are as different economically as they are educationally. Table 5 shows that 54% of low income earners have a high school degree or less with 4% having advanced degrees and 13% having bachelor's degrees. Compare this to that of upper income earners and we see a much different story. 24% of the upper income earner category is composed of people with advanced degrees. Over half (56%) of the individuals ranked in the top 20% of income earners have a bachelor's degree, an Associate's degree or some level of college education. The reason we analyze these two categories is because when paired with the additional archival research presented in the chapter, it exemplifies the caste system present in the United States. The section on American caste teaches us that this uphill battle with education places low income earners in a socioeconomic landscape entirely different from that of middle class and especially upper class earners. While being from a family living below the national median doesn't predestine you to be impoverished your whole life, it does make it substantially harder to overcome your economic constraints. This point was made evident through Joshua Wyner, who noted that, "high-achieving lower income students dropout of high school or do not graduate on time at a rate twice that of their higher income peers (8% vs 4%)." (Wyner, 2023). All of these findings served as a precursor for Table 6 which looked at income status by race and gender. It is here that we saw that nearly half of both Hispanic and Black Americans comprised the low income earner category. This means that all the issues that

impact those living below the national median, disproportionately impact Black and Hispanic Americans because half of their population rank in that category.

The direct connection between education and earning potential as presented in tables 4 and 5, provided us with the grounds to answer reference question 3 with confidence.

Discrimination impacts business hierarchies in the United States because it is an integral part of America's social systems. The American caste system places low income earners in a position that statistically, is far more challenging to overcome. The disproportionate hardships of those living below the national median make them one of the most vulnerable members of our society, a truth exasperated by the pandemic. The United States Census Bureau noted that throughout the Covid-19 crisis, compared to White Americans, Black Americans were more uncertain about their ability to pay for housing in February and 11.1% less likely to have enough food to eat in January. Black Americans were also more likely to use credit cards, loans or borrow money with the intent of covering food, rent and gas (Census, 2021). The global pandemic did not create these issues, but it did emphasize the pre-existing disparities present in our society as a result of the American caste system. This is what made answering reference question 2 so challenging. While the composition of business hierarchies in the United States does have an impact on the members within it, it isn't the only factor. The hierarchical business composition present in the United States serves as an internal factor while issues stemming from the American caste system, serve as part of the external factors.

## Bringing it All Together

From the beginning of this thesis, the goal has been to determine if discriminatory practices have an influence on the hierarchical business structures present in the United States. Each chapter has been designed to cultivate a deeper understanding of what the issues are, how they function and who they impact. In Chapter II, we learned the distinction between representation, diversity, and inclusion. We also highlighted why misconstruing them as one in the same, develops a breeding ground for disparities throughout organizations. In the following chapter, we learned about business culture and cultural dimensions. It is here that we discovered the implications of unconscious bias and see how the combination of certain cultural values contribute to disproportionalities within an organization. In that same chapter we deconstructed the American caste system and saw the correlation between socioeconomic status and education along with their impacts on the Black and Hispanic communities. These three major themes unveiled themselves throughout the course of this thesis and helped us to answer the three main research questions. Each question served as an information barrier that once overcome, could be used to answer the question posed at the start of this paper. The findings of this thesis and the extensive research that supports it justifies the claim that discrimination *does in fact* influence the hierarchical structures of business in the United States. We know this to be true because of our research questions along with the three major themes outlined in this paper. To exemplify this, consider the first and last theme that we discussed. Our first theme emphasizes that representation, diversity, and inclusion are nuanced and should not be perceived as one in the same. Conflating these ideals establishes a breeding ground for disproportionate treatment within an organization. In the findings sections of this thesis, it was asserted that there are internal factors that contribute to how a business hierarchy impacts does within it. The theme presented



here is one of the internal factors that the assertion from the findings section was referring to. Representation, diversity, and inclusion are the internal factors that when conflated, create issues within an organization. Though they can be changed from within, these issues do not originate from inside an organization, which brings us to our last theme.

Theme number three is such an integral part of this paper because it identifies the origin of these issues. The American caste system serves as the external factor mentioned previously in the paper. While there are many things that contribute to one's economic standing, the focus is more on how your rank within these social classes contribute to your ability to seek higher education. Since access to employment opportunities are directly proportional to the level of education obtained, individuals who rank lowest socioeconomically have more barriers to overcome in order to be successful in business. The purpose of this paper was to identify influence, not predestination. So, while overcoming these hurdles are not impossible, discriminatory practices do in fact influence hierarchical business structures in the United States. The issues exist in excess outside of the business world and as a result, they seep into the business structures present in the U.S.

