SOCIAL POLICY: AFFIRMATIVE ACTION

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Abstract

Empirical research, summarized here, clearly establishes that racial and ethnic minorities continue to experience substantial discrimination in employment. However, this discrimination is often subtle and unconscious. Because discriminatory practices are so intertwined with apparently-neutral employment practices, affirmative action remains an important means of combating them. Properly designed, affirmative action can benefit employers and non-protected employees as well as the minorities directly covered.

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This paper reviews research on racial/ethnic discrimination in employment conducted by my colleagues and myself at the Fair Employment Council of Greater Washington in Washington, D.C. and other non-profit, non-partisan research organizations. It makes five key points relevant to debate on the controversial issue of affirmative action:

$ A substantial amount of racial/ethnic discrimination still operates in the American labor market today;

$ "Reverse" discrimination against non-minorities occurs relatively rarely;

$ Much of today's discrimination involves subtle cognitive and interpersonal processes;
When properly implemented, affirmative action remains an important tool for addressing these problems; and

Affirmative action can represent a "win-win" development which benefits employers and white males as well as women and minorities.

This paper discusses each of these points in turn.

**Despite Great Progress, Employment Discrimination Has Not Been Eliminated**

The first question our research has addressed is: To what extent does racial/ethnic discrimination still operate in the American labor market in the 1990s?

During the past decades, literally thousands of research studies have been conducted on this question by labor economists and other social scientists. The clear consensus of this literature is that a tremendous amount of progress has been made since the days, prior to passage of the federal Civil Rights Act of 1964, when "Jim Crow" laws, personal prejudice, and social custom firmly maintained widespread segregation of employment by race and ethnicity.

These studies also reach consensus (although not unanimously) that the job of erasing the present impacts of these past patterns is not finished. Specifically, racial/ethnic minorities:

- remain under-represented in higher-level occupations and over-represented in lower-level occupations;
- often do not command the same wages as non-minorities for performing the same work;
- often do not receive the same payoffs for acquiring educational credentials;
- on average experience greater unemployment than equally-qualified non-minorities; and
- experience higher rates of job dismissal.
In the statistical studies underlying such conclusions, researchers are careful to consider differences between minority and non-minority workers in education, experience, skills, and other job-relevant qualifications, which account for some of the observed differences between minorities and non-minorities in labor market success. However, technical and data problems often limit researchers' ability to control such factors, so that estimates of the extent of remaining discrimination remain controversial.

To avoid such problems by examining discrimination directly, my colleagues and I employ a research method called "testing" or "auditing." We send out pairs of research assistants to apply for actual job openings listed in the "help wanted" section of newspapers or at a random sample of companies listed in the telephone "Yellow Pages." These research assistants are carefully matched in terms of age, appearance, and personality, and they carry resumes written by experts that credit them with equivalent education and experience. However, each pair of testers consists of persons who differ in their race or ethnicity -- an African American tester paired with a white or an Hispanic tester paired with an Anglo. Thus, we set up a controlled experiment in which, if the two testing partners are treated differently, it is reasonable to attribute that treatment to the one way the testers differ: their race or ethnicity.

Since 1990, the Fair Employment Council of Greater Washington and The Urban Institute have run this experiment more than 2,000 times in Washington, D.C., Chicago, and San Diego. The job vacancies tested typically have been for entry-level positions ranging in qualifications from less-than-high-school graduate to college graduate and drawn from a wide variety of industries. We have used both male and female testers and applied for jobs by mail and telephone as well as in-person.

Slightly less than 80 percent of the time that we have sent our testers to apply for jobs, employers did not appear to discriminate between our minority testers and their non-minority counterparts. That is, the equal credentials of the two testers met with equal success -- both testers are offered a job, both are rejected, or there is a random alternation in which receives the offer. This finding is consistent with previous research, referred to earlier in this paper, that documents the substantial progress in eliminating discrimination that has occurred since the 1960s.

In the remaining tests -- between 20 and 25 percent of our efforts -- the outcomes are quite different. With nearly one employer in four, the minority applicant is treated significantly worse than the nonminority. For example:

$ \textbf{Opportunities-to Interview.} A vacancy for a receptionist in an optometrist's
office in the Washington suburbs was advertised in a local newspaper. When an Hispanic tester called to apply for the job, she was put on hold, and then called by the wrong name (Carmen, when she had given her name as Juanita) and told that they were not taking any further applications. When her Anglo testing partner called thirteen minutes later, she was given an appointment for an interview the following morning.

