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is job discrimination dead?

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Political and legal debate in recent years has focused on whether discrimination in favor of African Americans is justified. What receives less attention is that employment discrimination against African Americans, though illegal, is still alive and well in America.

In November 1996, Texaco settled a case for $176 million with African-American employees who charged that the company systematically denied them promotions. Texaco originally vowed to fight the charges. When irrefutable evidence surfaced, however, Texaco changed its position. The New York Times released a tape recording of several Texaco executives referring to black employees as “niggers” and “black jelly beans” who would stay stuck at the bottom of the bag. Texaco also ultimately acknowledged that they used two promotion lists—a public one that included the names of blacks and a secret one that excluded all black employee names. The $176 million settlement was at the time the largest amount ever awarded in a discrimination suit.

Much has changed in American race relations over the past 50 years. In the old days, job discrimination against African Americans was clear, pervasive, and undeniable. There were “white jobs” for which blacks need not apply, and there were “Negro jobs” in which no self-respecting white person would be found. No laws prohibited racial discrimination in employment. Indeed, in several states laws required separation of blacks and whites in virtually every public realm. Not only was racial discrimination the reality of the day, but also many whites supported the idea that job discrimination against blacks was appropriate. In 1944, 55 percent of whites admitted to interviewers that they thought whites should receive preference over blacks in access to jobs, compared with only 3 percent who offered such opinions in 1972.

Many blatant forms of racism have disappeared. Civil rights laws make overt and covert acts of discrimination illegal. Also, fewer Americans admit to traditional racist beliefs than ever before. Such changes have inspired many scholars and social commentators to herald the “end of racism” and to declare that we have created a color-blind society. They point to declines in prejudice, growth in the proportion of blacks who hold positions of responsibility, a closing of the earnings gap between young blacks and young whites, and other evidence of “racial progress.”

However, racial discrimination in employment is still widespread; it has just gone underground and become more sophisticated. Many citizens, especially whites who have never experienced such treatment, find it hard to believe that such discriminatory behavior by employers exists. Indeed, 75 percent of whites in a 1994 survey said that whites were likely to lose a job to a less-qualified black. Nevertheless, clear and convincing evidence of discriminatory patterns against black job seekers exists.
In addition to the landmark Texaco case, other corporate giants have made the dishonor roll in recent years. In 2000, a court ordered Ford Motor Company to pay $9 million to victims of sexual and racial harassment. Ford also agreed to pay $3.8 million to settle another suit with the U.S. Labor Department involving discrimination in hiring women and minorities at seven of the company’s plants. Similarly in 1999, Boeing agreed to pay $82 million to end racially based pay disparities at its plants. In April 2000, Amtrak paid $16 million to settle a race discrimination lawsuit that alleged Amtrak had discriminated against black employees in hiring, promotion, discipline, and training. And in November 2000, the Coca-Cola Company settled a federal lawsuit brought by black employees for more than $190 million. These employees accused Coca-Cola of erecting a corporate hierarchy in which black employees were clustered at the bottom of the pay scale, averaging $26,000 a year less than white workers.

The list of companies engaged in discrimination against black workers is long and includes many pillars of American industry, not just marginal or maverick firms. Yet when incidents of discrimination come into public view, many of us are still mystified and hard-pressed for explanations. This is so, in part, because discrimination has become so illegitimate that companies expend millions of dollars to conceal it. They have managed to discriminate without using the blatant racism of the old days. While still common, job discrimination against blacks has become more elusive and less apparent.

how common?

Most whites think that discriminatory acts are rare and sensationalized by a few high-profile cases and that the nation is well on its way to becoming a color-blind society. According to a 2001 Gallup survey, nearly 7 in 10 whites (69 percent) said that blacks are treated “the same as whites” in their local communities. The numbers, however, tell a different story. Annually, the federal government receives about 80,000 complaints of employment discrimination, and another 60,000 cases are filed with state and local fair employment practices commissions. One recent study found that about 60 percent of blacks reported racial barriers in their workplace in the last year, and a 1997 Gallup survey found that one in five reported workplace discrimination in the previous month.

