

Analysis of the Impact of Racial Discrimination on Real-life Social Interactions

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Abstract. Race has always been one of the core issues focused on throughout the world. With the technological progress and civilization of mankind, people's living standards have improved to a great extent, and civilization has developed to a greater extent, but the problem of racial discrimination in a variety of scenarios has not been eliminated, and in some ways, racial discrimination can have a very profound impact on a country to a company. In some ways, racial discrimination can have a profound effect on a country or a company. In general, in companies where racial discrimination is a minimal problem, there tends to be less conflict and tension among members. Conversely, when prejudice and discrimination are prevalent among individuals within a company, it can lead to the perpetuation of problems such as unfair communication, cooperation and promotion practices. Ultimately, this can have a negative impact on a company's performance and reputation. Therefore, it is crucial to address the issue of racial discrimination. The purpose of this paper is to analyze and mitigate the impact of racial discrimination on our lives and work through collected data and specific case studies.

Keywords: Racial; discrimination; company.

1. Introduction

Racial discrimination may have its origins in the institution of slavery and the Atlantic slave trade. During the era of European colonialism, European powers forcibly transported millions of Africans to the Americas, the Caribbean, and other colonies as slaves. The institution of slavery formed a significant foundation for racial discrimination, depriving African people of their freedom and human rights. Later, in the 19th and early 20th centuries, racial segregation policies were implemented in some countries and regions. For example, the American South enforced strict racial segregation known as the "Jim Crow laws," which resulted in systematic deprivation of African Americans' social, political, and economic rights. In the mid-20th century, the global civil rights and racial equality movements emerged. The civil rights movement in the United States, led by figures such as Martin Luther King Jr., who delivered the famous "I have a dream" speech, aimed to secure equal rights for African Americans and protested against racial segregation and discrimination. These movements have had a significant impact on promoting racial equality and eliminating racial discrimination worldwide. How does racial discrimination affect companies and to what extent? This article examines and analyzes the issues and causes resulting from racial discrimination, combining them with relevant case studies. It also explores the impact of racial discrimination on other sectors and aspects beyond companies.

1.1. Literature review

This paper examines the relationship between socioeconomic status, workplace racial composition, and perceived discrimination among a sample of 1,775 African American adult males and females. The findings indicate that individuals with higher levels of education and family income are more likely to choose to work in predominantly White workgroups, which may be related to the degree of perceived discrimination they experience [1]. Compared to White employees, ethnic minority workers are more likely to experience explicit racial discrimination in the workplace (effect size $d=.71$, $k=18$). However, there is a smaller racial difference in other forms of workplace mistreatment (effect size $d=.10$, $k=61$) [2]. In the workplace, these minority groups of workers often engage in more

hazardous work, experience poorer overall health and mental well-being, and are frequently subjected to discrimination, harassment, abuse, and bullying [3]. Through content and argument analysis of 81 small and medium-sized enterprises, this study found that these companies commonly exhibit preferences for specific nationalities and genders when recruiting apprentices [4]. Many white individuals do not acknowledge the existence of systemic racial discrimination against Black people in the workplace and may even perceive anti-white racial discrimination as more prevalent. However, research indicates that racial discrimination in the workplace is pervasive and cannot be eliminated even when organizations have explicit commitments to diversity [5]. Situational cues are often conveyed by employees and managers with unintentional biases, sending messages to stigmatized groups that can either threaten or devalue their identities or provide them with respect and recognition. Research elucidates how the psychological processes of Black individuals can be influenced by enhancing their perception of certain situational cues in the workplace [6]. Black job applicants, compared to their White counterparts, need to submit a higher number of job applications before obtaining an equal opportunity for an interview. Specific data reveals that, on average, Black job seekers need to submit seven applications to secure one interview opportunity, while White job seekers only need to submit five [7]. Through in-depth interviews with 27 Black, Hispanic, and Indigenous resident physicians, it was discovered that these healthcare professionals face daily insults and biases in their workplace experiences. They are often asked to serve as racial or ethnic ambassadors and are treated as "others," presenting significant challenges to their professional and personal identities. This implies that minority resident physicians face additional burdens during an already stressful training period [8]. Since the passage of the Civil Rights Act in 1991, the impact of awareness of racial discrimination on job attitudes has become more significant. The results also indicate that as the proportion of women and minorities in the sample increases, they are more likely to perceive discrimination and respond to it more strongly. This study expands on the Intergroup Minority Contact Model (IMCD) and Relative Deprivation Theory, considering the influence of background factors such as changes in employment laws on workplace discrimination [9]. Through a study involving 60 in-depth interviews with Black physicians, nurses, and technicians, it was found that the perception of racial discrimination among Black workers is not only related to their minority status but also influenced by organizational structures. Black physicians perceive themselves primarily facing structural discrimination at the organizational level, while nurses experience both organizational and individual-level discrimination. Technicians, on the other hand, discuss organizational-level discrimination less frequently and focus more on individual-level discrimination [10]. Racial discrimination exists not only at the individual level but also at the historical and cultural levels. Individual biases may overshadow the role of cultural factors within the racial hierarchy. Furthermore, implicit biases are often more of a societal background attribute. Changing the social context, such as increasing workforce diversity or removing Confederate monuments on campuses, may be more effective in reducing prejudice than changing individual attitudes [11].

