

AC

232

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT  
OPPORTUNITY, PHYLLIS A. WALLACE,  
NSF + SLOAN SCHOOL

1973-  
1974

National Science Foundation Workshop on  
Economics of Discrimination, January, 1974

Report of Workshop II - EEO in Educational Institutions

Mary P. Rowe, Ph. D.

FEB - 6 1974

Overview

The group was strongly in favor of further research in the area of EEO in education, saying, for instance, "It is extraordinary how little is known after half a decade of urgency in affirmative action." Several participants felt there should be more quantitative study. Case studies of success and failure were even more strongly pushed:

- in order to make explicit what "success" and "failure" may be;
- in order to track process as well as "output";
- in order better to understand the psychological as well as economic processes;
- in order to see a complex process for the complex process it really is, and illustrate alternatives for action that are appropriate to institutions which differ greatly from each other. Several participants suggested this would best be done with a critical incident study ("what happens just after a university receives its first affirmative action letter/ first rejection of AAP, etc. ?")

This workshop had no formal papers to discuss. We had, therefore, a blackboard with questions suggested on each of the three workshop topics.

These topics were discussed and amended. Questions marked with an asterisk were those most discussed.

### Workshop Topics

#### I. Affirmative Action Planning

• Do AAPs cover the right subjects? What about addressing segregation by occupation systematically, as in recruiting men into "female" occupations, and whites into "minority occupations"? What about paternity leave, gliding work schedules for men as well as women?

\* • Does AA cover things in the right way? Are rules set up for business appropriate to education? For example, is utilization analysis appropriate for tenured professions where the pool is miniscule and may be "one" or "none"? <sup>And</sup> (With or without utilization analysis for top positions, will progress at the bottom continue up?)

Isn't AA a pretty heavy, clumsy tool to address the ranges of problems of discrimination? How about ranges of action for ranges of problems?

Is the legislation properly cast? How about "carrots" rather than sticks - can AA be less punitive?

Is it appropriate to put the onus for suits on aggrieved persons; is it just to force the victim to fight for redress? Are there alternatives?

• Will AA be successful? How would we measure success? Where success occurs, why and how does it? This was felt to be the question most in need of a case study, to get operational, de facto data rather than rhetoric. Also, this kind of study might help us understand effective technical assistance possibilities.

• What about backlash, and subversion of AA? What is the effect on minority and women students (now increasingly being accused of "competing unfairly")?

\* • How do we feel about the back-up and legal machinery? Should we rely more/less on judicial process? For example, do we need EEOC Guidelines immediately or should we build in areas other than judicial redress?

\* • What about academic freedom, effect on tenure possibilities? Are there alternatives to government action in academe (e. g., intra-academic arbitration systems)? What are the alternatives to tenure and what do we think about them? Can academe govern itself better?

## II. The Effects of Adding in Sexism to AA

• Competition between minorities and women - is it real? If so what to do?

• What to do about the minutiae of sexism as well as racism?

• Discrimination in elementary schools and high schools - the likely effects of their having been included into AA.

• Differential effects of sexism vs. racism, with respect to integrating formerly sex-segregated occupations. Short and long-run effects of desegregating formerly female as well as male occupations. Different recruitment patterns and different political questions attached to rectifying sexism.

• Should AA monitors and EEOs always be minority, and female, for their respective concerns? If so must an organization have both minority and female representatives? If so will these persons have the clout they need

if they are chosen on the basis of race and sex; is it better to have EEOs and monitors who also have other functions? And is it racist/sexist to insist that EEOs be of "appropriate" race and sex?

\* • Do we agree that EO for women and minorities represents a zero sum game for society? Is this question different for women than for minorities? If EO is seen as a zero sum game in long-run or short-run, does this imply anything for what we think education is all about? How about the implication that (women's) non-monetized work is without value?

### III. Education, Employment and AA

• The need for better data; research on expected returns to education in different fields;

\* • Is it easier/harder to achieve EO in time of economic expansion? The answer seems obvious, but how about the widening wage gaps between men and women in the late 1960's? How should the answer(s) to this question affect our basic outlook on priorities for EO (e.g. concentration on expansion; many more shared jobs, gliding work schedules)?

\* • We need to study situations where EO means expanding supply (e.g., engineering) vs. expanding demand (as above).

\* • What are the effects of population change and changing technology? Should we be counselling people away from academe? More toward various kinds of shorter work week, unpaid employment? What can we do right away about vocational counselling for both men and women, to see opportunities in unpaid and paid employment?

Jan. 21<sup>st</sup>



Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

Industrial Relations Section

August 9, 1973

Dr. Mary Rowe  
Special Assistant to the President and  
Chancellor for Women and Work  
M.I.T. Room 3-207

Dear Dr. <sup>Mary:</sup> Rowe:

The Industrial Relations Section of the Sloan School of Management at MIT will conduct three research workshops on equal employment opportunity during 1973-74. These sessions are being funded by the National Science Foundation under the Research Applied to National Needs (RANN) program. A highly diversified group of individuals will examine the types of past and future research needed to develop mechanisms for improving the occupational and economic mobility of those now discriminated against in the labor market. The first session has been tentatively scheduled for January 21st and 22nd, 1974.

The aims of the research workshops on equal employment opportunity are:

- (1) to evaluate the status of research and to undertake a critical review of the pertinent literature. What information do we have?
- (2) to define research needs, and to assess its scope and nature. What information do we need?
- (3) to develop a comprehensive research agenda specifying the kinds of research required if appropriate strategies to reduce job discrimination are to be developed.
- (4) to expand the number of persons and organizations who use equal employment opportunity research results.

Several position papers will be prepared and distributed prior to the first workshop. The proceedings of that workshop will be made available in draft form to selected individuals and to public and private organizations prior to the convening of the second workshop. The second workshop will assess the feedback from the first, shape the scope of the second round of definition of problems and identify priority elements for the final workshop.

I hope that you will be able to participate in these important sessions. We should appreciate an early response to this general invitation and will keep you well informed of program specifics as they are developed.

Sincerely yours,

A handwritten signature in cursive script, reading "Phyllis", is written over the typed name.

Phyllis A. Wallace  
Visiting Professor



Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

Industrial Relations Section

File  
↓

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

INFORMATION FOR MODERATORS AND RAPORTEURS

A dinner meeting for moderators and rapporteurs of the workshops will be held at 5:30 p.m. on Monday, December 10. Since the M.I.T. Faculty Club has been completely booked for that night, we will meet at the Cambridge Suite, Room 323 at the Sonesta Hotel, 5 Cambridge Parkway, Cambridge. We plan to begin promptly since Professor Doeringer must leave early.

The primary purpose of the meeting will be to discuss some of the critical issues and to establish guidelines for conducting the small workshops. Moderators will present the recommendations from their workshops to the final plenary session on January 22, 1974.

All of the workshop sessions will be taped. The portable recorders provide adequate back up for the rapporteurs.

Moderators and Alternates

Professor Bernard Anderson - University of Pennsylvania  
Dr. John J. Cardwell - City University, New York  
Professor Peter B. Doeringer - Harvard University  
Professor Charles A. Myers - M.I.T.  
Dr. Mary P. Rowe - M.I.T.  
Dr. Ruth G. Shaeffer - The Conference Board  
Dean Abraham J. Siegel - M.I.T.

Rapporteurs - Sloan School

Mr. Richard Baehr  
Ms. Annette Lamond  
Mr. Robert Moser  
Ms. Agnes Ngai  
Mr. Thomas Bentley  
Mr. William Suojanen

Phyllis A. Wallace



Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

Industrial Relations Section

File  
✓

November 30, 1973

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

PROGRAM PARTICIPANTS

Travel Arrangements

Program participants who do not reside in the Boston/Cambridge area have already received instructions for reserving accommodations at the Hotel Sonesta in Cambridge. We also have asked the Heritage Travel, Inc., 238 Main Street, Cambridge, Massachusetts 02142, to handle your travel. You will be provided with an air coach ticket. However, if you prefer other modes of transportation, please notify Mr. Robert Heagney of Heritage Travel (617-253-7961) as soon as possible. You will not be reimbursed for other hotel or travel arrangements.

Reports

Although we have received several of the papers to be presented at the January workshop, I must remind others that conference materials will be distributed prior to the Christmas holidays. We must make available to the discussants copies of the major papers.

If we hope to achieve the objectives established for this two-day meeting, we must provide all invitees with the materials at a reasonably early date. Should you anticipate some difficulty with the due dates, please send me a summary of your research or a statement of your significant points.

Program Participants

As of November 30 the following individuals have agreed to serve as program participants:

(1) Presenters of Papers

Orley Ashenfelter and James Heckman	Princeton University and University of Chicago
Barbara Bergmann	University of Maryland
Bernard Gifford	RAND-New York
Lamond Godwin and Ernest Green	Rutgers University Recruitment and Training
Patricia Gurin	University of Michigan
Charles Holt	The Urban Institute
Alice Kidder	North Carolina A&T State University
Judith Long Laws	Cornell University
Glenn Loury and Ronald Ferguson	M.I.T. and M.I.T.
Jerolyn Lyle	American University
Ray Marshall	University of Texas
Solomon Polachek	University of North Carolina

(2) Discussants

Marcus Alexis	Northwestern University
Bennett Harrison	M.I.T.
Ronald Oaxaca	University of Massachusetts at Amherst
Michael Piore	M.I.T.
Barbara Reagan	Southern Methodist University

(3) Moderators

Bernard Anderson	University of Pennsylvania
John Cardwell	City University of New York
Peter Doeringer	Harvard University
Charles A. Myers	M.I.T.
Mary Rowe	M.I.T.
Ruth Shaeffer	The Conference Board
Abraham J. Siegel	M.I.T.

(4) Rapporteurs

Richard Baehr	M.I.T.
Thomas Bentley	M.I.T.
Annette LaMond	M.I.T.
Robert Moser	M.I.T.
Agnes Ngai	M.I.T.
William Suojanen	M.I.T.



Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

Jan 18  
for 21st  
Reappear?

Industrial Relations Section

November 6, 1973

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY  
January 21-22, 1974  
Sloan School of Management, M.I.T.

INFORMATION FOR PARTICIPANTS

(1) The program for the Research Workshop On Equal Employment Opportunity will include three plenary sessions for presentation of reports and several small workshops for discussion of critical issues.

(2) We have received excellent comments on the critical issues and concerns to be included on the agendas of the small workshops and would like to thank those participants who have responded.

(3) Five concurrent small workshops have been scheduled for Monday afternoon, January 21. The workshops will permit a cross section of conferees to examine specific problems and to prepare recommendations to be presented at the final plenary session on Tuesday afternoon, January 22.

(4) The workshops will be moderated by knowledgeable persons and will examine:

- (a) employment in the public sector (excluding schools)
- (b) employment practices and policies of educational institutions
- (c) employment in the private sector (profit and non-profit)
- (d) equal employment opportunity and manpower policies (segmentation of labor market, dual labor market, etc.)
- (e) utilization of research results

Please indicate your first and second preference for workshop assignment and return to me by the first week of December.

---

<u>Workshop</u>	<u>First</u>	<u>Second</u>
Public Employment		
Educational Institutions		
Private Employment		
EEO and Manpower		
Utilization of Research		

Name:

---

Phyllis A. Wallace



Massachusetts Institute of Technology  
 Alfred P. Sloan School of Management  
 50 Memorial Drive  
 Cambridge, Massachusetts 02139

~~Dec. 10<sup>th</sup>~~  
 Jan. 21

*File*

*Return for dinner meeting?*

Industrial Relations Section

TO: Moderators and Rapporteurs  
 FROM: Phyllis A. Wallace *PAW* *Rm 323*  
 RE: Research Workshop on Equal Employment Opportunity,  
 January 21-22, 1974  
 DATE: November 5, 1973

*Ann? Best for Tuesday?*

I have noted some program specifics of the EEO research workshop. Please give Frances Moy (253-7169) dates when you will be available for the December dinner meeting.

(1) There will be a plenary session each morning during which the papers prepared especially for the conference will be presented.

(2) Five concurrent small workshops (maximum of 15 persons) have been scheduled for Monday afternoon, January 21. These sessions will be devoted to important issues on equal employment opportunity. The workshops will permit a cross section of conferees to examine specific problems and to prepare recommendations to be presented at the final plenary session on Tuesday afternoon, January 22.

(3) The workshops will be moderated by knowledgeable persons, and Sloan School students will serve as rapporteurs.

(4) The five workshops will examine:

- (a) employment in the public sector (excluding schools)
- (b) employment practices and policies of educational institutions
- (c) employment in the private sector (profit and non-profit)
- (d) equal employment opportunity and manpower policies (segmentation of labor market, dual labor market, etc.)

*Ann this is one 1'0 lead*

(e) utilization of research results

(5) Workshop moderators, alternates and rapporteurs will discuss their assignment at a dinner meeting at M.I.T. about mid-December.

(6) All conference participants will be asked to indicate their preference for workshop assignment.

(7) Participants are now sending me their suggestions on the critical issues, and these comments will be analyzed by mid-December.

(8) The workshop assignments are:

<u>Workshop</u>	<u>Moderator</u>	<u>Rapporteur</u>
Public Employment	Dean Abraham J. Siegel	Richard Baehr
Educational Institutions	Dr. Mary P. Rowe	Agnes Ngai
Private Employment	Professor Charles A. Myers	Robert Moser
EEO and Manpower	Professor Peter B. Doeringer	Thomas Bentley
Utilization of Research	Professor Bernard Anderson*	Annette LaMond

\*Not confirmed as of November 2, 1973

The following persons have agreed to serve as alternate moderators: Dr. Ruth Shaeffer, National Industrial Conference Board; Dr. John Cardwell, National Urban League and City University of New York.



THE CONFERENCE BOARD

APR 29 1974

April 25, 1974

*File  
Phyllis  
Wallace*

Phyllis A. Wallace  
Visiting Professor  
Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

Dear Phyllis,

Thanks for your recent letter. I too have been very busy. I hope this reaches you in time to be helpful.

In thinking about the conference and the research recommendations that have been made, there do seem to me to be some general ideas that deserve highlighting, and also questioning, in your report.

In accord with the Supreme Court decision in Griggs v. Duke Power, there seems to be general acceptance of the idea that "equal employment opportunity" is to be defined and measured by the comparative employment patterns resulting for the protected classes -- not merely by whether everyone is being treated even-handedly. Obviously many of those attending the meeting regarded this development as socially desirable. Even those who had some reservations about it indicated they recognized that this approach is currently mandated under Federal laws and that it is not likely to be changed in the near future.

Accordingly, many participants viewed previous research aimed at "explaining" the existing variance in employment patterns for protected classes as being largely beside the point. To them the crucial research issue clearly is not "to what extent is the status quo explainable (justifiable?) based on an analysis of how things get to be this way?" Instead they see the crucial issue as "given where we are -- regardless of how we got here -- how can we best get to where we all agree we should be going, just as quickly as it is reasonably safe and efficient for our institutions -- especially our employing institutions -- to take us there?"

This shifts the emphasis from research with respect to individuals and protected classes of people to research with respect to how to influence institutional behavior, either from within or without. But it does more than that. It also shifts the focus of the research from a backward-looking search for long-run causal factors to a forward-looking action-oriented (or treatment-oriented) search for effective short-run adaptive approaches. Special emphasis was given to the need for exploratory and comparative research to identify factors which, under varying sets of specified conditions, are



Phyllis A. Wallace

- 2 -

April 25, 1974

either impeding or facilitating appropriate adaptive behavior by employers (or other institutions) as we move toward what is assumed to be the generally accepted societal goal.

This shift in emphasis is a welcome one in many ways, and it certainly fits very well with the kinds of research that The Conference Board has special expertise in conducting. But I believe it can be overdone.

There still are some kinds of equal employment opportunity research which deal with individuals and with protected classes of people that are needed. Even when such research seems to have a backward-looking orientation toward the causes of "deficits" in the qualifications of individuals or protected classes, it can sometimes be constructively applied with a future-orientation. It can help to identify certain key long-run problems, e.g. many of those in the schools, that must also be solved if the shorter-run adaptive changes in our institutions are to have lasting effects. And, when monitored for trends over time, this research may also help to signal when we have probably given enough special emphasis to a variety of short-term affirmative action approaches (or treatments); i.e. when we can be reasonably certain that "medication" can be discontinued because the direction and force of the system's own inertia will probably continue to move it toward a new equilibrium that includes responding appropriately on its own without further planned interventions.

It seems to me that both types of research will prove to be needed, for we are dealing with highly interactive matters -- solving sets of simultaneous, or lagged, equations as it were.

Let me give you an over-simplified example. Sociologists believe that a key reason why minorities and women don't aspire to success in certain fields is the lack of role models with whom they can identify and whom they can strive to emulate. So one possible short-term adaptive approach is to provide more such role-models and to assure that they are extremely visible to young people. How long do our institutions need to allocate extra resources to this approach before we can be reasonably sure we have done enough so that it can be safely predicted that appropriate numbers of minority and female children will continue to aspire to success in various fields? We can probably tell that much sooner from repeated cross-sectional studies of attitudes and expectancies by group and from longitudinal studies of individual youngsters than we can from waiting for observable results in terms of changes in adult employment patterns. In this way we might avoid the unfortunate disappointments of "oversell" that could result from continuing our special efforts too long. Similarly, if after initial gains, we begin to hit plateaus in our data that indicate the situation is highly



Phyllis A. Wallace

- 3 -

April 25, 1974

resistive to further change (e.g. despite widespread knowledge that good, well-paying, socially-acceptable jobs are open to them in fields requiring great physical strength or virtually continuous travel, there are still disproportionately small numbers of young females who aspire to success in these fields) we may be picking up some important early warnings. Are young males also becoming more resistant to such jobs? If so, then maybe the time has come when the jobs need to be redesigned. If not, then maybe it is appropriate to shift our focus more toward assuring "equal opportunity" and to stop insisting on continued heavy spending of resources in an effort to achieve fully "equal employment." But we will not know about these changes unless we have collected benchmark data and are engaged in on-going monitoring.

I guess what I am saying is that we need to be careful that in our enthusiasm for moving employer institutions rapidly toward the goal of "equal employment opportunity" -- as currently defined -- we do not inadvertently cut off the funds needed to monitor changes in long-term factors that do appear to be related to individual occupational choices and preparation as well as to employment discrimination. If we do that, we could overlook important long-run -- even structural -- changes that also need to be made. And we would also lose the very kinds of measures of progress that will tell us when we can be reasonably sure that our EEO goal -- however we might by then prefer to define it -- has indeed been achieved on a stable, lasting basis with as little pendulum effect as possible.

Sincerely,

Ruth G. Shaeffer  
Senior Specialist  
Organization Development Research

RGS:rb

Not which strategy  
but which set -

Jan. 21

NOT FOR PUBLICATION

RESEARCH WORKSHOP  
EQUAL EMPLOYMENT OPPORTUNITY

Free for  
↙

Monday and Tuesday  
January 21 and 22, 1974

Alfred P. Sloan School of Management  
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

NOT FOR PUBLICATION

PROGRAM

Monday, January 21, 1974

REGISTRATION  
Kresge Auditorium  
8:30

OPENING PLENARY SESSION  
Kresge Auditorium, Little Theater  
Phyllis A. Wallace, Presiding

- 9:00 - Introductory Remarks  
Welcome - Dean William F. Pounds  
Sloan School of Management
- 9:15 - 12:15 - PERSPECTIVES ON RESEARCH ON EQUAL EMPLOYMENT OPPORTUNITY
  - 9:15 - Patricia Gurin, Ph.D. - University of Michigan  
"Research Requirements For Employment Discrimination"
  - 9:35 - Bernard Gifford, Ph.D. - The New York City RAND Institute  
"Equal Employment Opportunity in Local Government: A Case Study of the New York City Police Department"
  - 9:55 - Jerolyn Lyle, Ph.D. - American University  
"The Economics of Sex Discrimination"
  - 10:15 - Comments and Questions
  - 10:30 - Coffee Break
  - 10:45 - Ray Marshall, Ph.D. - University of Texas at Austin  
"Negro Employment in the South"
  - 11:05 - Ernest Green and Lamond Godwin - Recruitment and Training, Inc.  
"Equal Employment Opportunity in the Construction Industry"
  - 11:25 - Judith Long Laws, Ph.D. - Cornell University  
"Psycholgical Factors In Women's Work Motivation"
  - 11:45 - Comments and Questions
  - 12:00 - Panel Discussion
- 12:30 - Lunch: Faculty Club  
Alfred P. Sloan Building, Sixth Floor

- 2:00 - 5:00 - CONCURRENT WORKSHOPS
 

<u>Workshop</u>	<u>Moderator</u>
I Public Employment	Dean Abraham J. Siegel
II Educational Institutions	Mary Rowe, Ph.D.
III Private Employment	Charles A. Myers, Ph.D.
IV EEO and Manpower	Peter B. Doeringer, Ph.D.
V Utilization of Research	Bernard Anderson, Ph.D.

Alternates: Ruth Shaeffer, Ph.D. and John Cardwell, Ph.D.