The results of “social audits” suggest that the actual frequency of job discrimination against blacks is even higher than blacks themselves realize. Audit studies test for discrimination by sending white and minority “job seekers” with comparable résumés and skills to the same hiring firms to apply for the same job. The differential treatment they receive provides a measure of discrimination. These audits consistently find that employers are less likely to interview or offer jobs to minority applicants. For example, studies by the Fair Employment Practices Commission of Washington, D.C., found that blacks face discrimination in one out of every five job interviews and that they are denied job offers 20 percent of the time. A similar study by the Urban Institute matched equally qualified white and black testers who applied for the same jobs in Chicago. About 38 percent of the time, white applicants advanced further in the hiring process than equally qualified blacks. Similarly, a General Accounting Office audit study uncovered significant discrimination against black and Latino testers. In comparison with whites, black and Latino candidates with equal credentials received 25 percent fewer job interviews and 34 percent fewer job offers.

These audit studies suggest that present-day discrimination is more sophisticated than in the old days. For example, discriminating employers do not explicitly deny jobs to blacks; rather, they
use the different phases of the hiring process to discriminate in ways that are difficult to detect. In particular, when comparable résumés of black and white testers are sent to firms, discriminatory firms systematically call whites first and repeatedly until they exhaust their list of white applicants before they approach their black prospects. They offer whites jobs on the spot but tell blacks that they will give them a call back in a few weeks. These mechanisms mean that white applicants go through the hiring process before any qualified blacks are even considered.

Discriminatory employers also offer higher salaries and higher-status positions to white applicants. For example, audit studies have documented that discriminatory employment agencies often note race in the files of black applicants and steer them away from desirable and lucrative positions. A Fair Employment Practices Commission study found that these agencies, which control much of the applicant flow into white-collar jobs, discriminate against black applicants more than 60 percent of the time.

Surprisingly, many employers are willing to detail (in confidence to researchers) how they discriminate against black job seekers. Some admit refusing to consider any black applicants. Many others admit to engaging in recruitment practices that artificially reduce the number of black applicants who know about and apply for entry-level jobs in their firms. One effective way is to avoid ads in mainstream newspapers. In one Chicago study, more than 40 percent of the employers from firms within the city did not advertise their entry-level job openings in mainstream newspapers. Instead, they advertised job vacancies in neighborhood or ethnic newspapers that targeted particular groups, mainly Hispanics or white East European immigrants. For the employer who wants to avoid blacks, this strategy can be quite effective when employment ads are written in languages other than English, or when the circulation of such newspapers is through channels that usually do not reach many blacks.

Employers described recruiting young workers largely from Catholic schools or schools in white areas. Besides avoiding public schools, these employers also avoided recruiting from job-training, welfare, and state employment service programs. Consequently, some job-training programs have had unanticipated negative effects on the incomes and employment prospects of their African-American enrollees. For instance, research on the effect of such training programs on the earnings and employability of black inner-city residents found that those who participated in various job-training programs earned less per month and had higher unemployment rates than their counterparts who had not participated in such programs.

who suffers?

Generally, no black person is immune from discriminatory treatment. A few factors make some even more vulnerable to discrimination than others. In particular, research has shown that African Americans with dark complexions are likelier to report discrimination—one-half do—than those with lighter complexions. Job discrimination is also associated with education in a peculiar fashion: Those blacks with more education report more discrimination. For example, in a Los Angeles study, more than 80 percent of black workers with college degrees and more than 90 percent of those with graduate-level educations reported facing workplace discrimination. Black immigrants are more likely than nonimmigrants to report discrimination experiences, residents of smaller communities report more than those of larger ones, and younger African Americans report more than older ones. Rates of job discrimination are lower among those who are married than among those who are not wed. Research also shows that some employment
characteristics also appear to make a difference: African Americans who are hired through personal contacts report discrimination less often, as do those who work in the manufacturing sector and those who work for larger firms.