2. Case study

2.1. CASE 1

Despite increasing diversity in today's workplaces, racial discrimination issues persist and have impacts at various levels. Despite efforts by many organizations to promote diversity and inclusion, Black and other minority employees continue to face numerous challenges.

Based on an in-depth interview study conducted with 60 Black physicians, nurses, and technicians, these participants were distributed across various types of healthcare institutions, including large hospitals, community clinics, and specialized medical centers. The central focus of the research was to examine how the organizational hierarchy influences the experiences of racial discrimination faced by these healthcare professionals in the workplace. The study found that these healthcare professionals frequently encounter various forms of inequality throughout their careers. These

inequalities manifest not only as limited opportunities for advancement, unequal pay, and restricted career development but also as psychological and emotional pressures within the work environment.

The research results clearly indicate that lower-status Black healthcare professionals are more likely to experience racial discrimination in their work. This discrimination manifests as being denied or overlooked for promotion and higher-level positions, being disrespected or insulted by colleagues or superiors in the work environment, facing unfair treatment in job evaluations and performance assessments, and experiencing increased professional and psychological pressures, all of which impact job satisfaction and overall well-being. This case study reveals the multifaceted impacts of racial discrimination in the workplace from an organizational hierarchical perspective [10].

2.2. CASE 2

Parsons et al. conducted an in-depth study on the evaluations of pitchers and umpires in Major League Baseball (MLB) in the United States. They focused primarily on pitches thrown on the edges of the strike zone, as this is where the uncertainty of whether the pitch is a "ball" or a "strike" is more likely to arise.

Through extensive data analysis, the researchers found that when the umpire and pitcher belong to the same race or ethnicity, there is a higher likelihood of a favorable call for a strike. The umpire's evaluations directly influence the pitcher's performance. When the pitcher and umpire are of different races, pitchers are less willing to throw pitches on the edges of the strike zone because they know they are at a disadvantage in that area. This strategic response has a detrimental impact on the pitcher's success, as pitches thrown towards the center of the strike zone are more likely to be hit.

The study further explored whether the evaluations of umpires would change under different levels of scrutiny. The results revealed that in a more stringent monitoring environment, racial biases among umpires almost disappeared. This suggests that umpires engage in less discrimination when the "cost" of discrimination increases. This may also imply the existence of "latent discrimination."

The case primarily focuses on racial discrimination in professional sports, particularly in baseball and basketball. The commonality lies in the evident racial biases exhibited by both baseball and basketball umpires, which not only affect the fairness of the game but also directly impact the athletes' careers. The main difference is that racial bias among baseball umpires decreases under stricter monitoring, while there is no such evidence for basketball referees [7].

2.3. Review

In the healthcare industry, a study conducted in-depth interviews with 60 Black physicians, nurses, and technicians. The research revealed that these healthcare professionals face various forms of racial discrimination throughout their careers, including limited opportunities for promotion, unequal pay, restricted career development, and psychological and emotional pressures in the work environment. Lower-status Black healthcare professionals are more likely to experience racial discrimination, such as being denied or overlooked for promotion and facing unfair treatment in job evaluations and performance assessments [10]. In the sports industry, research has shown racial bias among pitchers and umpires in Major League Baseball (MLB). When the umpire and pitcher share the same race or ethnicity, there is a higher likelihood of a favorable call for a strike. This bias almost disappears under stricter monitoring, suggesting that umpires reduce their engagement in discrimination when the "cost" of discrimination increases [7].

The similarities lie in the prevalence of racial discrimination in both the healthcare and sports industries. Racial discrimination is a widespread issue that affects career development and psychological well-being in both cases. Its impact is particularly evident in industries that require high levels of individual performance and evaluation, such as healthcare and sports.

However, the difference lies in the sports industry's emphasis on individual performance and immediate evaluation, while the healthcare industry involves longer-term and more complex career development paths.

Therefore, racial discrimination is a cross-industry and multi-level problem that requires comprehensive governance from various perspectives. Organizations and managers need to recognize the severity of this issue and take specific measures, including but not limited to improving promotion mechanisms, providing diversity training, and establishing more inclusive work environments, to promote a fairer and more preventive environment.