Job Offers and Referrals. An African-American female tester sought entry-level employment through a large employment agency in downtown Washington. After completing an application and being interviewed briefly, she was told that she would be called if a suitable vacancy became available. Shortly thereafter, her white testing partner arrived seeking similar opportunities. After she completed an application and was interviewed, she was told about a receptionist/sales position at an upscale health and grooming firm. She was coached on interviewing techniques and scheduled for an interview later that day; in that interview, she was offered the position.

Compensation. A major department store chain advertised in The Washington Post for sales assistants in the women's clothing department of a branch in an affluent neighborhood. When a pair of female testers applied for the position, both were interviewed by the store's personnel department, and both were offered permanent, full-time employment. However, the starting salary offered to the African-American tester was $6.50 per hour, while her white partner was offered $7.50 per hour.

Steering. A major-brand auto dealer in the Washington suburbs advertised in The Washington Post for a car salesperson. An African-American tester who applied was told that to enter the business, he should accept a position as a porter/car washer. Arriving shortly thereafter with equivalent credentials, his white testing partner was immediately interviewed for the sales position that had been advertised.

Information About Unadvertised Opportunities. A dating service in the Washington suburbs advertised in The Washington Post for a receptionist/typist. When an African-American tester applied for the position, she was interviewed but heard nothing further. When her white testing partner applied for the receptionist position and was interviewed, the employer offered her a position as a personal assistant to the manager. This new position would pay more than the receptionist job, would lead to rapid raises and promotions, and would provide tuition assistance. Followup calls by the African-American tester elicited no interest on the part of the firm, either for the receptionist position or the newly created opportunity, even after the white tester refused the offer.
In face-to-face tests by the Fair Employment Council in the Washington area, white testers obtained job interviews at a rate 22 percent higher than the rate for their equivalently-qualified African-American counterparts; whites who were interviewed received job offers at 415 percent the rate for African Americans who were interviewed; in tests in which both testers received job offers for the same position, whites received a higher wage offer than their African-American counterpart 17 percent of the time; and white testers were 37 percent less likely than their African-American partner to be diverted to a lesser-quality job than the one advertised and 48 percent more likely to be told about additional opportunities. Taken together, these effects make the labor market experiences of identically-qualified minority and non-minority job applicants profoundly different. And because in the course of finding one job a typical job seeker applies for dozens of positions, virtually no minority job seeker is likely to get through a job campaign without being touched by discrimination.

Our testers' encounters with discrimination have not been limited to any particular subsector of the economy. True, suburban areas appear nearly twice as discrimination-prone as central cities, unadvertised vacancies are more subject to discrimination than widely advertised ones, and discrimination was more likely to arise for jobs which offer higher pay and more opportunities for advancement. And in employment agencies, our testers encountered discriminatory treatment an appalling 67 percent -- two-thirds -- of the time they applied for job referrals. However, no industry, community, or type of employment is immune. We have observed discrimination in both large firms with professional personnel departments and in "mom-and-pop" owner-operated enterprises. We have discovered it in firms that are government contractors, in firms that advertise themselves as equal opportunity employers, and in firms bearing some of the most well-known business names in the nation.

Testing is most readily applied to job vacancies which are advertised in newspapers or listed with employment agencies. Such vacancies account for only about one-third of all employment opportunities, with the remaining two-thirds filled through more private means of recruitment such as word-of-mouth and personal referrals. Employers may utilize the latter recruitment techniques -- those in which information about vacancies is not publicized -- to keep away minority and other "undesirable" applicants. Thus, the extent of discrimination in the overall labor market is almost certainly higher than the 20 to 25 percent rate found among vacancies that have been subject to testing.

In light of these findings, it is clearly appropriate to reach the first conclusion stated at the beginning of this paper: A substantial amount of racial/ethnic discrimination still operates in the American labor market today.
Reverse Discrimination Occurs Relatively Rarely

A second question our research addresses is the extent to which "reverse discrimination" operates in the labor market. Reverse discrimination refers to circumstances in which a white male experiences diminution of his success in the labor market for reasons attributable to race and gender.

