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Labor Dept. Wants to Take On Job Bias in the Executive Suite

Threatens U.S. Contracts of Companies That Balk

By PETER T. KILBORN

Special to The New York Times

WASHINGTON, July 29 — Even as it is fighting Congress over a major civil rights bill, the Bush Administration says it is looking for a way to curb job discrimination in a realm that the Government has never really touched: the white male echelon that rules the nation's largest corporations.

Women and minority members complain that in climbing the corporate ladder they collide with a "glass ceiling" of subtle discrimination that blocks their access to the highest rung. Confirming accounts that have arisen

in legal circles here, Labor Secretary Elizabeth Dole said last week that she was devising a "glass ceiling initiative" to try to speed the promotion of women and minority members to top posts and threatening cancellation of Government contracts with companies that do not cooperate.

Labor Department officials say female, black and Hispanic employees make up 30 percent or more of the middle management of big corporations, but less than 1 percent at the level of the chief executive and those who report directly to him.

Lists of Executives Cited

Combing through lists of directors and highest executives at 799 major companies this month, Fortune magazine found 3,993 men and only 19 women. Other studies show smaller proportions of black and Hispanic executives.

Because the Federal policy will not be fully defined until September or October, Mrs. Dole declined requests for interviews about it. In written replies to a reporter's questions, however, she said: "I have made this issue a top priority, and it will remain so during my service as Secretary of Labor. For me, it is a matter of fairness and equity, borne out of personal experience."

She added, "There can be little doubt that a woman or minority, no matter how well-schooled, what their wage or how thick their portfolio, enters many business organizations with limited or



The New York Times

Labor Secretary Elizabeth Dole said she was devising a "glass ceiling initiative."

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The
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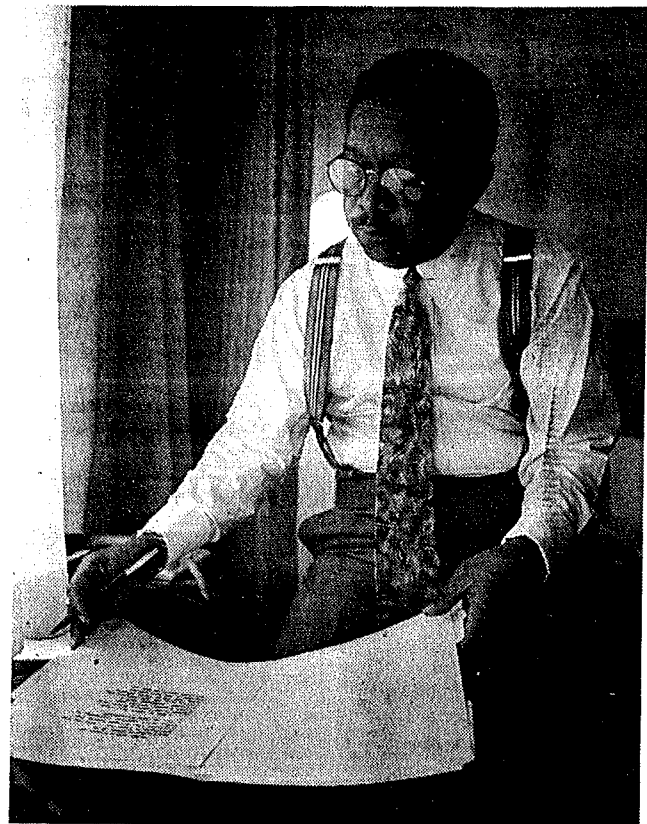
From
New
York
Times
Asia

Editor Calls Critical to U.S.

views. But Mr. Jacob added, "The aspirations of Americans will depend more on executive and legislative branches than on the courts."