NOT FOR PUBLICATION

- 3:30 - Coffee Break
- 6:00 - 6:30 - Reception at M.I.T. Faculty Club
- 6:30 - 8:00 - Dinner at M.I.T. Faculty Club  
Address: George B. Rockwell  
President and Chief Executive Officer  
State Street Bank and Trust Company  
Boston

Tuesday, January 22, 1974

SECOND PLENARY SESSION

- 9:00 - 12:15 - PERSPECTIVES ON RESEARCH ON EQUAL EMPLOYMENT OPPORTUNITY
- 9:00 - Orley Ashenfelter, Ph.D. and James Heckman, Ph.D. - Princeton University and University of Chicago  
"Changes in Employment Patterns For Minorities and Women, 1966-1970"
- 9:20 - Barbara Bergmann, Ph.D. - University of Maryland  
"Planning For Affirmative Action"
- 9:40 - Solomon Polachek, Ph.D. - University of North Carolina at Chapel Hill  
"Differences in Expected Post-School Investment as a Determination of Market Wage Differentials"
- 10:00 - Comments and Questions
- 10:15 - Coffee Break
- 10:30 - Charles Holt, Ph.D. - The Urban Institute  
"Segmentation and Barriers in the Labor Market"
- 10:55 - Alice Kidder, Ph.D. - North Carolina A&T State University  
"Changes in Minority Participation in the Textile Industry"
- 11:15 - Glenn Loury and Ronald Ferguson - M.I.T.  
"The Dynamics of Employment Discrimination"
- 11:35 - Comments and Questions
- 12:00 - Lunch: Faculty Club  
Alfred P. Sloan Building, Sixth Floor

THIRD PLENARY SESSION

- 1:30 - 3:30 - REPORTS FROM WORKSHOPS AND PLENARY SESSIONS  
Schell Room: E52-461

Discussants of Papers

- Marcus Alexis, Ph.D. - Northwestern University  
James E. Annable, Jr., Ph.D. - M.I.T.  
Bennett Harrison, Ph.D. - M.I.T.  
Ronald Oaxaca, Ph.D. - University of Massachusetts  
at Amherst  
Michael Piore, Ph.D. - M.I.T.  
Barbara Reagan, Ph.D. - Southern Methodist University

Andersen <sup>Richard</sup>  
~~Frank~~  
Baehr Siegel Doniger Shaffer / Myers

Bill Loggins

| Robby  
Moser

| Tom  
Bentley

Ngai

Rowe

Annette  
Lmond

Wallace

Francis  
Moi

~~John~~  
Cardwell



Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

Industrial Relations Section

February 14, 1974

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

We promised to make available at an early date the recommendations from the workshops of the recent conference on equal employment opportunity. Since participants at the final plenary session did not have an opportunity to comment on the recommendations, you may wish to do so now. Many of the recommendations will need to be examined in the succeeding workshops.

In addition to the recommendations from this conference, we have listed the priority recommendations from Working Group II, Committee on Economic Discrimination Against Minorities. This interagency committee was chaired by Frank M. Dunbaugh, Deputy Assistant Attorney General, Civil Rights Division, Department of Justice.

Phyllis A. Wallace

A handwritten signature in cursive script that reads "Phyllis A. Wallace".

Barbara Bergmann - modeling

Guy Orcutt <sup>model</sup> - use computer to follow individuals  
firms

macro =  $\Sigma$  micro (combining ~~aggregating~~ empl pattern & wage problems)

Studying segmentation by simulation

Q "What is a segment?"

Q How fit segments into whole economy

Macropolicy: Questions for Govt.

e.g. Unempl not due largely to labor force for instance

Micropolicy: Govt reacting to firms & individuals

Enforcement of affirmative action - agency external

sanctions internally - have they been more successful  
- monet rewards or penalties to group or individual  
- nonapproval for hiring

Need  
I survey

Exec  $\neq$  judicial - individual suits who are in

- hiring of people who are outsiders

Need

II. Research on reward system

III Need closer link betw. min research & Govt EEO types

TABLE ~~XXV~~ II

AWARENESS OF PENALTY IMPOSED ON FIRM WHICH DISCRIMINATE  
BY RACE GIVEN IN PERCENTAGES OF TOTAL SAMPLE

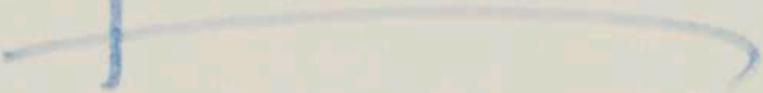
---

	<u>BLACK</u>		<u>WHITE</u>		<u>TOTAL</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Company is fined	2		1	1.9	3	1.3
There is a government investigation	7	3.9	6	11.5	13	5.6
Mills contracts are cancelled	2	1.1	2	3.8	4	1.7
Nothing happens	18	9.9	0	0.0	18	7.7
Do not know	<u>152</u>	<u>84.0</u>	<u>43</u>	<u>82.7</u>	<u>195</u>	<u>83.7</u>
	181	100.0	52	100.0	233	100.0

---

mary-

your originals



Summary of  
Psychological Issues in the Study of  
Employment Discrimination

by Patricia Gurin

The aim of Patricia Gurin's paper is to offer ideas about where we need evidence from social psychological research to understand whether and how discrimination operates against minorities and women. The central issues which she discusses arise out of the questions a psychologist sees in the economist's monopsonistic model. Briefly these are:

1. How do women and men, or blacks and whites, supply themselves differently even when equally trained and equally productive?
2. What is it about their perceptions of alternatives, beliefs about opportunities, differential mobility, that may make for different supply elasticities that can then be exaggerated by employers?
3. What is it about the beliefs of employers that rationalize the conviction that the productivity of men and women or whites and minorities do differ, even when those beliefs are counter to all evidence to the contrary?

In her paper, then, Gurin reviews the evidence with respect to each of these questions and suggests further research needs.

Gurin first reviews studies of worker occupational preferences, aspirations, achievement, and work motivation. With respect to the relevant race studies, she makes several basic points:

1. There is no support for the contention that black and white youngsters want different types of jobs or that black youngsters desire less education. Controlling socio-economic backgrounds, both black and white high school and college students state much the same career aspirations, with the exception of a greater preference among blacks for professional jobs and lower preference

for careers in business. Moreover, the sex differential in career aspirations is almost exactly the same among black and white college students.

2. Similarly, studies of achievement motives and values of black and white youngsters have, in general, turned out to be the same.
3. Blacks do not differ, moreover, in responding to the challenge provided them by their work.
4. Studies show, however, that the black sense of personal efficacy is somewhat lower--reflecting reality constraints, not different values or motives. Thus, differences between blacks and whites in achievement motivation may arise in the reality-based perception among blacks that their chances for success are not as optimistic.

Gurin thus concludes on the basis of the evidence cited that it is impossible to argue that occupational differentiation by race in any way represents different aspirations or even different patterns of motivation except as motivation refers to situationally-defined exceptancies.

With respect to the myth of the black woman's dominance, Gurin counters the myth of any employment edge held by black women.

1. Black women earn less than white women.
2. Moreover, while black women represent a larger proportion of all black professionals than white women do of white professionals, black like white women are concentrated in lower level professions.
3. Black and white women also show similar aspiration and motivation patterns on the college level, though black women more often expect to combine career and family responsibilities.
4. The male edge for "masculine" occupations and female edge for "feminine" occupations among black students closely parallels those of college students generally.

5. Finally, studies show that more aspects of black men's aspirations and performance were tied to typical measures of achievement motivation and that role anxiety was greater among black men than among black women, paralleling similar studies of white college students.

Gurin thus concludes that while black women have a unique perspective given their particular life experience, sex role demands and patterns of sex discrimination in the society at large determine role appropriate educational and occupational choices, be the women white or black.

In surveying sex studies, Gurin notes three findings in particular:

1. Career aspirations of males and females at the high school and college level show that women predominantly aspire to jobs which are presently held predominantly by women. Similarly academic careers in college are strongly sex-linked. Women also make their occupational decisions earlier than men, enter college with lower aspirations and when they shift during college, they change to a lower rather than a higher level of aspirations.
2. Yet, when men's and women's levels of expectancy are equated, it has been found that among women who judge their chances for getting "masculine" jobs as positively as men, preferences are equivalent.
3. Other studies show differences in the level of expectancy to account for sex differentials with respect to achievement and affiliative satisfactions of the work situation. When expectations with respect to challenge and possibility of promotion are controlled, sex differences in preferences or desire disappear.

Gurin concludes this survey of sex studies by noting that further psychological studies which seek to unravel the role of personal motivation in accounting for occupational differentiation by sex must distinguish between aspirations and

expectations as well as recognize their interactions.

Gurin next addresses the issue of expectancies and perceptions in explaining occupational differentiation by sex. She hypothesizes that even given equal training, equal career aspirations, and other equivalent productivity characteristics, women and men, or blacks and whites, may supply themselves differently, resulting in different elasticities in the various labor pools. Such differing supply elasticities might arise in the following sorts of situations where women and minorities:

1. believe their opportunities are fewer
2. are more willing to take lower paying jobs at the bottom of a work category because of feeling their alternatives are more limited
3. are geographically less mobile *evidence?*
4. have differential access to jobs because of knowing fewer women or blacks in a given job through which they could know about job openings.

Gurin thus invites further studies which focus on the expectancies and perceptions through which women and minorities view processes in the labor market.

Regarding the issue of family socialization, Gurin cites studies which negate the emphasis often placed on early socialization in preference formation. While it has been shown that the effect of family background is substantial, it is of far less importance than discrimination in explaining the black-white income gap. Gurin calls for similar studies of early sex-roles socialization in accounting for sex differences in aspirations, preferences, and productivity which in turn explain occupational differentiation and wage differentials by sex. *|| studies?*

Gurin closes by looking at studies of employers. Rather than defining discrimination as a taste, she calls for study of employer beliefs with respect to cultural stereotypes. Important here are job qualifications required by employers which may justify exclusion of women or minorities as well as the extent to which employers take advantage of separate labor

pools, thus continuing occupational differentiation by sex and by race. Finally, Gurin notes the need for original studies that delineate how nondiscrimination practices can be encouraged. Nondiscrimination requires clear policies and clear procedures which can be carried out even by prejudiced personnel directors.

CARROT!

## Summary of

### Psychological Dimensions of Women's Work Force Participation\*

by Judith Long Laws, Cornell University

Conventional analyses of the psychological aspects of women's occupational participation tend to focus on the characteristics of the female worker that are derived from her status as a female rather than her status as a worker. This emphasis has neglected other important dimensions such as the psychology of men about women, that of employers about employees, the features of jobs generally held by women and the labor market in which the women workers operate.

Sex segregation in the labor market has created wage differentials between male and female workers with the same qualifications. Occupations dominated by women are characterized by low pay, little on-the-job training, requiring little specialization and lack of career continuity. Sex-labelling of jobs has discouraged women from entering occupations that are characterized as "male's" and carry better career prospects and higher pay.

Surrounding the female worker, there are myths about her reliability as a worker, her capability as a supervisor, her economic needs as a wage earner, and her ability to combine her domestic and work roles. It is in this unfavorable social and work environment that the female worker has to operate.

Now we turn to the rationalizations commonly used to explain the differences between men's and women's positions in the labor market. It has been asserted that women do not have as high interests in work as men (Kuhlen, 1963). However, studies on work motivation strongly suggest that what we observe is a class effect rather than a sex effect (Blauner; Dubin; Morse and Weiss; Inkeles, 1960). Workers in higher occupations value more the intrinsic factors of their work while workers in lower occupations value more the extrinsic factors

---

\*To appear in Phyllis A. Wallace (ed.) Some New Perspectives on Equal Employment Opportunity, M.I.T. Press (forthcoming).

of their work. If the model of the hardworking, intensely committed worker with the lifetime involvement with a career fits anyone, it fits the professional (Hall). ✓

Women also are said to have lower career aspiration and achievement motivation compared to men. This again has neglected the complexities of the issues involved. The expectancy x value theory would help to clarify some of these issues. In line with the theory, we can separate a woman's career aspiration into two components: the value she places on a career and her expectancy of successfully achieving that career. The compromise at which she arrives taking both into consideration is what we see as her career choice. A common error is to regard this career choice as an index of her motivation for occupational achievement. // \*

*Not motivation  
but  
expected  
value*

Many external constraints limit a woman's career choice in the labor market. In addition to these, she has to consider constraints placed on her by her role in the family. Studies done suggest women's occupational planning involves conscious weighing of many factors (Davis, 1964). It is the lower perceived probability of attaining a career goal that accounts for the observed lower career ambition of women, not the lower level of motivation for career achievement. Critical research on women's aspiration and occupational choice shows clearly that removal of occupational barriers brings about an immediate upward spurt in women's applications for "male" jobs and expression of career aspirations (Bem and Bem; Farmer and Bohn). This indicates that raising the expectancy factor does have an effect on the observed rising of career aspiration.

Aside from the constraints discussed above, it is also very important to look at the pressures within the female that conflict with her desires for achievement. Horner found in her study of college students that women have a motivation to avoid success, which stems from the fear of social rejection resulting from success. A common way to reduce the conflict taken was for the woman to lower her career aspiration. This conflict which is widely felt by women may account partially for the observed lower career aspiration of women.

Thus, it is important to study the process by which occupational aspirations of women are formed and shaped. At present, very little is known about this process itself and the external and internal pressures that operate in the process.

Many studies have been done to try to show sex differences in job performance. They attempt to match job characteristics with attributes of the two different sexes. However, studies have shown that women and men in the same occupation show much the same pattern of motivation and work behavior (White; Seder). There are relatively few known sex differences that appear to be connected with work motivation or job performance. In general, the distribution of abilities between the sexes is not sharply polarized. Focussing on sex differences seem to be displacing the emphasis in attempts to match jobs to attributes of individuals.

One common observation of seemingly lower job performance of women workers compared to men can be explained in the light of the equity theory (Adams, 1963; Lawlwe, 1968). According to the theory, the individual compares the ratio of his inputs (including skill, education, etc.) to outcomes (or reward) with that of his neighbor. The work motivation (and consequent work output) of the individual is affected by his (her) judgment of the fairness of his rewards relative to other workers. If unfairness is perceived by the worker, he would adjust his input: output ratio until the equitable state is reached. For the underpaid worker, a common way to adjust is to lower his output. Another may be to seek a better bargain in another job. Women are generally underpaid for their qualifications especially with regards to education. The observed lower work motivation and higher turnover rates in some "female" occupations can be attributed to the perceived inequitable treatment.

In summary, analysis of the psychological aspects of the woman's occupational participation should look beyond her psychology as a woman, and examine other dimensions relevant to her as a worker such as social and work environment and external and internal pressures that affect her work motivation and job performance.

Abraham J. Siegel

The participants in the Workshop on Equal Employment

Opportunity in Public Employment generated the following list of questions which in their view constituted a feasible research agenda in this area. The questions focused on issues of both strategic and tactical significance.

1. Are there areas or agencies in public employment where minorities and/or women are concentrated or employed in substantial numbers? What factors might account for this? How strategic are these factors in shaping the progress to be made in improving employment for minorities and/or women in the public sector?

2. What will be the impact of public employee unionism on hiring and advancement of minority groups? What has the impact been up to now? In reviewing past experience, could we also seek to relate variations in experience in the private sector as between craft and industrial unions? What sorts of union structures might be most effective in encouraging minority employment in the public sector?

The group recognized that a caveat needs to be kept in mind in trying to draw any implications concerning the relation of particular collective bargaining structure to a good EEO record. That is to say, it was realized that such good performance might be more fundamentally generated by some common underlying factor rather than attributable directly to a causal relationship running from union structure to EEO performance.

3. What will be the impact of shifting from the "great society" to the "new federalism" mode of allocating resources? In the former style, substantial increases in the numbers of minorities in public employment were directly attributable to the generation of new federal agencies focusing on social and communal problems which employed minorities in large numbers. Under the latter style, a relevant question arises concerning the shifts in employment which may accompany the shift from federal to more local administrative centers for dealing with some of these social issues.

4. How significant is the "great man" as against the "institution"? That is, does it make any difference in the speed of progress with which equal employment opportunity is advanced or not to have a strong attitude concerning this issue at the top of an organization or will penetration rates be more affected by the nature of the organization? (In a sense this may be a version of one question implied in the first issue which was raised by the group concerning an appropriate model for accounting for high concentration of minority and/or female employment in different portions of the public sector.)

5. How strong are patterns of informal organization groupings in nurturing or maintaining a variety of patterns of job discrimination?

6. Who should bear the real resource cost of "gambling" on a variety of statistical predictors with people hired on non-Civil Service

or merit basis? Is valid statistical discrimination allowable? Who suffers because of statistical discrimination and what is the real cost to the taxpayer of adopting statistical predictors as guideposts in the selection of employees?

7. Are selection tests for public employment valid in the sense that they have a clear relationship to subsequent performance on the job? I.e., there was a suggestion for more of the sort of study which Mr. Cohn described in connection with the New York police case which he described to the group yesterday.

8. What has been the character and effectiveness of the organizational socialization process where affirmative employment action has been attempted and succeeded? What steps may be taken to abet an effective socialization process?

9. What is the effect of either an absolute preference or a point system of veterans' preference on public employment of minorities and women?

## Report of the Workshop on the Private Sector

Charles A. Myers, Moderator  
Ruth G. Shaeffer, Co-Moderator  
Robert Moser, Rapporteur

Representatives of the private sector were joined in this workshop by those from EEOC, OFCC, and other groups (mainly non-governmental) as well as by several academic scholars who gave papers earlier. The following conclusions emerged from the discussions which covered a wider range of topics:

1. Research already reported at the morning session has pinpointed the general problem of racial and sex discrimination but it is not geared to what private employers or doing or should be doing in achieving affirmative action or equal employment opportunity goals. More specifically, there has been little or no research on different strategies of implementation of these goals, through acceptable techniques of underutilization analysis or goal setting. There is inadequate standardization of terminology, especially as used by different compliance agencies. Research is needed on the results of agreements reached between private firms and EEOC or OFCC. Some internal studies are being done by the Bell System, which may be released, and at least one sociologist as consultant to New England Telephone hopes to complete an evaluation of the implementation of the EEOC agreement in that Bell System Company.

2. Psychological research on effective methods of achieving EEO goals would emphasize the nature of the internal reward system which affects line managers and supervisors. For example,

methods of evaluating managerial and supervisory performance which include achieving "affirmative action" targets; bonuses tied to this achievement, other non-financial incentives, and bottom-up target setting by employee groups are all worth specific study.

3. The value of employer participation with enforcement agencies (EEOC-OFCC) in setting affirmative action goals, as in the Bell System agreement, have positive values in recognizing the need for participation, as opposed to litigation and court orders, in achieving meaningful change. The time may now be ripe for voluntary compliance through EEOC, which has now established an Office of Voluntary Compliance, and has issued a two-volume manual for employers on "Affirmative Action and Equal Employment Opportunity." The U.S.E.S. also has a package of methods of underutilization analysis and goal setting for use by employers seeking to be in voluntary compliance. If these efforts succeed, research could be directed to the effectiveness of such voluntary compliance, as employers seek this route-with all the help and guidance they can get from the enforcement agencies.

4. Professor Patricia Gurin pointed out that if EEOC or OFCC could provide researchers with two sets of firms, those which have used innovative and successful methods of achieving targets, and those which have been less successful, then research could compare the experience in these two groups, with no specific firms identified as such. Research should concentrate on the organizational factors which explain the

difference between the two groups of firms. Most present research hasn't been designed to get at this kind of analysis of firm differences. Research which is intended to find "victims" will not succeed.

5. Research on experience of particular firms by outside researchers is subject to lack of confidence and lack of trust if the firm is identified and may be subject to further litigation, or believes that this will be a risk. Thus Professor Gurin's suggested research method has much to commend it.

Professor Myers concluded with a comment as a colleague of Professor Phyllis Wallace - a comment which he had not been able to make in the brief morning introductions prior to the presentation of research papers. While Phyllis Wallace had acknowledged the help of her colleagues in the Industrial Relations Section and the Sloan School, this research workshop conference, Myers pointed out, is the result of her hard work, outstanding ability, and wide circle of contacts which she has in the field of employment discrimination. We are pleased that the Sloan School has been host for this conference, but the real credit should go to Dr. Wallace, and Myers initiated the applause she deserved.

HARVARD UNIVERSITY  
JOHN F. KENNEDY SCHOOL OF GOVERNMENT

PETER B. DOERINGER

FEB - 6 1974

ROOM G-2  
1737 CAMBRIDGE STREET  
CAMBRIDGE, MASSACHUSETTS 02138  
(617) 495-2109

January 31, 1974

To: Professor Phyllis Wallace

From: Peter B. Doeringer

Re: Report of Workshop on Manpower and Equal Employment Opportunity

The discussion in the Workshop was far-ranging -- covering topics of research, experimentation, public administration, and research implementation. In developing a proposed research agenda, I have sought to organize and consolidate the materials discussed under four separate headings, and to use the specific examples of research mentioned to illustrate more general areas of research interest. Such an exercise inevitably entails some editorial comment and interpretation. Although I may have occasionally strayed beyond the boundaries of the workshop discussion, I have sought to preserve its sense and spirit.

I. Areas of Pure Research

1. There was considerable discussion on labor market segmentation of a variety of kinds -- the channeling activities of labor market and social institutions, the effect of competitive labor market processes upon earnings, and the general area of barriers to employment. More generally, these propositions are related to the question of what factors determine career employment patterns and what factors determine dead-end employment patterns. Related issues include:

What are the market and institutional influences shaping observed career patterns in the labor market?

/Continued

What accounts for the persistence of certain career employment patterns over long periods of time?