An invasive species is an organism from another region that invades a new environment and wreaks havoc. The American caste system and its discriminatory practices are an invasive species that seeps its way into the business environment. The hierarchical business structure of America thrives on innovation, creativity, and unique perspectives. This invasive species deprives us of these resources and hinders our ability to cultivate a sustainable business environment here in the United States.

### Appendix: List of Participants

Name	Level of Education & Years of Experience	Interview Medium	Date of Interview	Duration of Interview
Participant 1	Master's in Business Administration in Finance and International Business / <b>(16+ years)</b>	Zoom	August 1, 2022	<b>1:32:36</b>
Participant 2	Ph.D. and a Master's in Science / <b>(20 years)</b>	Zoom	January 23, 2023	<b>44:04</b>
Participant 3	Master's in Management in Corporate Innovation and Entrepreneurship, MBA in Marketing / <b>(20+ years)</b>	Zoom	January 30, 2023	<b>51:15</b>
Participant 4	Master's in Organizational Behavior, Ph.D. in Business Administration / <b>(20+ years)</b>	Zoom	February 20, 2023	<b>42:00</b>
Participant 5	Ph.D. and Master's in Engineering, / <b>(24+ years)</b>	Zoom	February 27, 2023	<b>1:02:55</b>

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# ACADEMIC VITA

KIRKPATRICKDNA@GMAIL.COM

## EDUCATION

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### **The Pennsylvania State University / Schreyer Honors College**

*Smeal College of Business* | Intended B.S. in Business

*Smeal College of Business* | Intended minor in Business Law

**University Park, PA**

*Graduation May 2023*

## LEADERSHIP EXPERIENCE

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### **Big Brother Initiative**

*Mentor*

- Mentor underclassmen and help them navigate their way through high school
- Share knowledge and strategies for college applications
- Work with educators to see what classes mentee needs the most assistance in
- Act as a support system for young men who did not have the same support outside of an academic setting

**Bronx, New York**

*Sep. 2018 – May 2019*

### **Camp Counselor with Young People's Day Camp**

*Counselor*

- Ensured the safety of each camper, overseeing eight to twelve campers daily
- Accompanied campers on bus ride to and from camp
- Helped to organize daily camp events and monitored the entire camp including an assigned group of campers
- Recognized by superiors for delivering excellent performance and leadership and was given increased levels of responsibility during first year as Camp Counselor

**Yonkers, New York**

*Jun. 2019 – Aug. 2019*

### **PAWS Shelter Volunteer**

*Fund Raiser*

- Established GoFundMe account to gather donations
- Developed flyers and used various contacts to gather additional contributions
- Coordinated with a diverse group of individuals to gather over 500 dollars within a two-month span

**University Park, PA**

*Jan. 2022 – Mar. 2022*

## PROFESSIONAL EXPERIENCE

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### **Ramp Service Worker with Worldwide Flight Services**

*Cargo Agent*

- Responsible for packing and storing international cargo
- Met daily work deadlines to maintain the flow of consistent flights
- Identified and maintained safety regulations while operating within a high stress environment
- Learned to operate a forklift within a single week
- Practiced effective communication with coworkers throughout day-to-day operations

**Queens, New York**

*Jun. 2020 – Aug. 2020*

### **Dick Sporting Goods Team Member**

*Footwears Sales Associate*

- Maintain organization of products and displays throughout store
- Use knowledge of products and their functionalities to help customers make educated purchasing decisions
- Aid various departments throughout store to maintain a cohesive work environment
- Use a blend of sales tactics and personal knowledge to secure the sale of sneakers
- Trusted to act as lead for footwear department
- Transitioned from seasonal employee to part-time as a result of exceptional work ethic

**State College, PA**

*Sep. 2021 – Present*

### **Entrepreneurial Exploits**

*Vender*

- Utilize market analysis and various research strategies to determine appropriate resell prices
- Assume the fiscal responsibility of purchasing and maintaining limited items
- Preserving the quality of acquired items until point of sale
- Incorporate different marketing and economic strategies to ensure profit within the volatility of a universal market

**Universal**

*Oct. 2020 – Present*