Speeches by Office Holders
 Mr. Jacob took note of the political interests of blacks in recent years, mentioning Mayor David N. Dinkins of New York and Gov. L. Douglas Wilder of Virginia will be among those to address the convention, which opens Wednesday evening. Both men urged blacks to hold their offices. The Urban League president reacted that his ideas about American interest or political muscle were original. Black political power building for decades; in addition, Mr. Dinkins and Mr. Wilder, some 7,000 black elected officials in the United States. In self-interest, Mr. Jacob quoted Arvidal, the Swedish economist and sociologist, as writing 50 years ago in "American Dilemma," a benchmark on race relations, "America must choose whether the Negro will remain her liability or become her opportunity."
 Mr. Jacob said, "That stark choice is still with us today. America can decide whether African Americans represent a liability because of continued denial of opportunity or whether we become a source of America's future economic growth."

Changing Work Force
 The nation's demographics are changing, he said. "A predominantly white male work force is a thing of the past. In the 1990's, more than half of five new workers will be immigrants, Hispanics, or African Americans."
 Mr. Jacob warned that in the past, racism has often allowed racism to flourish. "It means that discrimination is not only a civil right — it's a form of economic justice."
 Mr. Jacob outlined seven strategies to achieve racial parity by the year 2000. Among them:



John E. Jacob, the president of the National Urban League, preparing a keynote address before he presented it last night at the civil rights group's 80th anniversary conference at the New York Hilton.

...lion a year — to help reduce the nation's growing deficit, roll back taxes for "working people" and expand social programs.
 ¶ Starting an urban Marshall Plan as a centerpiece of the expanded programs to concentrate on repairing roads, bridges and mass transit systems and on making "investments in human capital" to "prepare our work force for the brave new world of the future."
 ¶ Convening a "national summit meeting" on employment issues to insure that "everyone, and especially to-

day's excluded minority youth" receives the education and skills "to make it in our society."
 ¶ Approving the Civil Rights Act of 1990, which seeks to reverse six Supreme Court decisions that civil rights groups say are hampering Federal efforts to fight job discrimination. President Bush has threatened to veto the measure.
 ¶ All elected officials have to be held accountable for their actions on that bill," Mr. Jacob said. "A veto will end the President's chances of capturing significant black votes in 1992."
 Mr. Deukmejian promised to sign the budget before Aug. 1 so 192,000 state workers could get their scheduled paychecks.
 The final vote tying together the complex package negotiated this week by the Governor and the top five leaders of the Legislature was Senate approval of a bill sought by Mr. Deukmejian to give future governors more budget-cutting power. The vote was 27 to 7.

Deadlock Is Broken on California's Budget

SACRAMENTO, July 29 (AP) — The California Legislature, breaking a record 28-day deadlock, has sent Gov. George Deukmejian a \$55 billion budget and 18 related bills on fees, taxes, savings, budget cutting and prisons.
 After passing the measures on Saturday night, the houses recessed with only a week left of their scheduled monthlong summer break.

Labor Dept. Taking On Bias in Executive Suite

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no hope of reaching the top."
 To discourage practices that limit careers, she said, "we will be examining developmental programs, training, rotational assignments and reward structures — all the indicators of upward mobility in corporate America."

Rigid Quotas Opposed
 Mrs. Dole's plan seems at odds with the White House's resistance to job discrimination provisions in the civil rights bill that has passed the Senate and is now before the House. The White House calls the bill unacceptable, saying it would force employers to set rigid numerical quotas for hiring and promoting female and minority workers.
 But Alixe Glen, a spokeswoman for the President, said Mr. Bush endorsed the general goal of workplace equity. And the Administration seems to have recognized a demographic fact: the relative decline in the number of white men.

Social and Cultural Conditions
 As yet it is unclear how far the Labor Department will be able to go in differentiating illegal discrimination, conscious or unconscious, from social and cultural conditions that contribute to the preponderance of white men at the top. Nor is it certain how deeply department investigators can legally dig into a company's affairs. And it is not clear how much Mrs. Dole might commit in money and personnel to the initiative.