What are the factors that lead to the decay or breaking apart of career patterns and the formation of new career patterns?

To what extent are careers formed through external labor market mobility, and to what extent through internal labor market mobility?

Can the career paths characterizing the dominant section of the American work force -- better educated, white males -- be reproduced for women and minorities?

What differences between men and women, or between whites and blacks, will require modification of traditional male career routes?

More specific research topics include:

- a) To what extent does the family, the school system, formal and informal labor market information systems, licensure arrangements, and enterprise practices, create channels in the labor market? At what point is such channeling critical to career formation, and at what point or points in the channeling process should policy intervention occur?
- b) What does work experience mean? Is it possible to get a fuller understanding of how factors such as job content, supervisory behavior, personnel policies, and co-worker attitudes are likely to affect career development at the workplace?
- c) What factors determine the formation of attitudes and expectations in the labor force? How do these vary by race and sex?

2. A second area of research interest involved the possibility of "rehabilitating" some of the lower paying or dead-end labor markets within which women and minority groups seem to be crowded. Can we better understand the forces operating in casual labor markets, in domestic service, and in the area of the self-employed, to see whether intervention in such markets can improve the career and earnings potential of sectors where workers facing discrimination are

traditionally employed?

3. Finally, there was some sentiment for developing programs for the assessment and evaluation of regulatory activities in the labor market, to shed light both on the influence of labor market regulation and on the longer term effect of regulatory activities. Examples mentioned included the follow-up of EEO enforcement activities, the effect of minimum wage legislation, overlap of compliance activities including court actions, voluntary affirmative actions programs, and training programs directly related to EEO activities. There was also mention of analyzing the strategic role of EEO pressure in manpower development and personnel assessment within the firm. Essential to such analysis is, of course, the question of the long-term internal adjustment process to manpower training and affirmative action programs. Do employers and unions reject or accept compliance arrangements? Do they seek to further objectives that are unrelated to EEO? To what extent does the manpower development and utilization system within the firm become altered as a result of EEO activities? Are there unintended or long-range results of EEO activities that were not contemplated at the time of the initial compliance activity?

4. These research suggestions, I believe, imply that this Workshop would second the general plea for greater diversity among the social science disciplines studying EEO and Manpower problems. One approach is to encourage wider participation by under-represented disciplines and this already seems to be occurring. An alternative, and one perhaps favored by the National Science Foundation, is to encourage more interdisciplinary team research in order to broaden the disciplinary research

base. A third approach is to use research funds selectively to encourage projects that will operate at the edge of a discipline rather than at its central core.

## II. Research, Experimentation, and Program Development

There was some discussion of the need to stimulate social science experimentation in policy areas related to EEO activities that can be accompanied by a carefully designed research component. Candidates for such experimentation included: the effect of various day-care arrangements upon female labor supply, testing alternative placement mechanisms and the restructuring of procedures and incentives for personnel development within the enterprise.

## III. Research and Technical Assistance

The workshop considered a variety of quasi-research activities that would provide assistance to EEO efforts. Among these were technical issues such as criteria and standards for compliance, projections of supply and demand by occupation, and the development and validation of improved testing procedures. More generally there seemed to be a need for more enterprise and union-based case studies codifying and analyzing the "best practice" experience with employment programs for women and minorities, particularly for managerial positions. Mention was also made of the need to examine organizational structures and organizational incentives that lead to the perpetuation of traditional job assignment patterns by race and sex.

Finally it was suggested that consideration should be given to the development of university-based groups for providing various kinds

of manpower and EEO consulting services to manpower agencies and small business concerns. These groups could assist in the preparation and training of personnel, and also in the development of techniques and methods to better effect equal employment opportunity objectives.

#### IV. Research Implementation

The workshop debated the question of why so little academic research gets translated into improved public policies. The debate divided into two separate explanations: (a) that too often academic research is impractical, detached from the actual functioning of labor markets, and perhaps not sufficiently timely to be useful to policy-makers; and (b) that there is inadequate receptivity within government agencies to the information and analysis provided by academic researchers. Although the workshop did not come to a final conclusion as to a balance between these two views, it is clear that they both have some merit and that attention should be paid to resolving these problems if new research is to be fruitfully applied.

While this issue clearly lies within the jurisdiction of another workshop two personal observations may be in order. First, a substantial fraction of new research dollars should be used to stimulate researchers to disaggregate their analyses. This implies a greater emphasis on field work, case studies, and other micro-focussed activities. This approach is necessary if we are to develop more robust hypotheses, obtain independent verification of causality, and acquire information needed to design better quantitative models for testing market behavior. Secondly, it seems that there is much research to be done into the incentives and obstacles, the training needs, and perhaps

the organizational needs, within government, business and trade unions  
for the more effective utilization of manpower and EEO research.

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

Summary and Recommendations from Workshop No. V  
Utilization of Research - January 21, 1974

Bernard Anderson - Moderator  
Annette LaMond - Rapporteur

Seventeen persons were in attendance at the start of the workshop, and at least ten remained for the entire time. Most of the participants were representatives of private industry, public, and civil rights organizations; few academics participated in the workshop.

Two assumptions seemed to be held by most participants: 1) the goal of equal employment research should be the rapid and complete equalization of the socio-economic position of minorities and others, and of men and women in the labor market, and 2) more and better research, together with greatly improved utilization of research can greatly facilitate the achievement of goal number 1. Within the constraints imposed by time, and the necessity to provide a maximum opportunity for participants to air their views, the following concerns were expressed:

1. The utilization of research will depend in part on the improvement and continuation of major government statistical surveys. It seems at this time, however, that some of the surveys (like the annual poverty survey) have been or are being phased out. Moreover, the Office of Management and Budget does not appear inclined at this time to take a stronger hand in reconciling existing statistical surveys to make them more

compatible with the requirements of EEO research.

2. There are at least six end use categories for EEO research:
  - a. Enforcement litigation
  - b. Development of public policy
  - c. Academic discussion and refinement
  - d. General public information
  - e. Development of strategies by action groups
  - f. Development and implementation of affirmative action plans in private industry and public agencies

The parties in each of the listed areas have need for different types of research. A model for the efficient utilization of research must be based on a recognition of these multiple purposes.

3. There is no institutional framework for synthesizing and disseminating the results of research conducted in different sectors of the research community. There should be established a central clearinghouse for EEO research, much like the current NTIS which performs this function in the field of manpower research. The most appropriate agent to perform the function would seem to be the Research Department of EEOC. The workshop, however, was not firm in the view that EEOC should perform this role. Other possibilities include:
  - 1) a special division of NTIS to deal exclusively with EEO research,
  - 2) a branch of the U.S. Bureau of Census, or Bureau of Labor Statistics,
  - 3) a newly created private, non-profit research institute with capability

both of conducting research and performing the clearinghouse function.<sup>1</sup>

There was a view that research data accumulated by Women's and Black Caucuses within professional organizations should be brought within the circle of data available to the research community.

4. In order to facilitate the utilization of research results, research design might make better use of the case study method. This might reveal important behavioral and structural characteristics of discrimination not likely to be observed in more general survey research. A general feeling expressed by many participants was that more research is required on individual firms and other employers in order to discover how discrimination takes place and why.
5. Several modifications of the EEO-1 reporting system were recommended. First, the occupational detail should be increased, and wage data by occupation

---

<sup>1</sup>Until a few years ago, a publication entitled "Fair Employment Report" was published at Fisk University. The publication was phased out because of the loss of funding from the Ford Foundation, and the unwillingness of any organization to pick up the circulation. At the present time, only the BNA, "Fair Employment Report" provides timely summaries of developments in EEO. The BNA publication, distributed bi-weekly, emphasizes new legal developments and by no means cover the major research in the field.

regularly collected. Second, the interest groups should be further disaggregated to permit separate identification of Chicanos, Puerto Ricans, and Cubans where such groups are even reasonably numerous in the labor market. Finally, the issue of confidentiality of data should be addressed and resolved in the direction of making more data collected on firms available to serious researchers.

6. More and better research is required on the efficacy of various intervention strategies for reducing discrimination. Research of the cost-benefit evaluation type would be especially welcome.
7. To facilitate research utilization, an autonomous EEO research institute might be established where academic scholars might be in residence for some period of time. Preferably, the membership in the Institute would be interdisciplinary, and the structure of the organization geared specifically to multi-discipline research. The institute would be specifically charged to engage in research and to insure that the research results were disseminated quickly and economically so that users might benefit from new ideas and insights into discrimination. The Institute might also provide in-service training for action group staff.

A very valuable task of the Institute would be the preparation and distribution of an annual report on the status of minorities and women in the American economy.

The report should provide not only basic statistical data, but also analysis of the data, with special emphasis on the role of public policy in advancing, or retarding, the progress of minorities and women toward equality in the labor market. Among the issues that might be explored are 1) differential impact of the energy crisis on minorities and women, 2) role of policies like Title VI of Civil Rights Act, and the impoundment of funds for urban renewal, or the employment and earnings of minorities and women, and 3) prospective impact of the annual budget on minority and female economic status.

8. Some interest was expressed in new dimensions of research applicable to equal opportunity goal achievements. One new direction was the work of the dual labor market advocates who have attempted to broaden the measures of economic welfare beyond unemployment and median earnings. Measures like the "subemployment index," which combine both work and income adequacy were recommended for more research and application in evaluating the impact of public policy on minority and female economic welfare.

A second area of inquiry that might prove useful for purposes of policy formulation is ethnicity studies. Research in this area might help reveal basic conditions necessary for reducing socio-economic disparities. The workshop was not unanimous in its perception of the

value of ethnicity studies, but there was significant interest in what such studies might tell us about the potential for black gains. Tom Sowell at the Urban Institute has been doing some work in this area, and might well have something to offer in a follow-up workshop.

Recommendations From Final Report of Working  
Group II of Committee on Economic Discrimination Against  
Minorities (August 1972)\*

(1) Analytical Group - A permanent Analytical Group should be established to provide factual information and analytical studies of the economic status of minority groups. This group should perform both a library-clearinghouse function and an analysis-research function. Its mission would be to disseminate information about data sources and research findings having to do with discrimination, to develop the best use of existing data, to make recommendations for continuing development of statistical series, to provide analytical support to program managers in the government, and to design new reports and studies as needed. This should be a high level group both in terms of its position in the bureaucracy and in terms of the caliber of its personnel.

(2) Annual Interpretive Report - There should be a high level annual report on the economic status and progress of racial and ethnic minorities. The purpose would be to articulate policy with respect to eliminating racial disparities and to report on progress in carrying out the policy. In addition, it would report on and interpret major developments during the year as reflected in the available data, describe current and impending legislative, judicial, and administration actions, report on major relevant research, and contain a statistical appendix. Except for the policy statements, major responsibility for preparation of the report would go to the Analytical Group.

(3) Annual Statistical Report Series - There should be a new annual statistical report series which would focus in detail on the employment and earnings of racial and ethnic minorities. The design of this report would be the responsibility of the Analytical Group. Data would be provided by the Civil Service Commission, EEOC, BLS, Census and the Social Security Administration. The major focus would be on the earnings, occupations, industries, and education of regular full-time workers, at the national and regional level. In addition, attention would be focused on the extent of, reasons for, and impact of part-year and part-time work.

(4) Special Report on Industries - In order to facilitate targeting of compliance activities by industry, a statistical report should be prepared and updated periodically which would consolidate much of the available information on 3-digit and 4-digit industries. This report should be prepared by the Analytical Group in cooperation with BLS, OFCC, and USTES (the U.S. Employment Service). The report should include information on the level and growth of employment, and projected trends; turnover, job vacancies, and long-term replacement needs; size

distribution and geographic distribution of firms; occupational structure; wage rates; and union membership. Most of these data are available from BLS.

(5) Study of Special Problem Groups - There is a need for more understanding about several ethnic groups that have experienced economic discrimination at some point in their history, that are geographically concentrated, and are not readily identifiable in the CPS or other recurrent data systems. The major examples are the American Indians, the Orientals, and within the overall Spanish American group, the Puerto Rican and Mexican American subgroups.

\*These are the high priority recommendations from the committee. The committee was chaired by Frank Dunbaugh, Deputy Assistant Attorney General, Civil Rights Division, Department of Justice.

CHANGES IN MINORITY PARTICIPATION  
IN THE  
TEXTILE INDUSTRY:  
AN EMPLOYEE VIEW OF EQUAL EMPLOYMENT POLICY

A paper to be presented to  
the Research Workshop on Equal Employment Opportunity  
January 21-22, 1974  
Sloan School of Management, M.I.T., Cambridge, Mass.

by

Alice E. Kidder  
Associate Director  
Center for Manpower Research and Training  
North Carolina A&T State University

## INTRODUCTION

Last year the Center for Manpower Research and Training and the Equal Employment Opportunity Commission published a study entitled "Changes in Minority Participation in the Textile Industry of North and South Carolina, 1966 to 1969." This report contained a follow-up evaluation of the effects of EEO policy on the dominant industry of the Carolinas.

We are now attending a conference to assess new directions in equal employment research. I should like to offer some portions of the textile study as a prototype of the kind of research which should be encouraged in the future.

Past research to assess the extent of discrimination has tended to be statistical, relying on census data and EEO-1 and EEO-2 reports. Our study was in part based on questionnaires at the grass roots level. We interviewed 233 textile workers, of whom 181 were black and 52 were white, to measure their perceptions of EEO policies in their firms. Such a local level approach is necessary in an era when political decision-making shifts more to the local scene.

Past research on the functioning of enforcement procedures tends to rely on aggregate figures issued by agencies such as the Equal Employment Opportunity Commission, the Civil Rights Commission, and the Office of Federal Contract Compliance.

However, we found that it was not possible from public sources to find out how many discrimination cases had come in from a particular geographic region and industry, nor was it possible to find out what happened to the charges along the way through the bureaucracy. In our study we went to the raw files of the regional office and prepared tabulations for ourselves of the disposition of cases.

Finally, past research tends to be diagnostic (identifying problem areas) rather than prescriptive of solutions. Solutions to the problem of discrimination necessarily lie in situational studies which can assess the institutional arrangements of an employment site, can measure the impact of economic forces at work influencing personnel practices, and can view as a sociologist would the relationship among work groups.

In what follows, I am excerpting from two chapters of the textile study. The first deals with management and worker perceptions of EEO policy in the firms. The second reviews the progress of discrimination charges filed. It is hoped that this material will provoke more in-depth situational studies which may prompt understanding of effective solutions.

I am indebted to Michael E. Simmons, currently a doctoral candidate at Washington State University, who worked with me on this study, and who wrote the chapter on worker perceptions of discrimination.

MANAGEMENT PERCEPTIONS OF EMPLOYMENT OPPORTUNITY

"No problems. All of our workers get along fine regardless of color." Such is the typical response of textile plant managers when queried about the new pattern of racial integration in the mills. In many mills it appears that racial friction is at a minimum, but in others there may be a great deal of latent distrust between the races. We must look to history for the reason.

With such a large number of low-skilled jobs available yet black comprising less than five percent of the total textile work force in 1960, it is relatively easy to conclude that a great deal of discrimination has taken place in the industry. This point is admitted even by the American Textile Manufacturers Institute. Despite tight labor markets in the early fifties, there was no appreciable increase in black employment other than into menial, janitorial positions until the next decade. Since textile firms in general have very little in the way of entry requirements (a high school diploma, for example, is not required), one cannot attribute the absence of black workers to lack of qualifications. That leaves traditional white racial attitudes as the paramount reason for the small amount of black employment before 1960.

Now management claims that those attitudes have shifted considerably, and that textile companies have eliminated overt barriers to black employment. In fact, blacks are making rapid gains in the

semi-skilled operative occupational group. Statistics show that by 1969, the black participation rate rose to fifteen percent of the total employment, and that this figure has continued to rise substantially in recent years.

Does this signal the end of discriminatory practice in the industry? The American Textile Manufacturers Institute insists that black workers should and are being treated as all other workers, neither given special preferential treatment, nor hindered in hiring or promotion.

WORKER PERCEPTIONS OF EMPLOYMENT OPPORTUNITY AND DIS-  
CRIMINATION

Our sample consists of 233 workers from eight randomly selected textile towns in North and South Carolina. Workers were interviewed in their homes, by interviewers of the same race as the respondent. The sample was limited to persons who recently worked or are currently working in a textile firm. The average age of the 181 black workers in the sample is considerably lower than the average age of the fifty-two white workers interviewed. The percentage of women in both groups is virtually identical, forty-four and forty-six percent of the white and black groups respectively.

TABLE I

PERCEPTION OF BLACK - WHITE WORKER RELATIONSHIP BY RACE  
GIVEN AS PERCENTAGE OF RACE

	BLACK		WHITE		TOTAL	
	Number	Percent	Number	Percent	Number	Percent
No response	2	1.1	2	3.8	4	2.0
Good	66	36.5	41	78.8	107	48.8
Fair	102	56.4	7	13.5	109	46.7
Poor	11	6.0	2	3.8	13	5.5
	<u>181</u>	<u>100.0</u>	<u>52</u>	<u>100.0</u>	<u>233</u>	<u>100.0</u>

According to the workers interviewed in our sample, the relationship between black and white workers was less than ideal among black workers and close to good among whites. [See Table I.]

Blacks in general felt that their relationships with white workers was only fair. Whites on the other hand felt that they got along well with the black workers. Table I indicates that 78.8% of the whites felt that they got along good with black workers, whereas only 26.5% of the blacks felt the relationship was good. The difference in the reaction of the workers can probably best be summed up in this statement by a white employee, "We do not mix with them; they do not mix with us." Presumably no contact with blacks means good relationships. While this may be an exception, there undoubtedly is a difference among workers as to the type of relationships they have.

Another indicator of black-white worker relations is the amount of discrimination believed to be prevalent on the job. Close to 29% of all blacks interviewed felt that they had been discriminated against in some form or another. Many blacks reported that the terms "boy" and "nigger" were often used. But many workers, like those in other studies,<sup>1</sup> had difficulty in defining the exact nature of the discrimination.

---

<sup>1</sup>See Burton Weinstein, "The Problem of Job Placement," Employment and Education Services in the Mobilization for Youth Experience, edited by Harold H. Weissman, (New York Association Press.) 1969, p. 100

Twenty-two percent of the blacks stated that they knew of other workers who had been discriminated against, either by being given less than equal treatment on the job or being "set up" to be fired by a foreman or supervisor.<sup>2</sup>

Twenty-five percent of the blacks stated that they felt they had not been treated fairly by the firm employing them.<sup>3</sup> Significantly only one white felt blacks had not been treated fairly. Another white, perhaps having second thoughts, said, "Yes, they were treated fairly, but they never were given any good jobs, just cleaning up."

All of the white workers interviewed felt that their firm hired without regard to race or color, 60 % (140) of the black workers also felt this way. However, blacks often added "at least they say they do" when commenting on the fairness of employment opportunities offered by their employer. Of the 233 people interviewed, all but 14 (13 black and 1 white) felt that the workers received the same wage for the same work performed.

---

<sup>2</sup>"Sure if they do not like you they will get someone to cause trouble with you and fire you and do nothing to the other person." Manpower Report to the President and a Report on Manpower Requirements, Resources, Utilization and Training of the U.S. Department of Labor, 1970, Wash., D.C.

<sup>3</sup>This indicates that 75% of the blacks felt that they were treated fairly. However, further analysis indicates that this figure is too high, since 29% of all blacks interviewed felt they had been discriminated against and, as will be noted later, 42% felt they had not advanced as fast on the job as white workers.

Although a [slowly] increasing proportion of blacks are in white-collar and skilled positions, blacks are still concentrated disproportionately in unskilled menial occupations and are rarely promoted to supervisory positions over whites. One of the many answers given was the cynical statement: "Man, you know white folks will not let blacks get ahead as fas as white folks." Many blacks felt their supervisor failed to recommend them for higher level jobs, or overlooked them when good jobs were available<sup>4</sup>. It seems apparent that far more discrimination is taking place on the mill floor than is being reported, or that reaches higher management.

Only six white workers felt that blacks were not allowed to advance as fast as whites. One lady, in commenting on black advancement, said, "No, but they are nice as can be." Many whites feel that blacks get good jobs, however, some felt that blacks advanced too fast, and one went so far as to say "the mill was hiring too many niggers and all the whites were discriminated against."

Only a seemingly small number of the workers sampled had ever sought training with their firm. Twenty-four blacks and 13 whites, or 13.3% of the blacks and 25% of the whites, said they had sought training. It seems that blacks may not be encouraged to seek training for promotional purposes or they may well be discouraged by previous policies or biased supervisors.

---

<sup>4</sup> However, 395% of our sample reported that they knew of blacks in supervisory positions. By race, 40% (73) of the blacks and 36.5% (19) whites indicated that they were aware of blacks holding supervisory positions.

Despite the reduction of most overt forms of discrimination since their prohibition by federal legislation, blacks are still unequally affected by many personnel practices. Even where there is no intent to discriminate, institutionalized personnel arrangements may have this effect. An establishment's incumbent employees constitute an important recruitment channel; when they refer friends and relatives to job openings, the effect is generally to perpetuate the racial composition of the mills' predominant work force. Obviously this policy means that the employment of whites will still be favored over blacks. Because of this, many blacks interviewed felt that mills should make blacks aware of job openings by use of the black media or more aggressive recruitment programs in order to increase the number of blacks at various mills.