Recent research on this subject has been conducted by Professor Alfred Blumrosen of the Rutgers University School of Law. His analysis of several thousand employment discrimination cases decided by United States District and Appeals Courts between 1990 and 1994 concluded that reverse discrimination claims constituted only between 1 and 3 percent of all employment discrimination cases during that period; and that within those cases, the Courts found the claims to be without merit a high proportion of the time.\(^{(13)}\)

In testing, we measure reverse discrimination by counting the instances in which minority testers are favored over their equally-qualified white partners. Within our thousands of tests, we have observed that circumstance to arise in an average of 6 percent of tests for African Americans and 7 percent of tests for Hispanics.\(^{(14)}\) However, these figures represent an upper limit for the rate of reverse discrimination -- an overestimate because many of the outcomes favorable to minorities represent random occurrences rather than systematic preferences for minority job seekers.

Such figures seem broadly consistent with those of Professor Blumrosen in suggesting that the number of instances of reverse discrimination is small, affecting at most a few percent of workers. Thus we reach the second conclusion stated at the beginning of this paper: Reverse discrimination against nonminorities occurs relatively rarely. The rate is only a small fraction of the rate at which discrimination against minorities arises.

The Increasingly Subtle Nature of Employment Discrimination in The 1990s
Public opinion polls report that the findings just described -- that discrimination against racial, ethnic minorities is still a substantial problem and that reverse discrimination is not -- are not widely believed by the non-minority public across the United States. For example, in a nationwide poll in 1989, only 37 percent of whites thought that an African-American applicant who is as qualified as a white is less likely to win a job that both want, and only 41 percent felt that the chances of African Americans to win a supervisory/managerial position were worse than those for whites.\(^{(15)}\)

Such differences in perception reflect the nature of employment discrimination in the 1990s. When employment discrimination occurred in the 1960s, it was typically explicit and conscious, out in the open, and (in some circles) socially acceptable. It was often reflected in an "inexorable zero" -- instances where there had never been even one minority employee in certain jobs or certain companies. In the 1990s, in contrast, the complete absence of minorities has typically been replaced by their being present but underrepresented, and discrimination is no longer generally seen as socially acceptable. Among our thousands of tests, racial epithets, obvious hostility to minorities, or similar explicit indications of bias were relatively rare. In the preponderance of cases, minority and non-minority testers were treated with at least approximately equal politeness.\(^{(16)}\) Explicit, deliberate, conscious discrimination is not entirely gone from the American labor market, but it is more the exception than the rule.

This dramatic change is what the non-minority public is thinking of when they tell public opinion pollsters that discrimination is no longer a problem. But our testing studies reveal that they are only partially correct. Employment discrimination is still present, but it expresses itself less in the treatment of minorities during the hiring process than in judgments concerning their qualifications and abilities.

One indicator of employers' judgments of minority and non-minority job candidates is the stage of the application process to which minorities advance. In the Fair Employment Council's tests involving African Americans in the Washington, D.C. labor market, there was a modest (5 percent) racial difference in the probability of obtaining an interview, and a larger difference (54 percent) in the probability of being allowed to take skills tests. But such differences are dwarfed by differences in minority/non-minority hiring decisions. While 47 percent of white applicants who received a job interview obtained a job offer, only 11 percent of their African American counterparts did so, a rate of success for non-minorities more than four times that for minorities.
A second indicator of employers' judgments of applicants is the content of comments made to testers by the staff interviewing them. The average white tester who was interviewed but did not receive a job offer received 2.9 positive comments for every negative one,\(^{(17)}\) while a counterpart African-American tester who got to the same stage of the job seeking process (interviewed, not offered a job) received only 0.5 positive comments for every negative one.

This juxtaposition of relatively even-handed treatment of job applicants with hiring judgments that are far from even-handed seems paradoxical. In some cases, it undoubtedly reflects the behavior of employers who, although they know that they would never hire a minority candidate, feel forced by social pressure or potential legal penalties to "go through the motions" of interviewing minority applicants. In other cases, however, the outcome reflects more complex cognitive processes.

In particular, it reflects the effect of traditional stereotyped beliefs held by employment decisionmakers. Generalizations about a demographic group strongly influence how any individual from that group is perceived. This effect is particularly strong if exposure to that individual is brief and accompanied by only limited additional information. For example, in one social psychology experiment, two groups of university students were shown different videotapes concerning a fourth grade girl. Half the students observed the girl living in a depressed urban neighborhood, while the other half saw her living in an affluent suburb. Both groups were then shown the same videotape of her taking an oral achievement test. Students who had previously been exposed to the girl's "high class" background judged her to be of higher ability and reported her obtaining a higher test score than did students who had been exposed to her "low class" background.\(^{(18)}\)