Discrimination exacts a financial cost. African Americans interviewed in the General Social Survey in 1991 who reported discrimination in the prior year earned $6,200 less than those who reported none. (In addition, blacks earn $3,800 less than whites because of differences in educational attainment, occupation, age, and other factors.) A one-time survey cannot determine whether experiences of discrimination lead to low income or whether low income leads to feeling discriminated against. Multivariate research based on data from the Census Bureau, which controls for education and other wage-related factors, shows that the white-black wage gap (i.e., “the cost of being black”) has continued to be more than 10 percent—about the same as in the mid 1970s. Moreover, research looking at the effects of discrimination over the life course suggests a cumulative effect of discrimination on wages such that the earnings gap between young blacks and whites becomes greater as both groups age.

**how can there be discrimination?**

Many economists who study employment suggest that job discrimination against blacks cannot (long) exist in a rational market economy because jobs are allocated based on ability and earnings maximization. Discrimination, they argue, cannot play a major role in the rational employer’s efforts to hire the most productive worker at the lowest price. If employers bypass productive workers to satisfy their racism, competitors will hire these workers at lower-than-market wages and offer their goods and services at lower prices, undercutting discriminatory employers. When presented with evidence that discrimination does occur, many economists point to discriminators’ market monopoly: Some firms, they argue, are shielded from competition and that allows them to act on their “taste for discrimination.” These economists, however, do not explain why employers would prefer to discriminate in the first place. Other economists suggest that employers may rationally rely on “statistical discrimination.” Lacking sufficient information about would-be employees, employers use presumed “average” productivity characteristics of the groups to which the potential employees belong to predict who will make the best workers. In other words, stereotypes about black workers (on average) being worse than whites make it “justifiable” for employers to bypass qualified black individuals. In these ways, those economists who acknowledge racial discrimination explain it as a “rational” response to imperfect information and imperfect markets.

In contrast, most sociologists point to prejudice and group conflict over scarce resources as reasons for job discrimination. For example, racial groups create and preserve their identities and advantages by reserving opportunities for their own members. Racially based labor queues and differential terms of employment allow members to allocate work according to criteria that have little to do with productivity or earnings maximization. Those who discriminate against blacks often use negative stereotypes to rationalize their behavior after the fact, which, in turn, reinforces racism, negative stereotypes, and caricatures of blacks.

In particular, labor market segregation theory suggests that the U.S. labor market is divided into two fundamentally different sectors: (1) the primary sector and (2) the secondary sector. The primary sector is composed of jobs that offer job security, work rules that define job responsibilities and duties, upward mobility, and

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higher incomes and earnings. These jobs allow incumbents to accumulate skills that lead to progressively more responsibility and higher pay. In contrast, secondary sector jobs tend to be low-paying, dead-end jobs with few benefits, arbitrary work rules, and pay structures that are not related to job tenure. Workers in such jobs have less motivation to develop attachments to their firms or to perform their jobs well. Thus, it is mostly workers who cannot gain employment in the primary sector who work in the secondary sector. Race discrimination—sometimes by employers but at times by restrictive unions and professional associations fearful that the inclusion of blacks may drive down their overall wages or prestige—plays a role in determining who gets access to jobs in the primary sector. As a consequence, African Americans are locked out of jobs in the primary labor market, where they would receive higher pay and better treatment, and they tend to be crowded into the secondary sector. And these disparities compound over time as primary sector workers enhance their skills and advance while secondary sector workers stay mired in dead-end jobs.

An alternative sociological explanation of African-American disadvantage in the U.S. labor market is what can be referred to as “structural discrimination.” In this view, African Americans are denied access to good jobs through practices that appear to be race-neutral but that work to the detriment of African Americans. Examples of such seemingly race-neutral practices include seniority rules, employers’ plant location decisions, policy makers’ public transit decisions, funding of public education, economic recessions, and immigration and trade policies.

In the seniority rules example, if blacks are hired later than whites because they are later in the employers’ employment queue (for whatever reason), operating strictly by traditional seniority rules will ensure greater job security and higher pay to whites than to African Americans. Such rules virtually guarantee that blacks, who were the last hired, will be the “first fired” and the worst paid. The more general point is that employers do not have to be prejudiced in implementing their seniority rules for the rules to have the effects of structural discrimination on African Americans. Unequal outcomes are built into the rules themselves.