What we have attempted to show in this chapter is not whether discrimination actually takes place in the mill (though it undoubtedly does) but whether or not blacks perceive it as taking place. In either case, the results can be equally damaging. However, the remedy can be decidedly different.

The overriding theme that comes out of this section is the perception on the part of blacks of seemingly willful exclusion of blacks from equal promotional opportunities. Thus, if management is discriminating the workers' perceptions are, in fact, realities and management must at least stop discriminating for the worker perception

to abate. However, even if the firm is not deliberately discriminating, it must open up more lines of communication with the blacks in the mills or use existing channels more effectively. There must be a concerted effort on the part of management to let blacks know that discrimination does not exist in the mill.

HOW THE LAW HANDLES WORKER CHARGES OF DISCRIMINATION

Fifty-five persons among the total of 233 workers interviewed felt they had been discriminated against in textile employment. None had brought charges, however, before the Equal Employment Opportunity Commission. What would have happened if they had?

To answer this question the North Carolina A&T research team reviewed the progress of all Section 706 (individual party) charges brought against Carolina textile firms in the first two years, 1965 and 1966. The team identified 118 such charges. Of these, only 45 made it through the bureaucratic maze to be considered on its merits by the Commission. Consider the fate of the original 118 charges involving 260 charging parties:

Closed because of failure to proceed.....	40
Closed because of lack of jurisdiction....	21
Closed because of other reasons.....	12
Sent on for consideration by the Commission.....	<u>45</u>
Total.....	118

Of the total of 45 cases which were considered by the Commission, only ten were successfully conciliated:

Not found to have probable cause.....	28
Found to have probable cause:	
Successfully conciliated.....	10
Unsuccessfully conciliated.....	<u>7</u>
Total .....	45

Of the total cases not successfully conciliated, none was taken to court.

The 73 cases which were never considered by the Commission because of closure were eliminated following rules and regulations governing the Commission. Forty were eliminated because of "failure to proceed." At some point, the charging party failed to respond after the initial charge was made. Perhaps no affidavit was secured, or no answer was given to the letter asking for an appointment with the field investigator. The process of filing a legal charge and swearing to the charge no doubt leads to fears of employer reprisals. Many drop their cases at this point. In other instances, fear that one did not have a bona fide case may have led to a dropping of the charges.

Twenty-one cases were found to be outside the jurisdiction of the Commission. In 1965 and 1966, employers with less than 100 employees were not subject to the act. Yet half of the textile firms in the Carolinas had less than 100 employees.<sup>5</sup>

<sup>5</sup>Coverage of Title VII has been expanding over time. In 1965 the act covered firms with 100 or more employees. The latest amendment to Title VII brings the coverage down to fifteen or more employees.

One may list the deficiencies in the current approach to equal employment enforcement. A violation of the law must be demonstrated on a case-by-case basis with evidence in hand. Black textile workers interviewed in this study noted that discrimination is an intangible sequence of events which leads to fewer blacks getting told about promotion opportunities, fewer blacks being put through the training process, fewer blacks making it into professional ranks. It is hard to pin down a specific event in one or more persons' careers and show categorically that here (and not elsewhere in the sequence) is where discrimination occurred.

The process is time-consuming. Delays in handling cases have previously run as much as nine months, although the new expediting procedures have cut the time between complaint and investigation to a matter of a few weeks. Each new round of "red tape" exacerbates the charging parties' skepticism of the system.

Finally, decisions of cause or no cause are based entirely upon the reports compiled by field investigators, who are employed at a relatively low GS rating. There is no hearing at which testimony is brought by both sides, as would be true in the case of labor arbitration. Companies have been reluctant, in some cases, to furnish records on the pattern of racial employment in their companies. Although the Commission has the power to subpoena records, the delays involved may be considerable.

What is at stake is the credibility of this nation's commitment to enforce its ban on discriminatory employment practices. With little hope for speedy remedies, aggrieved workers who have tried to use the system are unlikely to urge others to follow the same avenues of redress. Lack of belief in the system generates cynicism in the black community and among scholars of equal employment policy.

The most tragic finding of the study, in my opinion, is the widespread ignorance of the workers' rights under the law. Potential charging parties interviewed in the textile study were in the main unaware that any remedies for discriminatory practices existed, and of those knowledgeable of the remedy process, most were skeptical that it could accomplish any result. Table II shows that eighty-four percent of the sample did not know what penalty could be imposed on a firm which practiced racial discrimination, and another eight percent were sure nothing happens. In the few remaining cases, some workers confused the EEOC with the NLRB, and would not have known the correct office to which the complaint could be sent.

It appears, therefore, that research on effective public education programs is of paramount importance. Public television and high school civics classes may be effective media for telling people their rights under the 1964 and 1972 EEO acts. What sources of information do currently channel this information to potential charging parties? How do they assess the probabilities that their case will be expeditiously handled? All these and many more questions are of importance in understanding the process of guaranteeing equal employment opportunity in the United States.

## CONCLUSIONS

The study finds that the textile industry in North and South Carolina stood at the end of the fifties as a symbol or archetype of the segregated patterns in Southern employment. Over the period of the sixties, the industry has radically changed its attitudes toward racial hiring, but its image as a traditionalist employer remains, hindering its efforts to upgrade the black labor force on the basis of equal employment opportunity.

The fact that racial hiring patterns are different is reflected in the overall increase in black employment from less than 15,000 in 1960 to 61,055 in 1969. It is also reflected in the extent to which firms can and do hire black supervisors in positions of authority over whites. Finally, it is mirrored in the extent to which black workers have been promoted into jobs such as loom fixers, weavers, spinners and doffers.

The worker interviews conducted in the course of the study reveal that workers are very sensitive to racially delimited opportunity, and are conscious and vocal about inequities they observe.

These workers are also skeptical about the enforcement powers of the Commission. Whereas 40% gave expression to concern about discriminatory practices within the industry, none had brought charges through the Commission procedures, and most were unfamiliar with the procedures themselves. Their complaints about the industry mirror the pattern of complaints already on file: a preponderance of the charges in the latter period deal with alleged discrimination in promotions, or in job definitions which appear racially related.

The black workers in the survey appear less knowledgeable about training opportunities in the textile companies for which they work than do the white workers interviewed. Companies reported few formal training programs available; most skills are learned through observation and on-the-job experience. An analysis of the job titles of black and white workers in selected companies revealed that black workers are less likely than white workers to be on jobs where such observational training is available. Departments such as weaving and finishing are less likely to have black workers than are the routine departments of spinning and maintenance.

The interviews with company personnel suggest that the hiring of black workers into positions of responsibility, long feared as being impractical, has in fact proceeded smoothly, with little employee friction or other impediments to productivity. One wonders from talking with the personnel managers why it was not possible to have achieved this status perhaps even ten years ago.

\* \* \* \* \*

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

Monday and Tuesday  
January 21 and 22, 1974

This research workshop on equal employment opportunity was funded by the National Science Foundation under the Research Applied to National Needs (RANN) program. We are also grateful for additional assistance from Arthur D. Little, Inc.

Alfred P. Sloan School of Management  
MASSACHUSETTS INSTITUTE OF TECHNOLOGY

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY  
January 21-22, 1974  
Sloan School of Management, M.I.T.

Monday, January 21, 1974

REGISTRATION  
Kresge Auditorium  
8:30 a.m.

OPENING PLENARY SESSION  
Kresge Auditorium, Little Theater  
Phyllis A. Wallace, Presiding

- 9:00 - Introductory Remarks  
- Welcome - Dean William F. Pounds, Sloan School of Management
- 9:15 - 12:15 - PERSPECTIVES ON RESEARCH ON EQUAL EMPLOYMENT OPPORTUNITY
- 9:15 - Patricia Gurin, Ph.D. - University of Michigan  
"Psychological Issues in the Study of Employment Discrimination"
- 9:40 - Ray Marshall, Ph.D. - University of Texas at Austin  
"Black Employment in the South"
- 10:10 - Barbara Bergmann, Ph.D. - University of Maryland  
"Planning for Affirmative Action"
- 10:30 - Comments and Questions
- 10:45 - Coffee Break
- 11:00 - Ernest Green and Lamond Godwin - Recruitment and Training, Inc.  
"Equal Employment Opportunity in the Construction Industry"
- 11:20 - Judith Long Laws, Ph.D. - Cornell University  
"Psychological Dimensions of Women's Work Force Participation"
- 11:40 - Bernard Cohen, Ph.D. - Queens College, City University of New York  
"Equal Employment Opportunity in Local Government: A Case Study of the New York City Police Department"
- 12:00 - Comments and Questions
- 12:30 - Lunch: Faculty Club  
Alfred P. Sloan Building, Sixth Floor  
Introduction to Workshops

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

2:00 - 5:00 - CONCURRENT WORKSHOPS

<u>Workshop</u>	<u>Room</u>	<u>Moderator</u>
Public Employment	E52-365	Dean Abraham J. Siegel
Educational Institutions	E52-450	Mary P. Rowe, Ph.D.
Private Employment	E52-363	Charles A. Myers, Ph.D.
EEO and Manpower	E52-232	Peter B. Doeringer, Ph.D.
Utilization of Research	E52-369	Bernard E. Anderson, Ph.D.

Alternates: Ruth G. Shaeffer, Ph.D. and  
John J. Cardwell, Ph.D.

3:15 - Coffee Break, Schell Room, E52-461

RECEPTION AND DINNER AT CHARLES RIVER SUITE AT SONESTA HOTEL,  
5 CAMBRIDGE PARKWAY, CAMBRIDGE

6:00 - 6:30 - Reception

6:30 - 8:00 - Dinner

Address: George B. Rockwell  
President and Chief Executive Officer  
State Street Bank and Trust Company  
of Boston

Tuesday, January 22, 1974

SECOND PLENARY SESSION

9:00 - 12:15 - PERSPECTIVES ON RESEARCH ON EQUAL EMPLOYMENT  
OPPORTUNITY

9:00 - Alice Kidder, Ph.D. - North Carolina A&T State  
University  
"Changes in Minority Participation in the Textile  
Industry"

9:20 - Orley Ashenfelter, Ph.D. and James Heckman, Ph.D. -  
Princeton University and University of Chicago  
"Changes in Employment Patterns for Minorities and  
Women, 1966-1970"

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

- 9:40 - Solomon Polachek, Ph.D. - University of North Carolina at Chapel Hill  
"Differences in Expected Post School Investment as a Determinant of Market Wage Differentials"
- 10:00 - Comments and Questions
- 10:15 - Coffee Break
- 10:30 - Charles Holt, Ph.D. - The Urban Institute  
"Segmentation and Barriers in the Labor Market"
- 10:55 - Jerolyn Lyle, Ph.D. - The American University  
"Occupational Discrimination on the Basis of Sex"
- 11:15 - Glenn Loury and Ronald Ferguson - M.I.T.  
"The Dynamics of Employment Discrimination"
- 11:35 - Comments and Questions
- 12:10 - Lunch: Faculty Club  
Alfred P. Sloan Building, Sixth Floor

THIRD PLENARY SESSION

- 1:30 - 3:30 - Reports from Workshops and Plenary Sessions  
Schell Room, E52-461  
Sloan Building

Discussants of Papers

- Marcus Alexis, Ph.D. - Northwestern University  
James E. Annable, Jr., Ph.D. - M.I.T.  
David Copus, Esquire - EEOC  
Bennett Harrison, Ph.D. - M.I.T.  
Ronald Oaxaca, Ph.D. - University of Massachusetts at Amherst  
Michael Piore, Ph.D. - M.I.T.  
Barbara Reagan, Ph.D. - Southern Methodist University

Rapporteurs

- Richard Baehr  
Thomas Bentley  
Annette LaMond  
Robert Moser  
Agnes Ngai  
William Suojanen

Summary of

New York City's Police: The Background and  
Performance of the Class of '57

by Jan M. Chaiken and Bernard Cohen

In light of the Police Commissioner's desire for recruiting a new type of policeman--better educated, less corruptible, more capable and sensitive, and the suits by organizations representing minority group policemen, charging discrimination in the present selection process for new officers, the procedures for selection and the type of policemen it produces, have become important issues.

The RAND authors examined the records of all the men who were appointed to the N.Y.C. Police Department in 1957. These records included a variety of background characteristics and test scores, a history of their assignments and promotions, and performance measures such as awards and disciplinary actions. The performance measures covered an 11 year period, for those who remained on the force, and were derived from data typically kept in personnel files by police departments.

From these data they were able to construct a portrait of the class of '57, to identify the background characteristics and test scores which appear to be related, positively or negatively, to later performance, and to identify attributes which are commonly accepted as indicators of future good or bad performance but do not appear from data to have the anticipated results.

The selection process for N.Y.C. policemen includes a written test, medical/physical exam, a long application form, a background investigation, and then appointment for those who have passed all the steps. Finally, there is training and study at the police academy, and a six-month probationary period.

The study revealed the following relationships:

1. The two most important predictors of later performance were the officer's recruit training score in the police academy and the officer's rating while on probation.

good +  
poor  
predictors

2. The same variables were important for both whites and blacks, suggesting that it is not necessary to adopt separate selection procedures for different races.
3. The N.Y.C. Police Department's background investigators are fairly skillful in deriving an overall appraisal of an applicant. In general, the men they rated highly, turned out to be above average, and many men they were negative about, were later found to be departmental discipline problems. However, since minority applicants were generally rated lower on the average than whites by the investigators, an adequate number of minority investigators should be assigned to this step of the selection procedure.
4. A truly accurate prediction on a candidate's potential performance can rarely be derived from information collected before acceptance into the police academy. The following entries were found unrelated to subsequent poor performance: arrest for a nonviolent crime, presence of a family mental disorder, record of summonses, or any answer whatsoever to questions about region of birth, number of siblings, father's occupation, applicant's number of jobs and last occupation, military service and commendations, number of residences, and aspects of early family responsibility such as marital status, number of children and debts. In addition, the civil service entry exam score above passing was not found to be related to any of our performance measures other than the ability to pass subsequent civil service exams.

The authors see as desirable a selection process which reduces the influence of these characteristics on a candidate's chances for appointment and places greater emphasis on his/early performance in training and on probation.

her

Summary of

Police Civil Service Selection Procedures in New York City:  
Comparison of Ethnic Groups

By Jan M. Chaiken and Bernard Cohen  
The New York City Rand Institute

The attorneys for both sides in a lawsuit retained the New York City Rand Institute to conduct an independent, impartial analysis of the civil service examination scores of white and minority group applicants for the position of patrolman in the N.Y.C. Police Department and the effect of the written examination, as compared to other parts of the appointment process, on the number of men appointed from each ethnic group. The plaintiffs in this case, the Guardians Association and the Hispanic Society, alleged that the written entry-level civil service examination and other parts of the appointment process discriminated unlawfully against blacks and Hispanics. The defendants were the N.Y.C. Civil Service Commission, the Department of Personnel, and the Police Department.

Applicants who took the civil service exam were not asked to state their race or ethnicity on the application form or the exam paper. Thus, the Institute was requested to collect such information as was needed to determine the examination scores and progress through the appointment process for Hispanics, blacks and non-Hispanic whites, leaving the question of whether the results indicated racial discrimination to be resolved by the legal process. Two examinations were selected for analysis. One of them, given in 1970, was the most recent exam for the position of patrolman when the study began, and the other, given in 1968, was the oldest exam in which some men who passed were still awaiting appointment. In all 10,321 men took the two exams.

To conduct the study, the Institute collected data about the subjects from several sources. Census bureau data on Spanish surnames, 1970 census tracts, mailed questionnaires, telephone contact, and Police Department records were all used to track applicants and their ethnicity. Each source of data

about the racial/ethnic classification of the subjects had certain shortcomings, but when all of them were used together, accurate estimates could be made. The analysis showed that about 71 percent of those who took each exam were white. Of the remaining 29 percent, slightly over half were black for the 1970 exam, and two-thirds were black for the 1968 exam. Considering only N.Y.C. residents, the fraction of applicants who were black was about the same as the fraction of males aged 16-34 in the City who were black. The proportion of applicants who were Hispanic was slightly lower than their proportion of the population. Over 90 percent of applicants from outside the city were white.

In all, 57.5 percent of those who took the 1968 exam passed. The authors estimated that about 66 percent of the white examinees passed the test, about 36 percent of blacks passed, and 30 to 40 percent of Hispanics passed. Among those who passed, the minority group members scored lower, and ranked lower on the eligibility lists than whites.

The 1970 exam had a higher overall pass rate - 72.9 percent. On this exam, about 83 percent of whites passed, between 45 and 55 percent of blacks passed, and 45 to 50 percent of Hispanics passed. Aside from the fraction of examinees who passed, the distributions of grades for each ethnic group on the 1970 exam were statistically indistinguishable from those on the 1968 exam. Statistical tests showed that the scores of blacks were not significantly different from those for Hispanics, while the differences in scores between whites and minority group members were highly significant. Statistically, there was less than one chance in a billion that the observed differences among the score distributions for whites, blacks, and Hispanics could have occurred if grades had been randomly distributed among the examinees, independent of their race.

The analysis therefore confirmed the plaintiffs' allegations that minority group members were less likely than whites to pass the written exam and were ranked lower than whites on the eligible list. These findings were presented to the Court

for its determination of whether they are indicative of racial discrimination.

On balance, none of the procedures which followed passing the 1968 exam was found to have an appreciable effect on the fraction of blacks, whites, and Hispanics eventually appointed. Therefore, the proportions of each recruit class that were white, black or Hispanic were about the same as the proportions among the men who passed the written exam. The authors concluded that the primary explanations for the fact that Police Department recruit classes contained a smaller fraction of blacks and Hispanics than the City population were:

1. 10 to 15 percent of applicants reside outside New York City, and few of the them are black or Hispanic.
2. City Hispanics are slightly less likely than others to apply to become policemen.
3. Blacks and Hispanics fail the written entry-level civil service exam to a greater extent than whites.

Kidder

DEC 27 1973

CHAPTER VIII

SUMMARY AND CONCLUSIONS \*

The study finds that the textile industry in North and South Carolina stood at the end of the fifties as a symbol or archetype of the segregated patterns in Southern employment. Over the period of the sixties the industry has radically changed its attitudes toward racial hiring, but its image as a traditionalist employer remains, hindering its efforts to upgrade the black labor force on the basis of equal employment opportunity.

The fact that racial hiring patterns are different is reflected in the overall increase in black employment from less than 15,000 in 1960 to 61,055 in 1969. It is also reflected in the extent to which firms can and do hire black supervisors in positions of authority over whites. Finally, it is mirrored in the extent to which black workers have been promoted into jobs such as loom fixers, weavers, spinners and doffers. *white AS?*

The industry's image as a slow mover in the area of equal employment opportunity stems from its apparent inability to recruit, or indeed attempt to recruit,

\* Changes in Minority Participation In The Textile Industry of North and South Carolina

Kidder

qualified black workers in positions of professional and managerial responsibility. The industry lacks an aggressive affirmative action strategy to come to grips with these manpower needs. Only a handful of companies attempt to recruit, let alone hire, through the channels most likely to generate black professionals. No textile management training programs are funded by organizations such as the American Textile Manufacturers Institute.

The lack of affirmative action strategies should not obscure the progress made by the industry. The industry has in effect brought its percentage of black participation in line with other manufacturing industries in the Carolinas, and is beginning the process of job upgrading.

Why did these changes occur in the industry? Most writers have attributed the change to the tightness of the labor market in the mid-sixties, pointing out that increases in hiring merely coincided with the passage of the Civil Rights Act and the subsequent enforcement of that Act by the Equal Employment Opportunity Commission.

The findings of this study are at variance with this hypothesis. The labor market no doubt played a significant role, but it is clear that the industry would not have been unable to find white workers to take the added 20,000 jobs in textiles, had it been determined to do so. Furthermore, the timing of the major breakthroughs in racial hiring occurred prior to 1966, the date when the labor market was the tightest and when enforcement of Title VII began.

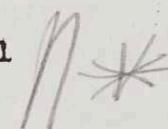
Further evidence of the incompleteness of the labor market explanation comes from a study of relative wages over the period 1964-1969. Although it appears that textile rates were increasing in the mid-sixties, they were merely holding their own relative to other industries. Therefore, textiles could not be considered either a low-wage industry (relative to the other local forms of employment) or an industry suffering a more acute labor shortage because of exodus of workers to other industries. That this exodus occurred is unquestionably true for perhaps as many as 5,000 workers as shown by the increase in quit rates, but as a general

*other occurs*

explanation for the need to hire the additional 26,400 black workers absorbed by the industry it falls short.

The regression analysis indicates that on a cross-section basis unemployment rates by county or county employment population rates (two measures of labor market tightness) are not significant predictors of change in black participation by reporting units. Actually counties with higher unemployment rates are more likely to show increases in black participation in textiles, since these counties also are more likely to have a higher black population percentage. Time series suggest that there were also periods of tight labor markets in the early fifties but these times were not accompanied by major breaking of black employment barriers.

What distinguishes the fifties from the sixties is, of course, the passage of civil rights legislation. Data from this study suggest that the presence of a climate of opinion favoring the extension of equal employment opportunity was a major causal factor. Government policy reflects this climate of opinion, and



operates on two levels through the Commission: the investigation and review of charges of discrimination (assumed to be a check upon conformity of employer behavior to legal requirements under Title VII) and a non-legal technical assistance program of "jaw-bone" exhortation to the industry, coupled with public awareness campaigns. Is there evidence that either or both of these techniques contributed to the explanation of why changes occurred in black participation, 1966 to 1969?