3. Analysis of the Current Situation

Racial discrimination remains a pervasive issue across various domains, ranging from employment and housing to healthcare and education. For instance, a study conducted by the U.S. Equal Employment Opportunity Commission (EEOC) in 2019 revealed that approximately 33% of the 76,418 workplace discrimination complaints received were related to racial discrimination. Furthermore, economists Marianne Bertrand and Sendhil Mullainathan found in their research that job applicants with "white-sounding" names received 50% more callbacks than those with "African-American-sounding" names, even when they had identical qualifications [5]. Discrimination also permeates the healthcare system, as highlighted in a 2020 report by the National Academy of Sciences, which emphasized that due to biased medical treatment, Black women are three times more likely to die during childbirth compared to white women. In the realm of education, a report by the U.S. Government Accountability Office in 2018 found that black students faced disproportionate disciplinary actions, accounting for 15% of the student population but 39% of suspensions. These systemic issues further manifest in income disparities, with data from the U.S. Census Bureau indicating that in 2019, the median income for white households was \$65,845 compared to \$41,361 for Black households. The persistent presence of racial discrimination has far-reaching consequences, including reduced career advancement opportunities, limited access to quality healthcare and education, and diminished overall quality of life for affected individuals. In the criminal justice system, racial discrimination is also an undeniable issue. According to a report by the Bureau of Justice Statistics (BJS), while Black adults constitute 12% of the total U.S. population, they make up 33% of the incarcerated population. These figures suggest the existence of racial inequality in law enforcement. On the other hand, in the business sector, an article in the Harvard Business Review noted that despite African Americans comprising approximately 13% of the U.S. population, they represent only 2% of senior management in Fortune 500 companies. In education, a report from the U.S. Department of Education revealed that Black students have significantly lower graduation rates than their white and Asian counterparts in STEM (Science, Technology, Engineering, and Mathematics) fields. This not only reflects disparities in educational opportunities but also hinders their competitiveness in high-paying professional fields in the future. In terms of public opinion, a study by the Pew Research Center found that approximately 58% of U.S. adults consider racial discrimination to be a "very serious" problem in American society. This reflects that racial discrimination is not merely isolated incidents or acts of prejudice but a deeply rooted issue within societal structures and perceptions. In the realm of health and healthcare, according to data from the Centers for Disease Control and Prevention (CDC), Black and Hispanic/Latinx Americans have significantly higher rates of COVID-19 infection, hospitalization, and death compared to white Americans, exposing racial inequalities within the healthcare system. In financial services, a study by the Consumer Financial Protection Bureau (CFPB) found that even after controlling for financial status and credit history, Black and Latinx consumers were more likely to be denied credit or receive higher interest rates when applying for loans.

4. Manifestations of Racial Discrimination Across Various Domains

4.1. In the Workplace

Racial discrimination can lead to unfair treatment of individuals from specific racial groups during the recruitment and promotion processes. For example, certain candidates may face discrimination

based on their race, resulting in a lack of equal opportunities or being overlooked for promotions. It can also result in disparities in wage and benefit allocation. Employees from specific racial groups may experience unequal pay or unfair treatment in terms of benefits, creating gaps compared to equally qualified and experienced colleagues. Additionally, racial discrimination can lead to unequal treatment in the work environment. This includes discriminatory language or behavior, humiliation, provocation, or exclusion, as well as unfair treatment of employees from specific racial groups, such as discriminatory comments, neglect, or unjust task assignments that undermine their sense of respect. Consequently, they may have limited access to training and development opportunities and may not receive promotions commensurate with their abilities and performance, hindering their career growth and advancement. Ultimately, this can result in an intolerant and discriminatory workplace environment, impairing effective communication, improper task allocation, and significant negative consequences for both the company and its employees.

4.2. In Daily Life

Manifestations of racial discrimination can be observed through language and behavior, including racial insults, derogatory remarks, provocations, offensive jokes, or demeaning comments targeting specific racial groups. Such language and behavior can directly target individuals or influence entire racial communities through stereotypes and negative racial profiling, making communication and cooperation between people difficult. Racial discrimination also exists in the housing market. A survey conducted by the U.S. Department of Housing and Urban Development found that Black tenants were 39% less likely to see available housing compared to their white counterparts. Some discriminators may refuse to rent or sell homes to individuals of specific races, restricting them to certain areas. Differential treatment in housing conditions may also occur for specific racial groups, such as providing lower-quality housing facilities or services.

Racial discrimination can also manifest in the field of education. For example, teachers' behaviors and the allocation of educational resources can be influenced by racial discrimination. Teachers may hold biases or lower expectations for students of specific races, providing them with less attention and support. Additionally, the distribution of educational resources may be unfair, resulting in limited opportunities and resources for students of specific racial backgrounds. This can restrict students' access to advanced courses or opportunities to showcase their talents in special programs, leading to unfair treatment in evaluation and grading.