These same dynamics apply when (1) companies decide to locate away from urban areas with high concentrations of black residents; (2) policy makers decide to build public transit that provides easy access from the suburbs to central city job sites but not from the inner city to central city job sites or to suburban job sites; (3) public education is funded through local property tax revenues that may be lower in inner-city communities where property values are depressed and higher in suburban areas where property values are higher and where tax revenues are supplemented by corporations that have fled the inner city; (4) policy makers attempt to blunt the effects of inflation and high interest rates by allowing unemployment rates to climb, especially when they climb more rapidly in African-American communities; and (5) policy makers negotiate immigration and trade agreements that may lead to lower employer costs but may also lead to a reduction in the number of jobs available to African Americans in the industries affected by such agreements. Again, in none of these cases do decision makers need to be racially prejudiced for their decisions to have disproportionately negative effects on the job prospects or life chances of African Americans.

what can be done?

Employment discrimination, overt or covert, is against the law, yet it clearly happens. Discrimination still damages the lives of African
Americans. Therefore, policies designed to reduce discrimination should be strengthened and expanded rather than reduced or eliminated, as has recently occurred. Light must be shed on the practice, and heat must be applied to those who engage in it. Some modest steps can be taken to reduce the incidence and costs of racial discrimination:

- **conduct more social audits of employers in various industries of varying sizes and locations**. In 2000, the courts upheld the right of testers (working with the Legal Assistance Foundation of Chicago) to sue discriminatory employers. Expanded use of evidence from social audits in lawsuits against discriminatory employers provides more information about discriminatory processes, arms black applicants more effectively, and provides greater deterrence to would-be discriminators who do not want to be exposed. Even when prevention is not successful, documentation from social audits makes it easier to prosecute illegal discrimination. As in the Texaco case, it has often been through exposure and successful litigation that discriminatory employers mended their ways.

- **restrict government funding to and public contracts with firms that have records of repeated discrimination against black applicants and black employees**. The government needs to ensure that discriminatory employers do not use taxpayer money to carry out their unfair treatment of African Americans. Firms that continue discriminating against blacks should have their funding and their reputations linked to their performance. Also, as lawsuits over this issue proliferate, defense of such practices becomes an expensive proposition. Again, those found guilty of such activities should have to rely on their own resources and not receive additional allocations from the state. Such monetary deterrence may act as a reminder that racial discrimination is costly.

**redouble affirmative action efforts**. Affirmative action consists of activities undertaken specifically to identify, recruit, promote, or retain qualified members of disadvantaged minority groups to overcome the results of past discrimination and to deter discriminatory practices in the present. It presumes that simply removing existing impediments is not sufficient for changing the relative positions of various groups. In addition, it is based on the premise that to truly affect unequal distribution of life chances, employers must take specific steps to remedy the consequences of discrimination.

**speak out when episodes of discrimination occur**. It is fairly clear that much discrimination against African Americans goes unreported because it occurs behind closed doors and in surreptitious ways. Often, it is only when some (white) insider provides irrefutable evidence that such incidents come to light. It is incumbent upon white Americans to do their part to help stamp out this malignancy.

Now that racial discrimination in employment is illegal, stamping it out should be eminently easier to accomplish. The irony is that because job discrimination against blacks has been driven underground, many people are willing to declare victory and thereby let this scourge continue to flourish in its camouflaged state. If we truly want to move toward a color-blind society, however, we must punish such hurtful discriminatory behaviors when they occur, and we should reward efforts by employers who seek to diversify their workforce by eliminating racial discrimination. This is precisely what happened in the landmark Texaco case, as well as the recent Coca-Cola settlement. In both cases, job discrimination against African Americans was driven above ground, made costly to those who practiced it and offset by policies that attempted to level the playing field.
RECOMMENDED RESOURCES


REVIEW QUESTIONS

1. Herring writes that racism is barely evident for most of us in our everyday experiences, but has headed "underground." Discuss how this covert form of racism has affected popular perceptions of race. Has this approach to understanding racism become a challenge to social scientists? How?

2. How does "labor market theory" relate to issues of racism? What is the "structural discrimination" theory of racism? Which position do you find most compelling?

3. Affirmative action has been debated for years, and Herring claims that such programs are necessary to redress the consequences of discrimination. Discuss both the positive and negative consequences of affirmative action.