It appears unlikely that company behavior in granting more black workers jobs is a consequence of their fear of enforcement of anti-discrimination provisions of Title VII. The study showed that companies against which charges were filed in the period 1965 - 1966 were less likely than others to increase black participation thereafter. Furthermore, the chances that a company would be constrained by the legal machinery were small. Of the 118 cases brought against the textile companies of North and South Carolina in 1965 and 1966 only 17 or 14.5 per cent were carried through to a finding of probable cause.

*How many?  
What kind of  
evidence?*

Of these, only 10 had been successfully conciliated by the Commission as of 1971.

Many textile companies in North and South Carolina did not conform to legal requirements in the reporting to the Equal Employment Opportunity Commission, presumably out of ignorance of the law. About 78 in 600 of the potential reporting units in North Carolina and 51 in 299 of the possible reporting units in South Carolina failed to report as required by law, in 1966.

Many of the smaller companies interviewed expressed a lack of knowledge about the specific content of the law, and their legal obligations under the law. The larger corporations maintain legal staffs well versed in the intricacies of the legislation. However, since no clear definitions or criteria are available to distinguish a "discriminatory employer" from a "non-discriminatory" employer, particularly in discussions of the racial composition by department, it is unlikely that companies feel substantial pressure from the Equal Employment Opportunity Commission from the legal side.

On the other hand, it is interesting to note that the technical assistance programs of the Commission vis a vis textiles in the Carolinas do show positive correlation with subsequent change in black participation. Further, evidence suggests that technical assistance has been significant in expanding black employment in selected cases in the area of professional employment and in the field of employment of black women. In North Carolina, firms visited by the Good Neighbor Council were likely to have a 1.4 greater average percentage point gain in black participation than firms not so visited.

It appears that community pressure, and a network of informal contacts between the black community and the textile industry must be given greater credit for the change. Civil rights pressure initiated when students sat in at Greensboro lunch counters, and culminating in public testimony at the Textile Forum in Charlotte in 1967, created a climate in which it was no longer acceptable to the black labor force to conform to racially determined job categories and opportunities.

The worker interviews conducted in the course of the study reveal that workers are very sensitive to racially delimited opportunity, and are conscious and vocal about inequities they observe.

These workers are also skeptical about the enforcement powers of the Commission. Whereas forty percent gave expression to concern about discriminatory practices within the industry, none had brought charges through the Commission procedures, and most were unfamiliar with the procedures themselves. Their complaints about the industry mirror the pattern of complaints already on file: a preponderance of the charges in the latter period deal with alleged discrimination in promotions, or in job definitions which appear racially related.

The black workers in the survey appear less knowledgeable about training opportunities in the textile companies for which they work than do the white workers interviewed. Companies reported few formal training programs available; most skills are learned through observation and on-the-job experience. An analysis of

the job titles of black and white workers in selected companies revealed that black workers are less likely than white workers to be on jobs where such observational training is available. Departments such as weaving and finishing are less likely to have black workers than are the routine departments of spinning and maintenance.

Despite the fact that the Title VII enforcement procedures are weak and ill-defined, the industry seems to be responding across the board to the new requirements for extending equal employment opportunity in hiring, if not in promotion. The rural areas are not less apt to change than more densely populated areas; South Carolina firms have been overall increasing black participation faster than North Carolina reporting units, thus coming closer to the overall industry average. Furthermore, textiles as a whole are catching up to the Black participation rates in other industries, such as furniture, paper and pulp products, chemicals, and other major industries. The rhetoric of the industry is positive in its commitment to the objectives of equal employment opportunity.

The interviews with company personnel suggest that the hiring of black workers into positions of responsibility, long feared as being impractical, has in fact proceeded smoothly, with little employee friction or other impediments to productivity. One wonders from talking with the personnel managers why it was not possible to have achieved this status perhaps even ten years ago.

It appears that the time may be ripe for greater emphasis on the need to expand black participation into professional and managerial areas. Two of the major textile companies have recently hired black managers, and recruitment of black students occurs in predominantly white universities offering textile curricula. Such overtures may be the beginning of a fruitful, and more extensive relationship in the future.

*Paid & unpaid  
employment?*

Summary of  
Modeling a Segmented Labor Market  
by Charles C. Holt

Job search-turnover theory of the labor market has attempted to go beyond static neo-classical microeconomic theory in coming to grips with labor market adjustment processes and frictions. As such it visualizes a complex set of dynamically interacting labor markets which are characterized by great heterogeneity of jobs and workers, massive turnover flows in and out of the labor force and between jobs, and limited information which leads to substantial investments in search. The aspirations of workers for income and satisfaction interact with those of employers for high output and low labor costs. Human capital is accumulated by a worker through his sequence of job experiences, both within and between firms. Wages and working conditions are bargained by workers individually and collectively through unions. The movements of workers are impeded by barriers which are often related to race, sex, geography, and occupation. The analytic study of the equilibrium and dynamic characteristics of such a complex nonlinear stochastic process is so unwieldy that computer simulation is indicated for any models incorporating realistic complexity.

Charles Holt's paper accordingly attempts to examine processes that are important in the labor market and the kinds of policy issues that could be clarified by a systems model. The paper's aim is to increase understanding of basic labor market relationships so that the effects--direct and indirect--of manpower programs may be better predicted.

Holt stresses that in building such a structural model the stochastic nature of labor market processes--e.g. how long it takes a person to find a job or drop out of the labor force and how many people flow into unemployment from jobs or by entering the labor force--must be explicitly taken into account. The importance of the probabilistic element in the structure of the model developed in the paper by Holt is heightened by the

shortness of the time period used with the consequence that the system is not likely to be in equilibrium as well as the varying sensitivities and averages of the different regions, occupations, and demographic groups which are the focus of policy-makers.

Before presenting his model, Holt discusses alternative approaches to building a recursive model loosely coupled through probabilistic relationships. The model types are five:

- 1) model composed of difference equations
- 2) model based on a Markov process with a constant matrix of transition probabilities
- 3) model based on Jay Forrester's Industrial Dynamics
- 4) microanalytic model as developed by Guy Orcutt
- 5) group-transition model

The fifth type which is that selected by Holt groups similar workers and firms and carries out the system simulation in terms of the sizes of these groups and the probabilities of transfers of individuals between them. This model which is an aggregated version of a microanalytical model is used by Holt with primary reliance on current Population Survey Gross Change data.

A broad outline of the system modeled by Holt is given in the following diagram.

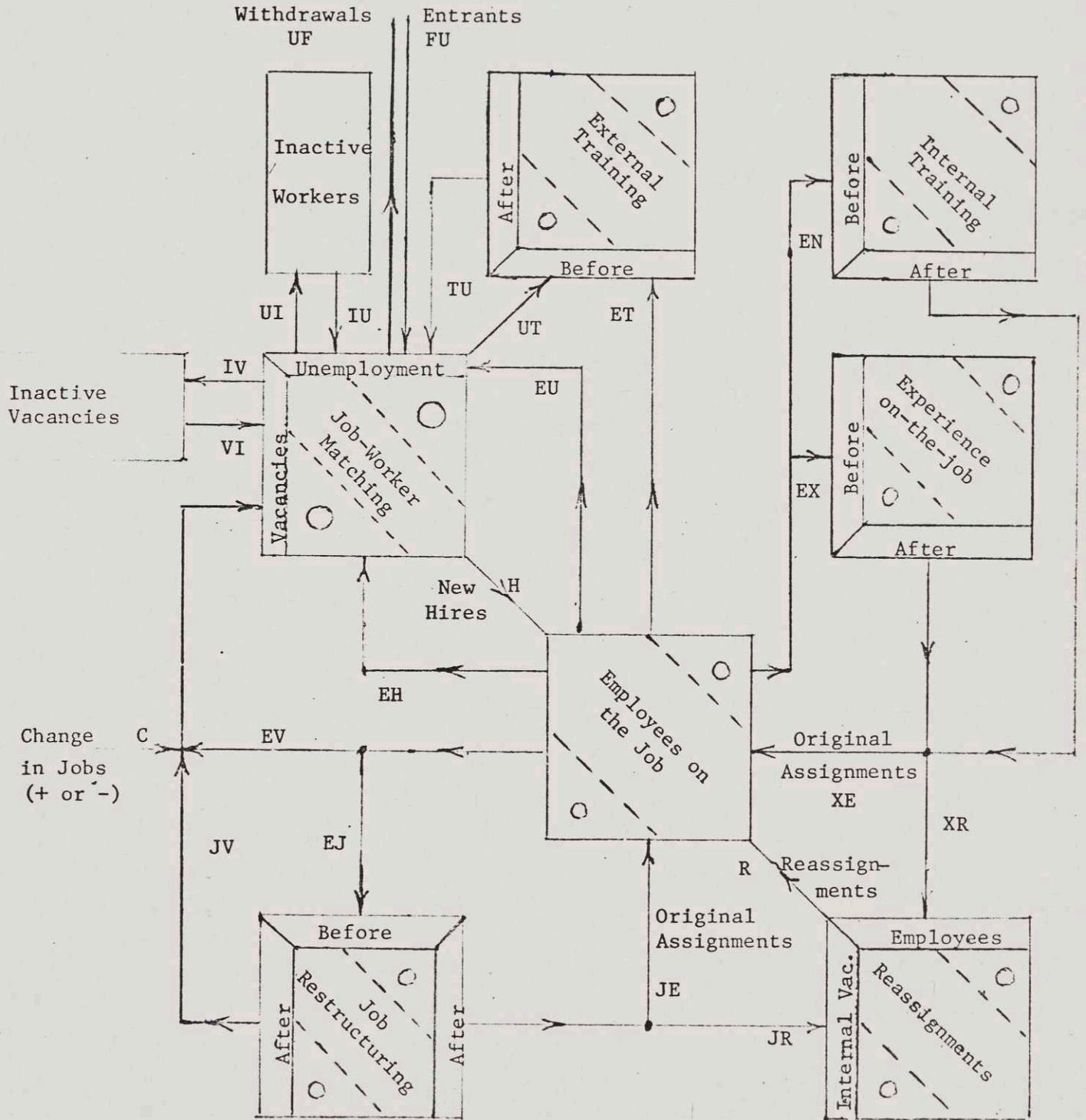
#### IV - Figure 1

Flow lines link source and destination:

- ET Employment to Training (External)
- EN Employment to Unemployment
- EH Employment to Employment
- H Unemployment to Employment
- UT Unemployment to Training
- UI Unemployment to Inactive Work Status
- TU Training (External) to Unemployment
- XR On-the-job Training to Upgraded Assignment
- XE On-the job Training to Old Job
- JE On-the-job Experience to Restructured Job
- JR On-the-job Experience to Job Reassignment
- JV Restructured Vacancies to Fit Experience
- IN Inactive Work Status to Unemployment
- VI Vacancy to Inactive Vacancy
- IV Inactive Vacancy to Vacancy
- EV Employer-Initiated Quit
- JV Employee-Initiated Quit
- FN Family Employment to Unemployment
- UF Unemployment to Family Employment

Figure 1

Manpower Markets and Programs



Stocks

Vacancies  
Inactive Vacancies  
Unemployment  
Inactive Work Status  
Employment

Processes

External Training  
Job-Worker Matching  
Job-Restructuring  
Internal Training  
Experience on-the-job  
Reassignments

The dynamic flows outlined should, in equilibrium, be reasonably consistent with cost and income motivations and clearing wages and prices predicted by neoclassical theory.

Holt notes that it is essential to recognize that workers are highly differentiated by skill ability, experience, location, preferences, race, and sex as well as the differentiation of jobs by skill requirements, inducements, location, and perhaps extraneous restrictions. Accordingly, there are many groups of workers and many groups of jobs. Interactions in the labor market that are influenced by these factors have the effect of segmenting the market. Hiring, reassignment employment, and separation involve worker--job pairing, while training, experience and restructuring involve transformations of workers and jobs from one type to another. In these terms, then, the productivity, satisfaction, earnings and labor costs of employment matches, and hence, the duration of employment relationships, depend on the interactions among the hiring, internal training, experience, job restructuring, and reassignment processes of the firm. The speed of placement depends on the interaction of search efficiency, external training, job restructuring and aspirations for earnings and labor costs.

Holt outlines a sequence of models based on this structure but with increasing detail and refinement.

- 1) Initial stress on differences in labor market experience and behavior by different age, sex, and race groups.
- 2) Further development with respect to occupational segregation arising out of upgrading and accumulation of human

capital.

3) Finally, the introduction of geographical segmentation.

The models will be driven by aggregate demand and its composition. The latter will be linked to the labor market. Holt states that all of these models should try to relate unemployment and its composition to inflation.

The uses of such models are several: First, forecasting labor market impacts of changes in demand and its composition. Second, prediction of indirect impacts of structural policies and programs. Third, identification of differential behavior and attributes that account for high unemployment rates and low earnings of women, blacks, and other groups.

## Summary of

### Differences in Expected Post-School Investment as a Determinant of Market Wage Differentials

by Solomon William Polachek

The problem of the distribution of earnings within the labor sector requires that labor be viewed as a heterogeneous group whose members have accumulated differing amounts of human capital. Economists have accordingly studied three forms of human capital with respect to earnings--formal education, pre-school investment, and post-school investment. Solomon Polachek's paper addresses the latter.

Polachek begins with a statement of the assumptions which have been central to the bulk of research on post-school investment. The main assumptions are two: (1) that the marginal cost of human capital produced in a given period is upward sloping, (2) that individual labor force participation over the life cycle is non-increasing so that post-school investment declines monotonically with age. Given these assumptions, post-school investment has been specified as some function of age yielding a characteristically concave age-earnings profile.

Polachek, however, questions the validity of declining post-school investment with age. He notes that such non-monotonicity of investment becomes important in explaining the earnings behavior of secondary workers who tend to have more intermittent life cycle labor force participation patterns than white married males to which most empirical studies apply.

Polachek thus outlines a theory of life cycle human capital accumulation when expected labor force participation is intermittent. He subsequently illustrates the hypotheses generated--namely that post-school investment functions differ according to sex and marital status. Expected post-school investment is computed here by differing individual marginal revenue given that individuals of the same schooling level have identical human capital production functions and hence that the marginal cost of investment across individuals is identical. Finally, Polachek uses the measurements of expected human capital investment to explain male-female and married-

single wage differentials.

In this paper, then, Polachek hypothesizes that there exists a relation between one's life cycle labor force participation, post-school investment, and wage rate. This relationship is derived theoretically by maximizing expected earnings over the life cycle and implemented empirically by determining the extent to which differing male-female (married-single) life cycle labor force participation explains male-female (married-single) wage differentials. Since these measures were obtained by assuming the same costs of investment for all groups, the differences in human capital investments can be attributed to differences in life cycle labor force participation when these derived roles of investment were used in regressions on wages, much of the original intra-group wage differentials were explained. The result is consistent with the hypothesis that differences in wages can largely be attributed to differences in expected labor force participation over the entire life cycle.

Polachek's paper thus goes beyond those studies of intra-group wage differentials which account only for quantity differences in labor force experience. He adds the quality dimension, defined as the difference in the rate of post-school investment. In attempting to account for the interaction of differing experience patterns and their associated rates of post-school investment, Polachek invites further work exploring the role of expected life cycle labor force participation behavior in the determination of both male-female and married-single wage differentials.

Summary of  
Black Employment in the South  
by Ray Marshall

*Motives +  
Power  
relationships  
Bargaining  
Model*

This paper summarizes the major findings of Marshall's Negro Employment in the South Project (NES). The main objective of the NES project was to analyze black employment patterns in 13 Southern states with a view to making policy recommendations to improve black employment opportunities. The specific questions raised were:

1. What are the black employment patterns and trends?
2. What are the main explanations for the patterns and trends?
3. What kinds of public policies are most effective in improving black employment opportunities?

The main subject matter areas studied were: rural and nonmetropolitan places, with special emphasis on agriculture; metropolitan areas, with detailed field work and analyses in Atlanta, Birmingham, Houston, Louisville, Memphis, Miami, and New Orleans; federal employment; state and local government employment; minority contractors in the construction industry; and comparisons between the South and the rest of the country.

The research procedures included a detailed review of the literature; statistical and econometric analyses using data from the Equal Employment Opportunity Commission, the Bureau of the Census, the Department of Labor, the 1 percent social security sample, and the Survey of Economic Opportunity; and field surveys in all of the major SMSA's.

Our main statistical measures of black employment patterns were penetration rates, expressing the extent to which blacks had entered various industries and occupations, and indexes of occupational position, measuring the extent to which blacks had moved up in those industries and occupations. In some cases we used other measures, like an index of tokenism and measures of segregation within a firm or industry.

*Could  
we  
use?*

This paper is divided into two main parts. The first deals with the conceptual framework we used for the NES project and the second with a summary of our empirical findings. The behavioral model we used is contrasted mainly with the neoclassical model of traditional economic theory, and to a lesser extent with multiple labor market theories.

A number of empirical and theoretical studies of employment discrimination were examined. Because of its wide acceptability among economists, the neoclassical model was examined in considerable detail. Marshall concludes that this provides some useful analytical insights although this model inadequately defines discrimination, and does not include enough variables either to provide sufficient understanding of the basic factors influencing black employment patterns or to form the basis for policy prescriptions to promote equal employment opportunities.

Specifically, the alternative conceptual model that Marshall finds most useful was one which considered the motives and power relationships between various actors-employers, white workers, black workers, government agencies, and the environment within which these actors operate. These environmental influences include such factors as race relations in the community, business conditions, and product and labor market conditions. Hence, racial employment practices are products of prevailing racial institutions as modified or sustained by the power relationships between white workers and their organizations, employers, governments, and blacks and their organizations. This model is termed a bargaining model which specifies different variables for various kinds of discrimination and for different aspects of employment opportunity. Summary of major findings:

1. Agriculture is still more important than any four manufacturing industries for blacks in the South, though the number of black farmers and the size of black farms is declining. Rapid outmigration is continuing, especially with better educated blacks. Though manufacturing jobs have opened in rural areas, blacks and many rural whites have been ill prepared by education and

*Expectations again*

*but  
produce  
ability  
draw*

experience for most nonfarm jobs. Blacks have made inroads mainly where industry skill requirements were lowest. There have been both discrimination on the demand side and a lack of labor market attributes by blacks on the supply side.

2. In metropolitan areas, black women increased their share of total employment faster than black men, though for both, operative, labor and service jobs were bigger gainers for blacks than white collar positions. There was, however, noticeable improvement in the last half of the 1960s economically, as well as politically for blacks in the South.
3. Black women are more evenly represented across occupations than black men, but not across industries. Black women were virtually absent from white-collar jobs in major industries in some Southern SMSA's where larger numbers of white women were employed. *why?*
4. In government employment, blacks found better opportunities than in the private sector. The best relative occupational positions for blacks were in the federal government, and higher penetration rates were achieved in local than in state governments. There was considerable variation in black employment by agency in the federal government. *+*
5. Relative to their proportion of the population, blacks are underrepresented in federal employment in the South and overrepresented in the rest of the country. However, in the South, blacks are overrepresented in Wage Board and underrepresented in General Schedule jobs.

In general, for private as well as public employment, black employment varies inversely with the ratio of white collar to total employment. The most highly correlative variables for black men were: percentage of manufacturing employment, education, and industry skill requirements. For black women, the most important variables were labor market size, economic growth, and education above 12 years.

---

Recommendations:

1. Rural employment: Programs to help small farmers need to be established, and NLRA and other protective coverage should be extended to agricultural workers.
2. Government employment: Outreach programs should be established to recruit, prepare, and place black workers in government jobs. The internal anti-discrimination machinery within the federal government could be strengthened in several areas.
3. Private employment: There should be outreach programs to place blacks in white collar jobs, especially in non-metropolitan areas. Job training and education are necessary to deal with the inadequate human resource development of individuals in predominantly black counties in the South.

## Summary

## I

A broad description of the changes in minority and female employment that took place between 1966 and 1970 for a set of 40,445 establishments *(private)* matched by employer identification number and county is as follows: the occupational position of black males was 77.8 percent of that of anglo males in 1966 and increased by 2.3 percentage points over the 1966 to 1970 period. For Spanish surnamed males, on the other hand, the overall change in the relative occupational position index was .2 percentage points. *♀ no great advance* The occupational distribution of anglo females changed very little relative to the occupational distribution of anglo males. The relative occupational position of black females, on the other hand, increased from 84.7 percent of that of anglo females in 1966 to 88.9 percent of that of anglo females in 1970. Likewise, the relative occupational position of Spanish surnamed females increased by 1.3 percentage points over the 1966 to 1970 period.

Since it is difficult to gauge the size of the changes in occupational position just reported against each other or against what might be expected, it is useful to state them in a different form. If we suppose that the rate of change of each of the indexes we have just reported was maintained indefinitely, black and Spanish surnamed females would have the same occupational positions as anglo females in approximately 11 and 24 years respectively. Under the same conditions black males would have the same occupational position as white males in 35 years. The rate of change in the occupational position index of Spanish surnamed males was so small that it *Women?*

would take several hundred years for this group to have an occupational position equal to anglo males.

*And anglo ♀s?*

## II

We have used the detailed records for a matched sample of firms in 1966 and 1970 to estimate the extent to which the change in the position of black male workers relative to white male workers was greater among firms with contracts with the federal government than among firms without such contracts. Since all of the Office of Federal Contract Compliance efforts to improve the relative position of black workers operate on firms with federal contracts, and since the EEOC's efforts are presumably more successful with such firms, we concentrate on this issue because it presumably gives us some indication of the overall impact of government efforts on changes in the relative position of black workers.