But her aides say that at least some patterns of discrimination can readily be found by such tactics as tracing the progress of men, women and minority members through the executive ranks, by examining compensation plans and executive advancement programs and by comparing a company's mix of top executives with those of other companies in similar places and industries.
 And the aides note that with two other issues Mrs. Dole has singled out for emphasis, violations of child labor laws and of worker safety regulations, she has been collecting more in penalties for violations than any of her predecessors.

Within the Labor Department, 20 of Mrs. Dole's 32 top executive appointees, or 63 percent, are female, black or Hispanic, second to the Department of Health and Human Services, with 70 percent.

Johnson Executive Order
 The department's tool in thwarting discrimination in industry is the Office of Federal Contract Compliance Programs, and it is playing tougher than it has in years. The office enforces an executive order signed by President Lyndon B. Johnson in 1965 that prohibits Government contractors from discriminating on the basis of sex, race, religion or national origin. The office monitors the affirmative action programs of more than 10,000 companies that have about \$200 billion in Federal contracts.

Last year, in its largest financial settlement involving a discrimination case, the contract compliance office won a \$14 million back pay award for female and minority employees of the Harris Bank in Chicago.

Now, in trial runs leading to a full-fledged glass ceiling investigation, the Labor Department recently began dispatching investigators to the executive suites of a dozen major companies. Department officials declined to identify them.
 At this rarefied level of corporate life, discrimination typically is subtler than the overt obstacles to hiring and promotion that show up at lower levels. Executives may be favored for promotion if they have had foreign assignments, for example, or advanced business courses — opportunities some companies offer only to men.

Or, among managers at a meeting women may be asked to take notes, inhibiting their freedom to participate and compete. Or men may negotiate deals in places not open to women and minority members, like some private clubs.

Jeffrey A. Norris, a Washington lawyer who is president of the Equal Employment Advisory Council, which is financed by 200 leading companies, said many companies had set up procedures intended to open the highest ranks to women and minority members and do not object to the Labor Department's scrutiny. But he said some companies were afraid that the department would prove meddlesome and would inadvertently disclose corporate secrets, including salaries.

Some companies are challenging the constitutionality of the Johnson executive order. Charles J. Cooper, a Washington lawyer who was an assistant Attorney General in the Reagan Administration, said he was helping prepare a court challenge.

Corporate opposition to the Dole initiative is easy to find. "I'd hate to see the Government poking into this," said

Secretary Dole aims to shatter the 'glass ceiling.'

Lester Korn, head of Korn/Ferry International, an executive recruiting concern.

Late Entrance in Work Force
 Barbara J. Laski, vice president and treasurer of the Capital Holding Corporation in Louisville, Ky., who is one rung removed from the 33 men and 2 women who run the big insurance and financial services company, said, "I don't think you can regulate that kind of thing."

Critics of the Labor Department plan say the disparity for women arises because large numbers of them did not enter the work force until the 1970's and few have reached the age — 50 or 55 — when people are usually promoted to the top jobs. But by now a few in their 30's or 40's might have been expected to have reached the top, as a few men normally do.

Black and Hispanic executives, longer in the work force, are often hindered by economic, cultural and educational obstacles, as well as by illegal discrimination, Labor Department officials say.

The compliance office acknowledges that finding subtle forms of discrimination at a company's highest reaches can be difficult. In trying to arrest it, the office pays more attention to the manifestations of discrimination than to the causes. All Federal contractors with more than 100 employees must file annual affirmative action reports with the office, showing the breakdown of women and minority executives at nine levels of the corporate structure.

How the System Works
 If a company's breakdown diverts sharply from patterns among other employers in the area and in its industry, the office sends the company a letter asking for further details that it uses to try to determine whether the disparities might result from discrimination. It then sends two to five of its 685 investigators to spend up to a week at the company, looking into the disparities.

"We look at how people who are where they are got there," said Leonard J. Biermann, the office's deputy director. The office's findings can be challenged to an administrative law judge.

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