These examples highlight how racial discrimination manifests itself in various aspects of life, perpetuating inequality and hindering social progress. Combating racial discrimination requires concerted efforts to raise awareness, implement anti-discrimination policies, promote diversity and inclusion, and foster environments that uphold equality and respect for all individuals, regardless of their race.

5. Impact of Racial Discrimination

Physiologically, the impact of workplace injustice (racial discrimination) on health outcomes is primarily realized through the pathway of stress. This pathway is supported by evidence from psychological literature, which aligns with the "stressor-stress-strain" framework. According to Lazarus and Folkman (1984), when individuals perceive situational demands as stressors and these stressors exceed their coping capabilities, it can lead to negative health effects (Lazarus & Folkman, 1984). Discriminatory behaviors such as discrimination, harassment, and bullying experienced in the workplace can serve as stressors, triggering psychological and/or physiological stress responses. There is robust empirical evidence indicating that psychological stress can impact the resilience of biological entities through the activation of neuroendocrine and immune responses (Cohen et al., 2007). The activation of these responses may include disruptions in diurnal cortisol levels, which have been found among victims of workplace injustice in several studies (Kudielka & Kern, 2004; Huebner & Davis, 2005; Hansen et al., 2006; Townsend et al., 2011). It has been established that such

dysregulation of cortisol can lead to various chronic adverse health conditions (Cohen et al., 2007) [3].

Psychologically, experiencing racial discrimination can cause anxiety and stress in individuals. Persistent experiences of discrimination can lead to ongoing tension and a sense of unease, as individuals may remain vigilant for potential instances of discrimination, resulting in severe mental health issues. One of the most straightforward impacts is that racial discrimination may trigger confusion in individuals regarding their self-identity, creating distress about their cultural and racial backgrounds, thereby undermining their self-esteem and self-confidence. This can lead them to question their worth and abilities, feeling inferior and helpless, impacting their proactive behavior and even their ability to function in daily life. Long-term racial discrimination can result in social isolation and a sense of loneliness, causing individuals to feel marginalized and isolated. The experience of discrimination may make individuals feel uneasy and unaccepted in social environments, affecting their social skills and even leading to fear of speaking to others or outright refusal to engage in communication. Over time, all these feelings of inferiority, depression, and anxiety may eventually transform into anger or hostility. The accumulated resentment experienced by victims of discrimination may erupt, resulting in violent or antisocial behaviors as a means to release their anger.

Of course, this is detrimental not only to the company but also to society as a whole. One obvious consequence is that workplace discrimination hampers internal communication within the company, reducing efficiency and slowing down the speed of information dissemination. This implies that the company's performance and revenue suffer as a result. Additionally, due to racial discrimination, Black employees are unable to fully utilize their talents, resulting in the wastage of valuable human resources [5]. Moreover, it tarnishes the company's reputation and brand image, dissuading talented individuals from racial backgrounds from choosing to work for the company. The negative publicity surrounding discrimination may also lead to the loss of a portion of consumers, further contributing to financial losses for the company. Discrimination prevents qualified and capable individuals from fully realizing their potential and making contributions, thereby excluding a portion of the population from mainstream economic activities, limiting overall social development and growth, and having a significant negative impact on the economy. This also means that our real GDP deviates further from potential GDP. In this context of lacking diversity and inclusivity, the happiness index of the people decreases, indicating weakened social cohesion, leading to societal division and disharmony, hindering mutual understanding and cooperation among people.

6. Conclusion

The present analysis compares and examines multiple cases to delve into the alarming effects of racial discrimination on various aspects. It is evident that the existence of racial discrimination deeply impacts all facets of human society, be it in the workplace, schools, daily life, sports, or even basic interactions. Racial discrimination is an indelible malignancy that constantly inflicts harm upon us. Promoting equality for all individuals is of paramount importance. The worth of a person should not be determined by their innate skin color. Every life is precious and should radiate its brilliance instead of being overshadowed and constrained by notions of race, ethnicity, or gender. Humanity should progress together, hand in hand.

With a focus on the workplace, core strategies to address racial discrimination can be divided into several interconnected stages. Firstly, businesses need to establish a fair and inclusive work environment that considers individual differences and needs, providing equal opportunities for all. Secondly, practical measures should be implemented, such as modifying recruitment and promotion policies, establishing fair and transparent evaluation and incentive mechanisms, and implementing targeted cultural and organizational interventions. Lastly, addressing racial discrimination requires sustained efforts and investment to make diversity and inclusivity integral to everyday operations and management. Through these comprehensive and systematic interventions, companies can reduce and

eliminate racial discrimination, enhance employee job satisfaction and performance, and achieve sustainable organizational success.

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