First, we find that the relative employment of black male workers increased by 3.3 percent more over the period 1966 to 1970 in firms with government contracts than in firms without government contracts, and that this difference is statistically significant. Second, we find that the relative occupational position of black male workers increased by .2 percent more in firms with government contracts than in firms without contracts, but that this difference is not statistically significant. Taken together with the fact that approximately one-half of the firms in our sample had government contracts, these

*amount*

*position*

results imply that the rate of change of the ratio of the share of black male wages to white male wages may have been 2 percent greater over the period 1966 to 1970 than would have been the case in the absence of the overall government effort. If, for example, the share of black male wages in the average firm was 10 percent of the share of white male wages in the average firm, then the government effort would have increased it to 10.2 percent. Alternatively, since the ratio of the share of black male wages to white male wages increased by 28 percent in the period 1966 to 1970, we may attribute approximately 6 percent of this to government efforts.

The most important factor affecting the change in the relative position of black male workers in these data appears to be the migration of black workers to the North Central region of the U. S. The employment of black workers relative to white workers increased by approximately 20 percent more in the North Central region than in any other region of the country. This migration also resulted in a smaller rate of increase in the relative occupational position of black male workers in the North Central region than in any other region, and undoubtedly resulted because the migration of workers was from the lowest paying occupational categories. This presumably increased the growth in the relative occupational position of black male workers outside the North Central region and decreased this growth inside that region.

Finally, we have investigated the factors that affected the probability that a firm with no black male worker in 1966 would have

hired at least one such worker by 1970. We find that the probability that a firm that was not "integrated" in this sense in 1966 was integrated in 1970 was nearly .1 higher in 1970 among firms with government contracts than in firms without them. *signif?*

### III

The basic data used in the analysis for this report was a sample of approximately 100,000 aggregated employment units created by employer identification number and county from EEOC data for 1966 and 1970. Approximately 40 percent of these units, representing 65 percent of all employees, were matched as between the two years. A crude survey of a small sample of firms suggested that (a) natural growth and decline about the employment level determining the reporting requirement, (b) errors, and (c) multiple employer identification numbers account for the bulk of EEO-1 reports that could not be matched between the two years.

In order to explore systematically the differences in employer characteristics associated with a successful match between the years 1966 and 1970 we computed a multiple regression using the 96,244 aggregate units for these two years. It is clear from these results that the aggregate units in our matched sample are not a random sample of the aggregates we created from the 1966 and 1970 data. If they were, there would be no significant differences between the matched and unmatched samples of firms associated with region, industry, etc. In fact, these

latter variables have a statistically significant effect on the probability of two reports being matched. At the same time, it would be easy to exaggerate both the size and the effect that these variables have on the probability of matching.

It seems likely that the most important systematic determinant of the non-random character of the matching is employment fluctuations about the basic reporting requirements. If this is the case, inferences drawn from our matched sample may not be too different from inferences that would have been drawn from the whole population of EEO-1 reports.

#### Conclusions

Our most important conclusion is that it is now computationally feasible to take advantage of the longitudinal character of the EEO-1 reporting system data in order to add significantly to our knowledge about the size and nature of the impact of governmental efforts to raise the relative economic position of minority and female workers. In particular, the unique longitudinal character of these microeconomic data can be used to help evaluate both the magnitude and the causes for any effect that may be attributed to governmental activities. The specific analyses that are feasible using the methods described in this report include the following:

1. To the extent that specific industries or geographic areas are subject to special efforts to increase the relative position of minority or female workers it should be possible to analyze the extent of success of these efforts using longitudinal data from the EEO-1 reporting system.

Data on the relative position of minority group workers prior to the government action are first selected for both the firms that are subject to and the firms that are not subject to the government effort. Data are then obtained for both sets of firms in the period after the government action. Comparison of the change in the relative position of minority or female workers as between firms affected and unaffected by the government action than gives an estimate of the effect of the program. An obvious candidate for this type of analysis would be the recent EEOC efforts to intervene in the Federal Communication Commission rate hearings in order to increase the employment opportunities of minority groups and women.

2. The same kind of analysis could be carried out using the EEOC data on compliance activities. Data on the relative position of minority and female workers in firms with and without subsequent compliance activities would first be collected. Then the difference in the change in the relative position of minority group workers between firms with and without compliance activities could be compared in order to estimate the average effect of compliance activities on the relative position of minority group workers. Moreover, it should be possible to shed some light on the effects of systematic factors determining the success of compliance activities.

3. Finally, it would be possible to obtain better information on the existing shortcomings of the EEO-1 data system if some sample of records from those firms obligated to file EEO-1 forms, but that did

not, were obtained and analyzed. If the EEO-1 data are increasingly shown to be useful for providing information on the evaluation of EEOC efforts it should be possible to justify the costs of such a sample by the benefits in reliability and confidence in the basic EEO-1 reporting system data that would result.

If properly followed up, the EEO-1 data system should begin to provide the information that both sound management and equal employment opportunity policy require on the actual, as opposed to the intended, effects of the 1964 Civil Rights Act. This unique opportunity should not be delayed.

Summary of

Notes on a Dynamic Theory of  
Employment Discrimination

by Glenn Loury and Ronald Ferguson\*

This paper is concerned with an investigation of the mechanism by which past discrimination against blacks in the labor market impacts on the earning potential of current and future generations of black workers. It is conjectured that achievement of the goal of equal employment opportunity does not necessarily imply that current differences in the incomes of blacks and whites will disappear. This conjecture is supported by an analysis of the factors determining the distributions of blacks and whites across a set of occupational categories ranked by life-time earnings, which incorporates various social and psychological factors influencing the acquisition of skills by workers before entering the labor force. These factors include widespread residential segregation and the implication of local public finance of educational institutions for the quality of schools attended by prospective workers, as well as the importance of "role models" for young people in their formulation of aspirations, their perceptions of opportunities and consequently their acquisition of skills.

= also  
of alter ego  
relationships

A model is constructed incorporating these factors, which assumes rational behavior by economic agents in the sense that individuals acquire training to maximize their expected net lifetime income. The result is that the skills with which an individual is equipped when he presents himself to the labor market depend to some extent on the income and occupational status of his parents. From this the paths of occupational distributions for blacks and whites over time may be generated by a non-linear stochastic process. The questions concerning the persistence of inequality between the races in the face of equal employment opportunity reduce to mathematical propositions about the asymptotic properties of this process. While no general results are presented, examples are constructed which

---

\*Graduate Students in Department of Economics, M.I.T.

demonstrate the possibility that inequality can persist indefinitely. Also, some computer simulations of this process are undertaken in which the sensitivity of the time paths of black and white incomes to discrete changes in their initial positions (such as would result from the imposition of employment quotas) are analyzed.

This paper concludes with a broader discussion of the policy implications and possible empirical extensions of this work. It is suggested that more emphasis should be put on correction of inequities in the availability of quality education to school children and opportunities to acquire marketable skills than is currently fashionable. The tendency to rely on the "market mechanism" to eliminate income inequality between the races is attacked as being potentially counter-productive in light of the "externalities" present in the model described above.

Summary of  
Occupational Discrimination on the Basis of Sex:  
A New Approach

by Jerolyn R. Lyle and Jane L. Ross

The findings presented in this paper are part of a larger study of the employment patterns of women in some 246 corporations. Two research priorities in the economics of discrimination emerged from our study:

1. much more work in the development of theories of sex discrimination is needed,
2. more firm specific research is needed.

Lyle and Ross concentrated on explaining why some firms discriminate more than others rather than on explaining why all firms tend to discriminate to some extent. Convinced that variations in employment patterns of women within industries are as important and as great as inter-industry variations, firms were selected as the unit of analysis.

A number of hypotheses relating to interfirm differences in occupational discrimination against women were tested:

1. Is the crowding of women into only jobs traditionally held by women an important mechanism among these firms?
2. Was any aspect of public policy related to the differences in the extent of occupational discrimination among firms?
3. Are there any systematic relationships between innovativeness of management practices, location of corporate headquarters, extent of urbanization of productive facilities and differences in the extent of occupational discrimination among firms?
4. Do structural variables relating to firms size, financial strength, market power, and technology of production explain interfirm differences in the extent of occupational discrimination against women?

Recently, American economists have proposed that firms in the American economy fit fairly well into a two-way classification scheme:

1. center firms: large as measured by total assets, employment, annual sales, vertically integrated, geographically dispersed, and with decentralized management.
2. periphery firms: relatively small, less geographically dispersed and less oligopolistic.

The theory of business dualism was applied to the exploration of interfirm differences in occupational discrimination. Lyle and Ross employed the automatic interaction detection technique (AID) to some 30 indicators of firm centrism, the crowding mechanism, public policy, and other aspects of firm behavior to test the four hypotheses.

The results showed that the theory of business dualism is helpful in accounting for the variance among industrial firms in the extent of occupational discrimination against women, as is the theory of occupational crowding. Both theories cannot be applied to non-industrial firms with commensurate success. In particular, the theory of business dualism breaks down outside the industrial sector. Indicators of the crowding process, whereby women are excluded from male dominated occupations, crowded into low productivity lines of work where their wages are consequently bid down, are significant among the samples of non-industrials. But important non-linearities exist in the data. Industrial firms may be grouped into absorbers (women having moderate to large share of all jobs), and creamers (women having a small share of the total jobs) of female labor in accounting for the variations among firms in the relative occupational standing of women. ?

These statistical results suggest some priorities for research. More efforts to apply theories about the structure of industry to the sex-specific employment patterns of firms should be made. More disaggregate research within major firms, following the now famous AT&T work done by the U.S. Equal Employment Opportunity Commission would be of great use. Developing remedies for pattern settlements of sex discrimination cases

within large firms requires more detailed studies. Finally, as many firm officials are interested in cost estimates for anti-discrimination employment policies, it is suggested research be carried out here. ✓

Cotte-

I am increasingly concerned with one general treatment of "not in the paid labor force" as an aggregated, undifferentiated residual. The residual of course includes work (non monetized home making, child care etc), leisure, and other activities with a positive value in terms of "real" product + psychic income — and apathy, alcoholism, crime etc with a negative income.

a) Has anyone worked on the "economic" forces of the residual - disaggregating, etc. ?

b) Could it be added into the model?

I know there are household decision models, in which the decision to take paid employment is a function of income + expected income less some estimate of the values foregone in "staying home". But is this the way to look at it?

I'm sure the unpaid "work" situation can just be put in as another state — but short of actually paying for this non-work, it would not be part of the model that deals with a monetary economy. — It really introduces a different level of analysis (based on new values) and I think it's coming — though it would

require different data than is  
generally used. The previous  
longitudinal files might have  
it — You should do it! —  
it would make a big difference,  
I think.

1. Relate to macro data ; S + D forces ; turnovers
2. vocational counselling to hs + 7<sup>th</sup> grade
3. differentiate bt. the edue. instit. + individual institution
4. Look at backlash
5. Motivations behind edue. instit's AA.
6. effectiveness of litigat- ; advan + disadvan.
7. case studies
8. a women's perception of her opportunities in an edue. in. psy. aspects
9. Alternatives to litigat- → guidelines ; objective criteria ; exchange of information among institutions → grievance procedure
10. Alternatives to tenure  
• relationship bet. tenure + discrimination

## Questions

1. What is success of an AAO? Look at places <sup>that are</sup> succeeding
- diversification a pos. value
  - case studies

what kind of response (public stance = glowing)

- backlash
- hardening of lines

direct + indirect effects

what are the motivating forces behind the institution

Do they cover the right subjects? -

- Availability + utilization analysis doesn't fit higher runs of academe - goals appropriate?

- what happens after a univ gets an AA letter? \*
- sufficient diversity of opinions presented?

2. What are we looking for?

3. Where sh'd money go? Money into research.

4. Sub-critical masses in groups of small size \*

5. Backlash - weakening resolve among women as there is increasing competition for jobs.

6. Subversions - swelling the interview court.

7. Will the progress made at non-tenured level + sub-top administration be carried up?

Peter.

In conducting a poll (not for quotation)

Q. Is it a zero-sum game in terms of over-all conception (as distinguished from tactical considerations)?

Bergmann's Answer:

Psychological game is positive sum  
Economic game perceived as zero.

8. How do we define the good -?

9. ~~AA~~ a threat to tenure professors making ~~except~~ decisions.  
Prefer to see ~~to~~ present selection unproved rather than  
abandoned. Faculty self-government ---  
Self-critical process -

10. Alternatives to tenure

11. Sharing the work - lowering the age of retirement

12. Tenure : how to bring in people in their own field -

A) long-run project -  
forced into making a decision at a point in time -  
outside opinion etc -

B) Voluntary early retirement - problems w. Social Security

Tenure can be augmented ~~to~~ by salary, and other perquisites

13. Aspirations into other fields than academe

An urge <sup>to push for</sup> for assistant professors -  
Sufficient nucleus of people in a field

- construction -  
Process: cases of success + failure - what happened

- AAP - the turf covered. differ from business -  
judicial process a good one?

EEOC Guidelines needed for court cases +



Judicial

Universities must govern themselves

→

Mary Rowe

Mary,

① I believe you have gotten most of the essential points made in the workshop in the introduction and outline. I would suggest we meet during the coffee break (10:50 a.m.) to check on each others notes.

② I do not think it would be necessary for me to present a separate summary.

③ I would like to write a joint report with you if we can co-ordinate our time. However, I would be out-of-town until next Monday or Tuesday.

Looking forward to talk to you.

Agnes

PARTICIPANTS  
RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY

NAME	AFFILIATION
Marcus Alexis	Northwestern University
Leonard D. Allen	Eastern Gas and Fuel Associates
Bernard E. Anderson	University of Pennsylvania The Wharton School
Orley Ashenfelter	Princeton University
Kurt Barnes	Fortune Magazine
Thomas Barocci	Cornell University
Raymond A. Bauer	Harvard University Graduate School of Business Administration
Andrea H. Beller	Columbia University
Barbara R. Bergmann	University of Maryland
Albert A. Blum	National Research Council
Stuart Broad	Department of Defense
John J. Cardwell	National Urban League, Inc.
James Carroll	State Street Bank and Trust Company
June Clarke	Metropolitan Life
Bernard Cohen	Queens College, City University of New York
Lloyd M. Cooke	Union Carbide Corporation
Julia P. Cooper	Equal Employment Opportunity Commission
David A. Copus	Equal Employment Opportunity Commission
William A. Cullen	The Stop and Shop Companies, Inc.
Arlene K. Daniels	Scientific Analysis Corporation

NAME	AFFILIATION
Peter B. Doeringer	Harvard University
Ronald Ehrenberg	University of Massachusetts at Amherst
William H. Enneis	Equal Employment Opportunity Commission
Jean Fairfax	Legal Defense Fund
Louis Ferman	University of Michigan
Jeanne Fites	Department of Defense
H. Kenneth Gayer	National Science Foundation
Karen N. Gerard	The Chase Manhattan Bank
Bernard Gifford	New York City Rand Institute
Lamond Godwin	Rutgers University
Alvin Golub	Equal Employment Opportunity Commission
Ernest Green	Recruitment and Training Program
Peggy S. Griffiths	U.S. Civil Service Commission
Patricia Gurin	University of Michigan
Gladys G. Handy	National Science Foundation
James Heckman	University of Chicago
James A. Hefner	Atlanta University
Margaret Hennig	Simmons College
Dale L. Hiestand	Columbia University Graduate School of Business
Carl Holman	National Urban Coalition
Charles C. Holt	The Urban Institute
Richard L. Huber	General Motors Corporation
Captain George T. Hull	Department of the Navy

NAME	AFFILIATION
Anne Jardim	Simmons College
BettyJean Jeffries	Michigan Bell
George Johnson	Department of Labor
Carolyn Jones	State Street Bank and Trust Company
Hilda Kahne	Radcliffe Institute
Phyllis Keller	Harvard University
Alice E. Kidder	North Carolina A&T State University
David E. Kidder	Curry College
John Kingsbury	AT&T
Steven Kline	Department of Defense
Carol B. Kummerfeld	U.S. Commission on Civil Rights
Judith Long Laws	Cornell University
Walter Leonard	Harvard University
Richard A. Lester	Princeton University
Sar A. Levitan	George Washington University
Hylan G. Lewis	Brooklyn College
Ruth A. Lucas	Washington Technical Institute
Trudi Lucas	National Science Foundation
Jerolyn R. Lyle	The American University
Ray Marshall	University of Texas at Austin
Stanley H. Masters	University of Notre Dame
Rita McCabe	IBM Corporation
Linwood A. McDaniel	IBM Corporation
Robert McGlotten	AFL-CIO
Jon Michaelson	National Research Council

NAME	AFFILIATION
S. M. Miller	Boston University
Jack E. Nelson	Consultant
Ronald L. Oaxaca	University of Massachusetts at Amherst
Solomon William Polachek	University of North Carolina at Chapel Hill
Glendora M. Putnam	Commission Against Discrimination, The Commonwealth of Massachusetts
Barbara B. Reagan	Southern Methodist University
David P. Richtmann	National Science Foundation
Joseph W. Rollins, Jr.	Arthur D. Little, Inc.
Howard Rosen	U.S. Department of Labor Manpower Administration
Robert Schrank	The Ford Foundation
Ruth G. Shaeffer	The Conference Board
Portia A. Smith	Rockefeller Brothers Fund
Deborah P. Snow	U.S. Commission on Civil Rights
Nathaniel Stinson	Department of the Navy
Suzanne Stocking	New Jersey Division of Civil Rights
Robert P. Strauss	University of North Carolina at Chapel Hill
Isabelle S. Streidl	U.S. Department of Labor Women's Bureau
Edward Sylvester	Cooperative Assistance Fund
Stuart A. Taylor	Harvard University
George F. Travers	U.S. Department of Labor Office of Federal Contract Compliance

NAME	AFFILIATION
Jose V. Uriegas	Mexican American Council for Economic Progress, Inc.
Marta Valle	Valle Consultants
Michaela Walsh	Rockefeller Brothers Fund
Randall Weiss	University of Maryland
John Work	The Equitable Life Assurance Society of the United States

MASSACHUSETTS INSTITUTE OF TECHNOLOGY PARTICIPANTS

NAME

James E. Annable, Jr.  
Lotte Bailyn  
Gordon Bloom  
Douglass V. Brown  
Laura M. Carchia (Observer)  
Ronald Ferguson  
Peter P. Gil  
Bennett Harrison  
Stanley M. Jacks  
Frank S. Jones  
Glenn C. Loury  
Kenneth S. Mericle  
D. Quinn Mills  
Charles A. Myers  
Michael J. Piore  
William F. Pounds  
Vernon Poole

NAME

Mary Rowe

Frank P. Satlow (Observer)

Abraham J. Siegel

Lester C. Thurow

Howard R. Webber (Observer)

Alan F. White

RAPPORTEURS

Richard Baehr

Thomas Bentley

Annette LaMond

Robert Moser

Agnes Ngai

William Suojanen

NAME	AFFILIATION
James C. Allison, Jr.	Harvard University
Dora Anderson	H. P. Hood, Inc.
Donald Balthazar	IBM Corporation
Leon Brathwaite	H. P. Hood, Inc.
Leslie Clift	M.I.T.
Jeffrey Goldsmith	Bureau of Budget State of Illinois
Barbara Levey	D. C. Heath and Company
Sandy Strathmeyer	Advocacy Program, Family Service Association of Greater Boston
Toshiaki Tachibanaki	The Urban Institute
Maxine Wallace	Howard University
Clarence Williams	M.I.T.

Jan 21, 1974 - ESO workshop

Ray Marshall - Outstanding

None of the classic formulations helped:

"How  $\Delta$  patterns?" is the right Q

Discrimination - combination of  
(ec. motive)  
status  
security

= Neoclassical: payment for tastes - insufficient

Electric: need to focus on principal actors - white workers  
employers - const + other  
foreman

Power relations:

(a) craft union  $\neq$  industrial  
apprentice security      seniority security

unions - crafts + industrial  
black workers  
black community

(b) employers  $\neq$  @ other  
research oriented      consumer oriented (responsive)

= Dual labor market helps some.

= Status concerns most signif.

Empirical findings

Q. What to analyze - income diff's

- employment patterns & positions

Q. Better measures needed - "Token level" < half % of black/US.  
white US.

for blue collar

Pressure from top  $\rightarrow$  tokenism {because top will be satisfied}

Pressure from black  $\rightarrow$  tokenism

< half % of black college  
white college  
for white collar

Rural areas are the origin of many problems - most important employer

Blacks displaced much faster than whites

bec. of discrimination in edu + credit  
wrt  $\Delta$  technology.

- source of signif  
new jobs

Ecs of size not the problem

Public policies have been discriminatory & regressive

Agric ≠ Rural! 54 m - rural (work force = 30 m)  
3 m - agric

Public Policy - conc. on farming & non farm work - BOTH  
NOT EITHER

Mfg empl ↑ > rural than urban for whites not blacks  
So in spite of heavy growth in jobs, blacks not properly included.

Black ♀ - better in metrop'n  
♂ " " blue collar rural

♀ better represented occ'ly, not industrially

Government better than in priv. industry

Fed > Local > state

Now conc g in new trad'l jobs (w. black clients)

Fed  
Agric  
Trans  
NASA  
IRS  
FHFA  
SCS  
Justice } bad

DEO  
Veterans  
Commerce  
EEO } better

♀ ≠ ♂ empl patterns -

- OTS Trq > edu by far
- industry structure
- trans for ♀ (not ♂)
- anti-discrim laws ~~not very~~ pervasive  
hard to measure effects  
probably bec of diffuse wage Δs

Leadership & Orgl  
Problems important.

## SUMMARY

### AN APPRAISAL OF SELECTED STRATEGIES TO INCREASE EMPLOYMENT OPPORTUNITIES FOR NONWHITES IN THE SKILLED CRAFT OCCUPATIONS IN THE CONSTRUCTION INDUSTRY

By

Leonard Godwin and Ernest Green

The purpose of this discussion paper is to examine the relative effectiveness of Apprenticeship Outreach Programs, the Philadelphia Plan, and Home Town Plans as strategies to reduce racial imbalance in the skilled construction trades with emphasis upon the following questions:

1. What have been the major results or accomplishments of these strategies and programs?
2. What are the strengths and weaknesses of these strategies?
3. What can be done to improve the effectiveness of these approaches?

This paper is divided into five sections. Section I discusses the nature and causes of racial imbalance in construction employment. Sections II, III, and IV present the major findings of our evaluations of apprenticeship outreach, the Philadelphia Plans and the Home Town Plans. Section V contains our conclusions and recommendations.

#### Section I. The Nature and Causes of Racial Imbalance in Construction Employment

The widespread existence of racial employment, occupational, and earnings differentials is documented with several types of evidence. Data obtained from the 1967 Summary of Economic Opportunity show that although the proportion of blacks employed in construction is roughly equal to the proportion of blacks in the labor force as a whole,

black construction workers are underrepresented in the skilled craft occupations. Only 36% of the 385,000 blacks employed in construction in 1967 were skilled craftsmen compared with 77% of the 2,699,000 whites employed in construction that year. Current population survey data show that blacks are a very small proportion of electricians, plumbers and pipefitters, structural iron workers, and sheet metal workers. Other data compiled by the Bureau of Labor Statistics and the Social Security Administration show that the average annual earnings of white construction workers are nearly double the average annual earnings of blacks employed in construction and that black construction workers experience significantly higher rates of unemployment.

The basic cause of these differentials and racial employment differentials generally is institutionalized racial discrimination which is defined as a system of cumulative and circular causation. The basic sources of institutionalized racial discrimination in construction labor markets are (1) construction employers, (2) white dominated unions, (3) white dominated governments. The motivations for employer, union, and government discrimination are examined. The basic goal of public policy should be to replace institutionalized racial discrimination with institutionalized equal opportunity. Much remains to be done before this goal can be achieved in the construction industry, but the general level of federal pressure for equal employment opportunity in construction increased substantially during the past decade, mainly because of the extensive racial conflict which occurred in this industry.

## Section II. The Apprenticeship Outreach Strategy

The most significant progress towards the elimination of racial imbalance in the skilled construction craft occupations has been achieved through the federally funded apprenticeship outreach programs which are designed to assist nonwhites to enter apprenticeship training programs in the skilled building trades. Largely as a result of these programs, there has been a substantial increase in the number of nonwhite construction apprentices. In 1960 there were only 2,191 registered nonwhite apprentices in the United States. Between 1967 and July 1973 more than 26,000 nonwhite apprentices were placed through the outreach programs.

The major criticisms of the outreach programs are (1) that apprenticeship is an outmoded and inefficient method of training, (2) that the programs are too expensive, (3) that most of the placements made through the programs have not been in the mechanical crafts which have been the most racially exclusive. Each of these criticisms are examined in detail.

One of the key factors responsible for the success of outreach programs in increasing the number of nonwhite apprentices is the strong support and cooperation/<sup>received</sup> from unions which is based upon a quid pro quo.

Outreach programs have not been uniformly successful in all places but this seems to be the result of faulty administration and personnel problems rather than to a fundamental defect in the strategy itself.

## III. Federally Imposed Area-Wide Affirmative Action Programs: The Philadelphia Plan Strategy

The two Philadelphia Plans have been the most controversial of all the government efforts to expand construction employment opportunities

for nonwhites. The original Philadelphia Plan suffered from a number of serious weaknesses, was declared illegal and did not produce lasting results. The Revised Philadelphia Plan eliminated the major weaknesses of the original plan, its legality has been upheld by the courts, and it has been an effective weapon against employer discrimination. The major accomplishments of the Revised Philadelphia Plan are:

1. It has been successful in increasing the number of blacks employed in the six skilled craft occupations covered by the plan. In 1969, only 283 minority workers were employed in the six crafts. By September 1973, the number of minority workers in these crafts had increased to 1,137.
2. It has done much to clarify the affirmative action obligations of federal contractors under Executive Order 11246 and has demonstrated that the principle of affirmative action is not synonymous with preferential treatment.
3. The Goals and Timetables approach which was pioneered in the construction industry, has become the cornerstone of federal compliance efforts in non-construction employment.
4. The Plan has stimulated employers and unions throughout the nation to initiate or participate in voluntary affirmative action efforts.

The main weakness of the plan stems from the fact that the resources available to the Office of Federal Contract Compliance which is responsible for the administration of the plan are inadequate. This has restricted the ability of the OFCC to expand the plan to more than a few cities. The political unfeasibility of establishing federally imposed plans in a large number of cities

also has been responsible for the restricted use of this strategy.

IV. Voluntarily Negotiated Area-Wide Affirmative Action Agreements:  
The Home Town Plan Strategy

Home Town Plans which are agreements between unions, employers, and representatives of minority groups to increase the utilization of nonwhite workers on local construction projects, have been established (with the encouragement of the OFCC) in more than 60 cities throughout the nation.

The Home Town strategy is based upon three key assumptions:

(1) that employers and unions will give greater commitment to voluntary affirmative action programs arrived at through negotiations, (2) that local parties are in better position to develop effective affirmative action solutions because they are more familiar with local problems, (3) that representatives from minority communities should participate in the development and administration of programs devised for the benefit of these communities.

Most of the Home Town plans have not been in existence long enough to be meaningfully evaluated, but the limited evidence available thus far shows that many of the plans have not lived up to expectations and some have been serious failures. The authors' examination of OFCC audits of home town plans in 34 cities revealed that only four of the plans have achieved their minority utilization goals on schedule.

The authors' case study of the two Home Town plans which were established in Chicago in 1969 and 1971 reveals most of the major weaknesses of the Home Town approach.

Table 1

AVERAGE OF MONTHLY TRANSITION PROBABILITIES, JULY 1967 - JUNE 1972

	Employment to Unemployment E → U	Employment to Out of Labor Force E → N	Unemployment to Employment U → E	Unemployment to Out of Labor Force U → N	Out of Labor Force to Labor Force Entrant N → L	Labor Force Entrant to Employment NE/NL
<u>Teens (16-19)</u>						
White Males	.033	.121	.338 <sup>3</sup>	.332	.203	.707
Black Males	.065	.151	.242 <sup>4</sup>	.365	.199	.533
White Females	.026	.142	.302 <sup>5</sup>	.406	.146	.683
Black Females	.056	.188	.167 <sup>8</sup>	.438	.133	.432
<u>Adults (20+)</u>						
White Males	.009 <sup>5</sup>	.013 <sup>4</sup>	.385 <sup>1</sup>	.124 <sup>2</sup>	.072 <sup>3</sup>	.754
Black Males	.018	.021	.350 <sup>2</sup>	.157	.099	.701
White Females	.009	.058	.316 <sup>4</sup>	.336	.043	.771
Black Females	.014	.064	.241 <sup>7</sup>	.377	.075	.661

Note: All figures are probabilities per month except the right column which is a probability.

NSF

## Judith Long Laws

- ♀ acted upon a male actor
- Motivation + behavior
- Incentives available to ♀ + ♂
- Potential for intervention and change -
- Questioning comparisons betw. ♀ + ♂  
betw. blue collar + white collar ♀

## Current Myths

- Occupationally relevant sex characteristics
  - spatial abilities maybe, (what actually makes a diff)
  - others not relevant
- Leanne's work motivations diff from men -
- personality-deficit style of theorizing = blaming the victim

A model of ♂ work motivation (applies only to prof ♂'s)  
 ATOT data - strong indications of ambition

Q. How ≈ are the work motivations?

Research relevant to expectancies in ♀

Equity Theory - relative deprivation theory -

## Needed Research

- Development + Δ on ♀'s attitudes + behavior throughout life cycle
- l.f. concn ↑ - needs study
- Sex of leaders + sex of co-workers -
- Employer attitudes + behavior (will backlash)
- New communication procedures

Summary of  
Psychological Dimensions of Women's Work Force Participation\*  
by Judith Long Laws, Cornell University

Conventional analyses of the psychological aspects of women's occupational participation tend to focus on the characteristics of the female worker that are derived from her status as a female rather than her status as a worker. This emphasis has neglected other important dimensions such as the psychology of men about women, that of employers about employees, the features of jobs generally held by women and the labor market in which the women workers operate.

Sex segregation in the labor market has created wage differentials between male and female workers with the same qualifications. Occupations dominated by women are characterized by low pay, little on-the-job training, requiring little specialization and lack of career continuity. Sex-labelling of jobs has discouraged women from entering occupations that are characterized as "male's" and carry better career prospects and higher pay.

Surrounding the female worker, there are myths about her reliability as a worker, her capability as a supervisor, her economic needs as a wage earner, and her ability to combine her domestic and work roles. It is in this unfavorable social and work environment that the female worker has to operate.

Now we turn to the rationalizations commonly used to explain the differences between men's and women's positions in the labor market. It has been asserted that women do not have as high interests in work as men (Kuhlen, 1963). However, studies on work motivation strongly suggest that what we observe is a class effect rather than a sex effect (Blauner; Dubin; Morse and Weiss; Inkeles, 1960). Workers in higher occupations value more the intrinsic factors of their work while workers in lower occupations value more the extrinsic factors

---

\*To appear in Phyllis A. Wallace (ed.) Some New Perspectives on Equal Employment Opportunity, M.I.T. Press (forthcoming).

of their work. If the model of the hardworking, intensely committed worker with the lifetime involvement with a career fits anyone, it fits the professional (Hall).

Women also are said to have lower career aspiration and achievement motivation compared to men. This again has neglected the complexities of the issues involved. The expectancy x value theory would help to clarify some of these issues. In line with the theory, we can separate a woman's career aspiration into two components: the value she places on a career and her expectancy of successfully achieving that career. The compromise at which she arrives taking both into consideration is what we see as her career choice. A common error is to regard this career choice as an index of her motivation for occupational achievement.

Many external constraints limit a woman's career choice in the labor market. In addition to these, she has to consider constraints placed on her by her role in the family. Studies done suggest women's occupational planning involves conscious weighing of many factors (Davis, 1964). It is the lower perceived probability of attaining a career goal that accounts for the observed lower career ambition of women, not the lower level of motivation for career achievement. Critical research on women's aspiration and occupational choice shows clearly that removal of occupational barriers brings about an immediate upward spurt in women's applications for "male" jobs and expression of career aspirations (Bem and Bem; Farmer and Bohn). This indicates that raising the expectancy factor does have an effect on the observed rising of career aspiration.

Aside from the constraints discussed above, it is also very important to look at the pressures within the female that conflict with her desires for achievement. Horner found in her study of college students that women have a motivation to avoid success, which stems from the fear of social rejection resulting from success. A common way to reduce the conflict taken was for the woman to lower her career aspiration. This conflict which is widely felt by women may account partially for the observed lower career aspiration of women.

Thus, it is important to study the process by which occupational aspirations of women are formed and shaped. At present, very little is known about this process itself and the external and internal pressures that operate in the process.

Many studies have been done to try to show sex differences in job performance. They attempt to match job characteristics with attributes of the two different sexes. However, studies have shown that women and men in the same occupation show much the same pattern of motivation and work behavior (White; Seder). There are relatively few known sex differences that appear to be connected with work motivation or job performance. In general, the distribution of abilities between the sexes is not sharply polarized. Focussing on sex differences seem to be displacing the emphasis in attempts to match jobs to attributes of individuals.

One common observation of seemingly lower job performance of women workers compared to men can be explained in the light of the equity theory (Adams, 1963; Lawlwe, 1968). According to the theory, the individual compares the ratio of his inputs (including skill, education, etc.) to outcomes (or reward) with that of his neighbor. The work motivation (and consequent work output) of the individual is affected by his (her) judgment of the fairness of his rewards relative to other workers. If unfairness is perceived by the worker, he would adjust his input: output ratio until the equitable state is reached. For the underpaid worker, a common way to adjust is to lower his output. Another may be to seek a better bargain in another job. Women are generally underpaid for their qualifications especially with regards to education. The observed lower work motivation and higher turnover rates in some "female" occupations can be attributed to the perceived inequitable treatment.

In summary, analysis of the psychological aspects of the woman's occupational participation should look beyond her psychology as a woman, and examine other dimensions relevant to her as a worker such as social and work environment and external and internal pressures that affect her work motivation and job performance.

## Summary of

### Notes on a Dynamic Theory of Employment Discrimination

by Glenn Loury and Ronald Ferguson\*

This paper is concerned with an investigation of the mechanism by which past discrimination against blacks in the labor market impacts on the earning potential of current and future generations of black workers. It is conjectured that achievement of the goal of equal employment opportunity does not necessarily imply that current differences in the incomes of blacks and whites will disappear. This conjecture is supported by an analysis of the factors determining the distributions of blacks and whites across a set of occupational categories ranked by life-time earnings, which incorporates various social and psychological factors influencing the acquisition of skills by workers before entering the labor force. These factors include widespread residential segregation and the implication of local public finance of educational institutions for the quality of schools attended by prospective workers, as well as the importance of "role models" for young people in their formulation of aspirations, their perceptions of opportunities and consequently their acquisition of skills.

A model is constructed incorporating these factors, which assumes rational behavior by economic agents in the sense that individuals acquire training to maximize their expected net lifetime income. The result is that the skills with which an individual is equipped when he presents himself to the labor market depend to some extent on the income and occupational status of his parents. From this the paths of occupational distributions for blacks and whites over time may be generated by a non-linear stochastic process. The questions concerning the persistence of inequality between the races in the face of equal employment opportunity reduce to mathematical propositions about the asymptotic properties of this process. While no general results are presented, examples are constructed which

---

\*Graduate Students in Department of Economics, M.I.T.

demonstrate the possibility that inequality can persist indefinitely. Also, some computer simulations of this process are undertaken in which the sensitivity of the time paths of black and white incomes to discrete changes in their initial positions (such as would result from the imposition of employment quotas) are analyzed.

This paper concludes with a broader discussion of the policy implications and possible empirical extensions of this work. It is suggested that more emphasis should be put on correction of inequities in the availability of quality education to school children and opportunities to acquire marketable skills than is currently fashionable. The tendency to rely on the "market mechanism" to eliminate income inequality between the races is attacked as being potentially counter-productive in light of the "externalities" present in the model described above.

Summary of  
Occupational Discrimination on the Basis of Sex:  
A New Approach

by Jerolyn R. Lyle and Jane L. Ross

The findings presented in this paper are part of a larger study of the employment patterns of women in some 246 corporations. Two research priorities in the economics of discrimination emerged from our study:

1. much more work in the development of theories of sex discrimination is needed,
2. more firm specific research is needed.

Lyle and Ross concentrated on explaining why some firms discriminate more than others rather than on explaining why all firms tend to discriminate to some extent. Convinced that variations in employment patterns of women within industries are as important and as great as inter-industry variations, firms were selected as the unit of analysis.

A number of hypotheses relating to interfirm differences in occupational discrimination against women were tested:

1. Is the crowding of women into only jobs traditionally held by women an important mechanism among these firms?
2. Was any aspect of public policy related to the differences in the extent of occupational discrimination among firms?
3. Are there any systematic relationships between innovativeness of management practices, location of corporate headquarters, extent of urbanization of productive facilities and differences in the extent of occupational discrimination among firms?
4. Do structural variables relating to firms size, financial strength, market power, and technology of production explain interfirm differences in the extent of occupational discrimination against women?

Recently, American economists have proposed that firms in the American economy fit fairly well into a two-way classification scheme:

1. center firms: large as measured by total assets, employment, annual sales, vertically integrated, geographically dispersed, and with decentralized management.
2. periphery firms: relatively small, less geographically dispersed and less oligopolistic.

The theory of business dualism was applied to the exploration of interfirm differences in occupational discrimination. Lyle and Ross employed the automatic interaction detection technique (AID) to some 30 indicators of firm centrism, the crowding mechanism, public policy, and other aspects of firm behavior to test the four hypotheses.

The results showed that the theory of business dualism is helpful in accounting for the variance among industrial firms in the extent of occupational discrimination against women, as is the theory of occupational crowding. Both theories cannot be applied to non-industrial firms with commensurate success. In particular, the theory of business dualism breaks down outside the industrial sector. Indicators of the crowding process, whereby women are excluded from male dominated occupations, crowded into low productivity lines of work where their wages are consequently bid down, are significant among the samples of non-industrials. But important non-linearities exist in the data. Industrial firms may be grouped into absorbers (women having moderate to large share of all jobs), and creamers (women having a small share of the total jobs) of female labor in accounting for the variations among firms in the relative occupational standing of women.

These statistical results suggest some priorities for research. More efforts to apply theories about the structure of industry to the sex-specific employment patterns of firms should be made. More disaggregate research within major firms, following the now famous AT&T work done by the U.S. Equal Employment Opportunity Commission would be of great use. Developing remedies for pattern settlements of sex discrimination cases

within large firms requires more detailed studies. Finally, as many firm officials are interested in cost estimates for anti-discrimination employment policies, it is suggested research be carried out here.

Kidder

DEC 27 1973

CHAPTER VIII

SUMMARY AND CONCLUSIONS \*

The study finds that the textile industry in North and South Carolina stood at the end of the fifties as a symbol or archetype of the segregated patterns in Southern employment. Over the period of the sixties the industry has radically changed its attitudes toward racial hiring, but its image as a traditionalist employer remains, hindering its efforts to upgrade the black labor force on the basis of equal employment opportunity.

The fact that racial hiring patterns are different is reflected in the overall increase in black employment from less than 15,000 in 1960 to 61,055 in 1969. It is also reflected in the extent to which firms can and do hire black supervisors in positions of authority over whites. Finally, it is mirrored in the extent to which black workers have been promoted into jobs such as loom fixers, weavers, spinners and doffers.

The industry's image as a slow mover in the area of equal employment opportunity stems from its apparent inability to recruit, or indeed attempt to recruit,

\* Changes in Minority Participation In The Textile Industry of North and South Carolina.

Kidder

qualified black workers in positions of professional and managerial responsibility. The industry lacks an aggressive affirmative action strategy to come to grips with these manpower needs. Only a handful of companies attempt to recruit, let alone hire, through the channels most likely to generate black professionals. No textile management training programs are funded by organizations such as the American Textile Manufacturers Institute.

The lack of affirmative action strategies should not obscure the progress made by the industry. The industry has in effect brought its percentage of black participation in line with other manufacturing industries in the Carolinas, and is beginning the process of job upgrading.

Why did these changes occur in the industry? Most writers have attributed the change to the tightness of the labor market in the mid-sixties, pointing out that increases in hiring merely coincided with the passage of the Civil Rights Act and the subsequent enforcement of that Act by the Equal Employment Opportunity Commission.

The findings of this study are at variance with this hypothesis. The labor market no doubt played a significant role, but it is clear that the industry would not have been unable to find white workers to take the added 20,000 jobs in textiles, had it been determined to do so. Furthermore, the timing of the major breakthroughs in racial hiring occurred prior to 1966, the date when the labor market was the tightest and when enforcement of Title VII began.

Further evidence of the incompleteness of the labor market explanation comes from a study of relative wages over the period 1964-1969. Although it appears that textile rates were increasing in the mid-sixties, they were merely holding their own relative to other industries. Therefore, textiles could not be considered either a low-wage industry (relative to the other local forms of employment) or an industry suffering a more acute labor shortage because of exodus of workers to other industries. That this exodus occurred is unquestionably true for perhaps as many as 5,000 workers as shown by the increase in quit rates, but as a general

explanation for the need to hire the additional 26,400 black workers absorbed by the industry it falls short.

The regression analysis indicates that on a cross-section basis unemployment rates by county or county employment population rates (two measures of labor market tightness) are not significant predictors of change in black participation by reporting units. Actually counties with higher unemployment rates are more likely to show increases in black participation in textiles, since these counties also are more likely to have a higher black population percentage. Time series suggest that there were also periods of tight labor markets in the early fifties but these times were not accompanied by major breaking of black employment barriers.

What distinguishes the fifties from the sixties is, of course, the passage of civil rights legislation. Data from this study suggest that the presence of a climate of opinion favoring the extension of equal employment opportunity was a major causal factor. Government policy reflects this climate of opinion, and

operates on two levels through the Commission: the investigation and review of charges of discrimination (assumed to be a check upon conformity of employer behavior to legal requirements under Title VII) and a non-legal technical assistance program of "jaw-bone" exhortation to the industry, coupled with public awareness campaigns. Is there evidence that either or both of these techniques contributed to the explanation of why changes occurred in black participation, 1966 to 1969?

It appears unlikely that company behavior in granting more black workers jobs is a consequence of their fear of enforcement of anti-discrimination provisions of Title VII. The study showed that companies against which charges were filed in the period 1965 - 1966 were less likely than others to increase black participation thereafter. Furthermore, the chances that a company would be constrained by the legal machinery were small. Of the 118 cases brought against the textile companies of North and South Carolina in 1965 and 1966 only 17 or 14.5 per cent were carried through to a finding of probable cause.

Of these, only 10 had been successfully conciliated by the Commission as of 1971.

Many textile companies in North and South Carolina did not conform to legal requirements in the reporting to the Equal Employment Opportunity Commission, presumably out of ignorance of the law. About 78 in 600 of the potential reporting units in North Carolina and 51 in 299 of the possible reporting units in South Carolina failed to report as required by law, in 1966.

Many of the smaller companies interviewed expressed a lack of knowledge about the specific content of the law, and their legal obligations under the law. The larger corporations maintain legal staffs well versed in the intricacies of the legislation. However, since no clear definitions or criteria are available to distinguish a "discriminatory employer" from a "non-discriminatory" employer, particularly in discussions of the racial composition by department, it is unlikely that companies feel substantial pressure from the Equal Employment Opportunity Commission from the legal side.

On the other hand, it is interesting to note that the technical assistance programs of the Commission vis a vis textiles in the Carolinas do show positive correlation with subsequent change in black participation. Further, evidence suggests that technical assistance has been significant in expanding black employment in selected cases in the area of professional employment and in the field of employment of black women. In North Carolina, firms visited by the Good Neighbor Council were likely to have a 1.4 greater average percentage point gain in black participation than firms not so visited.

It appears that community pressure, and a network of informal contacts between the black community and the textile industry must be given greater credit for the change. Civil rights pressure initiated when students sat in at Greensboro lunch counters, and culminating in public testimony at the Textile Forum in Charlotte in 1967, created a climate in which it was no longer acceptable to the black labor force to conform to racially determined job categories and opportunities.

The worker interviews conducted in the course of the study reveal that workers are very sensitive to racially delimited opportunity, and are conscious and vocal about inequities they observe.

These workers are also skeptical about the enforcement powers of the Commission. Whereas forty percent gave expression to concern about discriminatory practices within the industry, none had brought charges through the Commission procedures, and most were unfamiliar with the procedures themselves. Their complaints about the industry mirror the pattern of complaints already on file: a preponderance of the charges in the latter period deal with alleged discrimination in promotions, or in job definitions which appear racially related.

The black workers in the survey appear less knowledgeable about training opportunities in the textile companies for which they work than do the white workers interviewed. Companies reported few formal training programs available; most skills are learned through observation and on-the-job experience. An analysis of

the job titles of black and white workers in selected companies revealed that black workers are less likely than white workers to be on jobs where such observational training is available. Departments such as weaving and finishing are less likely to have black workers than are the routine departments of spinning and maintenance.

Despite the fact that the Title VII enforcement procedures are weak and ill-defined, the industry seems to be responding across the board to the new requirements for extending equal employment opportunity in hiring, if not in promotion. The rural areas are not less apt to change than more densely populated areas; South Carolina firms have been overall increasing black participation faster than North Carolina reporting units, thus coming closer to the overall industry average. Furthermore, textiles as a whole are catching up to the black participation rates in other industries, such as furniture, paper and pulp products, chemicals, and other major industries. The rhetoric of the industry is positive in its commitment to the objectives of equal employment opportunity.

The interviews with company personnel suggest that the hiring of black workers into positions of responsibility, long feared as being impractical, has in fact proceeded smoothly, with little employee friction or other impediments to productivity. One wonders from talking with the personnel managers why it was not possible to have achieved this status perhaps even ten years ago.

It appears that the time may be ripe for greater emphasis on the need to expand black participation into professional and managerial areas. Two of the major textile companies have recently hired black managers, and recruitment of black students occurs in predominantly white universities offering textile curricula. Such overtures may be the beginning of a fruitful, and more extensive relationship in the future.

## Summary

## I

A broad description of the changes in minority and female employment that took place between 1966 and 1970 for a set of 40,445 establishments matched by employer identification number and county is as follows: the occupational position of black males was 77.8 percent of that of anglo males in 1966 and increased by 2.3 percentage points over the 1966 to 1970 period. For Spanish surnamed males, on the other hand, the overall change in the relative occupational position index was .2 percentage points. The occupational distribution of anglo females changed very little relative to the occupational distribution of anglo males. The relative occupational position of black females, on the other hand, increased from 84.7 percent of that of anglo females in 1966 to 88.9 percent of that of anglo females in 1970. Likewise, the relative occupational position of Spanish surnamed females increased by 1.3 percentage points over the 1966 to 1970 period.

Since it is difficult to gauge the size of the changes in occupational position just reported against each other or against what might be expected, it is useful to state them in a different form. If we suppose that the rate of change of each of the indexes we have just reported was maintained indefinitely, black and Spanish surnamed females would have the same occupational positions as anglo females in approximately 11 and 24 years respectively. Under the same conditions black males would have the same occupational position as white males in 35 years. The rate of change in the occupational position index of Spanish surnamed males was so small that it

would take several hundred years for this group to have an occupational position equal to anglo males.

## II

We have used the detailed records for a matched sample of firms in 1966 and 1970 to estimate the extent to which the change in the position of black male workers relative to white male workers was greater among firms with contracts with the federal government than among firms without such contracts. Since all of the Office of Federal Contract Compliance efforts to improve the relative position of black workers operate on firms with federal contracts, and since the EEOC's efforts are presumably more successful with such firms, we concentrate on this issue because it presumably gives us some indication of the overall impact of government efforts on changes in the relative position of black workers.

First, we find that the relative employment of black male workers increased by 3.3 percent more over the period 1966 to 1970 in firms with government contracts than in firms without government contracts, and that this difference is statistically significant. Second, we find that the relative occupational position of black male workers increased by .2 percent more in firms with government contracts than in firms without contracts, but that this difference is not statistically significant. Taken together with the fact that approximately one-half of the firms in our sample had government contracts, these

results imply that the rate of change of the ratio of the share of black male wages to white male wages may have been 2 percent greater over the period 1966 to 1970 than would have been the case in the absence of the overall government effort. If, for example, the share of black male wages in the average firm was 10 percent of the share of white male wages in the average firm, then the government effort would have increased it to 10.2 percent. Alternatively, since the ratio of the share of black male wages to white male wages increased by 28 percent in the period 1966 to 1970, we may attribute approximately 6 percent of this to government efforts.

The most important factor affecting the change in the relative position of black male workers in these data appears to be the migration of black workers to the North Central region of the U. S. The employment of black workers relative to white workers increased by approximately 20 percent more in the North Central region than in any other region of the country. This migration also resulted in a smaller rate of increase in the relative occupational position of black male workers in the North Central region than in any other region, and undoubtedly resulted because the migration of workers was from the lowest paying occupational categories. This presumably increased the growth in the relative occupational position of black male workers outside the North Central region and decreased this growth inside that region.

Finally, we have investigated the factors that affected the probability that a firm with no black male worker in 1966 would have

hired at least one such worker by 1970. We find that the probability that a firm that was not "integrated" in this sense in 1966 was integrated in 1970 was nearly .1 higher in 1970 among firms with government contracts than in firms without them.

### III

The basic data used in the analysis for this report was a sample of approximately 100,000 aggregated employment units created by employer identification number and county from EEOC data for 1966 and 1970. Approximately 40 percent of these units, representing 65 percent of all employees, were matched as between the two years. A crude survey of a small sample of firms suggested that (a) natural growth and decline about the employment level determining the reporting requirement, (b) errors, and (c) multiple employer identification numbers account for the bulk of EEO-1 reports that could not be matched between the two years.

In order to explore systematically the differences in employer characteristics associated with a successful match between the years 1966 and 1970 we computed a multiple regression using the 96,244 aggregate units for these two years. It is clear from these results that the aggregate units in our matched sample are not a random sample of the aggregates we created from the 1966 and 1970 data. If they were, there would be no significant differences between the matched and unmatched samples of firms associated with region, industry, etc. In fact, these

latter variables have a statistically significant effect on the probability of two reports being matched. At the same time, it would be easy to exaggerate both the size and the effect that these variables have on the probability of matching.

It seems likely that the most important systematic determinant of the non-random character of the matching is employment fluctuations about the basic reporting requirements. If this is the case, inferences drawn from our matched sample may not be too different from inferences that would have been drawn from the whole population of EEO-1 reports.

#### Conclusions

Our most important conclusion is that it is now computationally feasible to take advantage of the longitudinal character of the EEO-1 reporting system data in order to add significantly to our knowledge about the size and nature of the impact of governmental efforts to raise the relative economic position of minority and female workers. In particular, the unique longitudinal character of these microeconomic data can be used to help evaluate both the magnitude and the causes for any effect that may be attributed to governmental activities. The specific analyses that are feasible using the methods described in this report include the following:

1. To the extent that specific industries or geographic areas are subject to special efforts to increase the relative position of minority or female workers it should be possible to analyze the extent of success of these efforts using longitudinal data from the EEO-1 reporting system.

Data on the relative position of minority group workers prior to the government action are first selected for both the firms that are subject to and the firms that are not subject to the government effort. Data are then obtained for both sets of firms in the period after the government action. Comparison of the change in the relative position of minority or female workers as between firms affected and unaffected by the government action than gives an estimate of the effect of the program. An obvious candidate for this type of analysis would be the recent EEOC efforts to intervene in the Federal Communication Commission rate hearings in order to increase the employment opportunities of minority groups and women.

2. The same kind of analysis could be carried out using the EEOC data on compliance activities. Data on the relative position of minority and female workers in firms with and without subsequent compliance activities would first be collected. Then the difference in the change in the relative position of minority group workers between firms with and without compliance activities could be compared in order to estimate the average effect of compliance activities on the relative position of minority group workers. Moreover, it should be possible to shed some light on the effects of systematic factors determining the success of compliance activities.

3. Finally, it would be possible to obtain better information on the existing shortcomings of the EEO-1 data system if some sample of records from those firms obligated to file EEO-1 forms, but that did

not, were obtained and analyzed. If the EEO-1 data are increasingly shown to be useful for providing information on the evaluation of EEOC efforts it should be possible to justify the costs of such a sample by the benefits in reliability and confidence in the basic EEO-1 reporting system data that would result.

If properly followed up, the EEO-1 data system should begin to provide the information that both sound management and equal employment opportunity policy require on the actual, as opposed to the intended, effects of the 1964 Civil Rights Act. This unique opportunity should not be delayed.



Massachusetts Institute of Technology  
Alfred P. Sloan School of Management  
50 Memorial Drive  
Cambridge, Massachusetts 02139

*File  
NSF  
Workshops*

Industrial Relations Section

January 14, 1974

RESEARCH WORKSHOP ON EQUAL EMPLOYMENT OPPORTUNITY  
January 21-22, 1974  
Sloan School of Management, M.I.T.

TO: Moderators and Rapporteurs

FROM: Phyllis A. Wallace *PAM*

A. Workshop Papers

You have already received summaries of five papers (Marshall, Gurin, Polachek, Cohen, Holt) to be discussed during the general sessions of the research workshop. Four additional summaries (Laws, Kidder, Ashenfelter, and Lyle) will be available by Friday, January 18. The reports by Marshall, Laws, Gurin, and Holt may be discussed in all of the workshops. Copies of Marshall and Gurin have been included in your materials. The Laws and Holt documents are too lengthy for xeroxing. Please note that the papers are for discussion only. Many of the authors will revise their drafts for publication by the M.I.T. Press.

B. Objectives of Workshop

The National Science Foundation has asked us (1) to formulate a research agenda and (2) to respond creatively to the task of identifying effective techniques of utilizing research. The workshops will include both researchers whose major concerns may be methodology and practitioners who have difficulty communicating with researchers. We hope to develop a coherent set of recommendations from these different perspectives.

C. Workshop Procedures

(1) Final assignments to workshops will not be completed before January 19. You will receive your list of participants on Monday morning, January 21.

(2) I have been informed by the NSF program manager that the four NSF representatives do not wish to be assigned to any workshop, but prefer to monitor the activities. They will

probably move freely between workshops. The NSF representatives are:

Dr. Kenneth Gayer, Deputy Director, Office of  
Exploratory Research and Problem Assessment

Ms. Gladys Handy, Program Manager, Office of  
Exploratory Research and Problem Assessment

Dr. Trudi Lucas, Program Manager, Division of  
Social Systems and Human Resources

David Richtmann, Program Manager for Research  
Utilization, Office of Intergovernmental  
Science and Research Utilization

Dr. Howard Rosen, Director ORD, Manpower Administration  
and the four representatives from EEOC (Alvin Golub, David  
Copus, Dr. William Enneis, and Julia Cooper) will be per-  
mitted to visit several workshops.

Alvin Golub - Deputy Staff Director

Julia Cooper - Deputy General Counsel

David Copus - Deputy Director, National Programs  
and former chief of AT&T Task Force

Dr. William Enneis - Psychologist and specialist  
on testing

All other participants are expected to remain in their assigned  
workshops.

(3) This is an invitational conference and only those  
listed as participants may attend the small workshops. It is  
necessary to abide by this procedure in order to encourage  
participation by business representatives. For this reason  
these sessions are closed to all members of the press. I  
have had to be quite firm about this with a reporter from the  
New York Times.

(4) Rapporteurs will be provided with portable tape  
recorders and these workshop sessions will be taped. These  
tapes will enable me to prepare the type of detailed report  
required by NSF. Also summaries of the proceedings as well  
as the conference papers may be included in the volume to be  
published by the M.I.T. Press.

#### D. Specific Issues for Workshops

##### (1) Public Employment

Important issues are raised in the Cohen paper (report  
included in your materials). In the Griggs decision in March

1971 the Supreme Court upheld the testing guidelines of the EEOC. Merit systems may appear to be in conflict with the court ruling that practices, procedures, or tests neutral on their face, and even neutral in terms of intent, cannot be maintained if they operate to "freeze" the status quo of prior discriminatory employment practices.

Even when minority applicants pass civil service exams, they stand low on the eligibility rosters. Differential selection from eligibility rosters (a minority to non-minority ratio) is another issue.

The role of unions, sex discrimination, labor market characteristics of the public sector, and Federal-State cooperation on fair employment matters may be other issues to be discussed. There will be several participants from State agencies.

#### (2) Education Institutions

There will be three major issues--(a) affirmative action programs in institutions of higher education, (b) application of the Federal guidelines on sex (copies will be available for members of the workshop) in educational institutions. Since March 1972 educational institutions have been included under Title VII of the Civil Rights Act of 1964, (c) the links between education and employment. No paper treated these issues but all of the participants are knowledgeable individuals.

#### (3) Manpower and EEO

The Holt paper should provide more than enough questions for a detailed discussion of such issues as employment discrimination vs. manpower programs for the disadvantaged, definitions of economic equality, internal labor market characteristics, labor force participation of women. The most important question will be what are the linkages between manpower and EEO programs. A summary of the Green-Godwin paper on the construction industry should be available prior to the workshop sessions. Their report may serve as a useful case study.

#### (4) Private Employment

The papers by Marshall, Gurin, Laws, and Kidder may be discussed in this workshop. Most of the participants may wish to examine research requirements and development of strategies for the private for profit sector only. The findings of the Ashenfelter paper on limited achievement during 1966-1970 may be debated.

Since many of the business representatives have indicated a preference for this workshop, they should be encouraged to participate. We would like to have them describe their experiences in order that social scientists may identify areas for further investigation and analysis. Participants in the workshop

need to be reminded of the powerful role of the Federal courts.

Some issues for consideration--the role of unions, sex vs. racial employment discrimination, back pay, timetables and goals, EEO in manufacturing vs. service industries.

(5) Utilization of Research

It may prove difficult to elicit recommendations from this workshop. Utilization is an activity beyond the preparation and submission of a final research report and many academic researchers have little interest in this process. Because their scholarly reports have rarely been translated into language understood by policy makers and program managers, considerable effort must be devoted to bridging this gap.

Participants in this workshop should be encouraged to share their experiences on this problem. Techniques range from hiring writers to prepare versions of research reports for journals, newsletters, educational TV, small discussion groups, clearinghouses, etc.

We are expected to expedite dissemination of the proceedings from this conference to a large number of individuals and organizations. The conference papers will eventually be published by the M.I.T. Press.

E. Workshop Reports

Each moderator will have approximately ten minutes to report on the recommendations from the workshop at the third plenary session on Tuesday, January 22.



OFFICE OF THE  
PRESIDENT AND CHANCELLOR

SPECIAL ASSISTANT  
FOR WOMEN AND WORK

CAMBRIDGE, MASSACHUSETTS 02139

June 17, 1974

Dr. Phyllis A. Wallace  
E 52-443B

Dear Phyllis:

In Workshop Three (which I found extraordinarily instructive and thought-provoking), you read aloud Ruth's fine letter about What Next and also asked us all What Next.

I'm in Ruth's first camp-----one of those who would like to see some concentration on "how do we get there from here?" (in addition to "how do we understand how we got here?") Let me briefly comment on my own view of a practical next step in assuring equal opportunity for minorities and women---in this case for women since that is what you asked and what I might know more about.

I would like to see more programs which address the lives of males, especially white males. Obviously this should be done for the benefit of males in any case; goodness knows many of their lives seem tense and joyless and short. But I raise the issue also in this context of how we can improve the lives of women. And I raise it for what seems to me the obvious practical reason: nothing else will help women more.

Social change with respect to the equality of women has two philosophically different strands: the limitation of abuse of women, and the fostering of equal opportunity for women. Federal policy has historically succeeded when it either provides heavy penalties against abuse or opens powerful avenues for gain or both. Federal policy for equal opportunity is having some effect I think in providing

available punishment for (gross) abuse. But it hasn't done much to open avenues for gain for the people who can most readily respond-- males, especially white males. We rely on the slower path of helping men and women to limit abuse and helping women to seek gain.

I think the slow path is probably wrong as well as slow. Non-minorities have much to gain from minority equality; so also do men have much to gain from equality with women. One can begin by asking why men die sooner? and under what circumstances would they live longer? What does it do to men (and all of us) to raise generations of males who have never taken care of a baby or even a pet or even a plant? What are the gains to men of their having equal opportunity in nurturant activities and professions? I'm really not covertly just trying to pass over the housework, although I think it would help to get a bunch of MIT engineers really interested there too. I'm thinking of what it would mean if men were supported in such caring professions as parenthood and secretarial work, and in caring behavior, on an equal basis with women. There are a number of ramifications which could be studied. In an institution with policies supporting the thriving of men, what happens to individual lives (sex, reported happiness, feelings of boredom etc.) What happens to productivity? Does it free the women? Do the children thrive (better?)?

I've written elsewhere of my views that many women will only feel free when they believe that the children and men are cared for, when it is plain that nurturance will survive the equality of women, when they are permitted to behave in nurturant fashion in paid employment etc. etc. I also believe that men will work for social change that benefits women much harder if and when it is clear that this social change benefits men as well.

In fact one asks, good grief how can we be so slow? Women in droves "want to be men", especially at some points in their lives, but I believe we really do value much of our lives as women. (Here in lies my deep dismay at some of Oaxaca's work). If women's lives have contained much that is good, and sharable with men, why are we so slow to implement the sharing? Some of this needs study - both of men and women. Men are scared of housework; men don't

believe they can "mystically reproduce", etc. etc. Women don't want to share the mystery and the turf; women want men to change only in ways that benefit women, not necessarily in other ways--- etc. etc. So yes, we need study. But we also need programs.

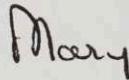
I understand this is the economist's obvious tack: improve the cost-benefit terms for men, of social change for women. But suppose at MIT we were to:

- . liberalize and advertise paternity leave;
- . work hard on flexible hours and shared appointments for men as well as women;
- . offer tuition assistance for men in child care and other such courses;
- . recruit hard for men in jobs sex-stereotyped for women;
- . encourage men to take care of themselves physically and emotionally through a different presentation of the health and athletic services;
- . encourage cooperative and nurturant behavior on the job in programs like the Yagodka's;
- . provide more organized and advertised services to role-puzzled men, like the groups and lectures organized for women students, for instance on the subject of sex. As an example, the society teaches men that they are insatiable, aggressive, irrationally very influencable by desire and that they have to be dominant in relations with women. Leaving aside the difficulties experienced by some young men when they try to live up to insatiability in the face of a (physiologically literally insatiable) girlfriend or the demands of getting A's here, how can we hope these undergraduates will happily work with, let alone under the supervision of, women?
- . provide a research nucleus interested in finding out what MIT men would want out of an androgynous MIT society and what are the effects on productivity? For example, I think we have several false issues abroad in this area--for instance that androgyny would/should mean shorter work weeks or lower productivity. At some life points, 100 hour work weeks don't make sense. But I think a lot of people could thrive better on 60-70-80-hour paid work weeks in androgynous lives at home and here. And I believe that our most nurturant male administrators and faculty are among the most effective and efficient (e. g. Gray, Culliton, I. M. Singer).

Page 4  
Dr. Phyllis Wallace  
June 17, 1974

In conclusion let me thank you again for including me in your workshops and for your helping to make some of these questions respectable in economics.

Sincerely,

A handwritten signature in cursive script that reads "Mary".

Mary Rowe Ph. D.

MR/RH