This experimental situation is closely analogous to that in applications for entry-level employment. Hiring decisions are generally made on limited information, typically, a one-page resume and an interview averaging in our sample about twenty minutes. It is therefore not surprising that interviewers' judgments of individuals are influenced by generalizations about the applicants' demographic group that the interviewer may have formed over a lifetime.
The process of interpreting new data in light of prior information is, of course, a common mechanism of human thought. Nevertheless, it creates problems for minority job seekers because of the strongly unfavorable content of generalizations concerning African Americans and Hispanics held by the majority of Americans. According to public opinion research, widely-held "ethnic images" of both African Americans and Hispanics portray them, relative to non-minorities, as less intelligent, more lazy and welfare dependent, and more prone to violence. Correspondingly, managers and other personnel decision-makers readily generalize about ethnic groups, and the content of these generalizations is highly adverse to most minorities. In one study in Chicago, for example, common generalizations by employers concerning African-American and Hispanic workers emphasized their shortcomings in terms of work ethic, honesty, attitudes, communication skills, intelligence, educational preparation, and stability.

When employers and their staffs bring such attitudes to a job selection process, virtually every minority candidate enters the process with a substantial handicap. However well a minority individual may perform in the interview and however impressive her/his resume, those qualifications are likely to be discounted or incorrectly perceived based on the prior generalizations. Indeed, stereotypical thinking can even turn applicants' positive attributes into their opposite. For example, a standard piece of advice to job seekers is to dress well for employment interviews. But when one of our testing pairs wearing dress shirts and ties were interviewed by a Washington-area employment agency, the African-American tester was asked whether his ability to afford such clothes indicated that he participated in illegal activities.

The unconscious behavior of interviewers may also cause minority applicants to perform badly in interviews. In social settings such as the workplace, many persons feel more comfortable with persons who are "like themselves." In one social psychology experiment, for example, white university students interviewed black and white job applicants. When the applicant was black, the interviewers sat further away, terminated the interview 25 percent sooner, and made 50 percent more speech errors than when the applicant was white. Then, in a second stage of the experiment, interviewers deliberately duplicated the behavior typical of interviews with either blacks and whites. The interview performance of white job applicants subjected to the "black" treatment was rated by neutral judges as more nervous and less effective than that of whites subjected to the "white" treatment. Thus, what begins as a problem for the employer -- that she or he is socially uncomfortable with minority job applicants -- is transformed into a problem for the minority job-seeker -- not being selected for a job for which he or she may be qualified.
Is Affirmative Action Needed in Addition to Anti-discrimination?

One possible reaction to the research findings just presented is that they make a strong case for continued, vigorous enforcement of anti-discrimination laws. That conclusion is further supported by research documenting positive impacts of such activities on the employment success of racial and ethnic minorities.\(^\text{25}\) A more controversial question, however, is whether these findings also justify affirmative action, defined here as "...any measure, beyond simple termination of a discriminatory practice, adopted to correct or compensate for past discrimination or prevent discrimination from recurring in the future."\(^\text{26}\)

Research findings imply an answer of yes, for four primary reasons:

$^\text{1}$ First, the problems of discrimination described here are so subtle and woven into apparently-neutral processes that they are difficult to isolate, document, and attack through conventional antidiscrimination enforcement alone.

$^\text{2}$ Second, the problems of discrimination described here reflect beliefs and attitudes held by nonminority employment decision-makers that can best be changed by the experience of working with racial and ethnic minorities.\(^\text{27}\) But in the absence of affirmative action, these beliefs and attitudes continue to exclude minorities and thereby prevent that experience from accumulating. Affirmative action is thus a way to break the "chicken-and-egg" dilemma.

$^\text{3}$ Third, without continued pressure such as an obligation to take affirmative action, many employers are likely to neglect remaining problems of discrimination. For example, in 1990, the consulting firm of Towers Perrin conducted a confidential survey of 645 senior human resources managers at large corporations nationwide. Among respondents to this survey, 55 percent voiced concern about supervisors' ability to motivate diverse groups of employees, 29 percent reported that discrimination remained a problem within their organization, 25 percent stated that their corporate culture was not open to diversity, and 15 percent expressed concern about overt harassment of minorities. Yet fewer than half the firms acknowledging a problem indicated that the firm had current plans to do anything about it.\(^\text{28}\)

$^\text{4}$ Fourth, when such reluctant employers are pressured by public requirements to address problems of inequality in employment opportunities, they do take action. For example, Professor Jonathan Leonard of the University of California examined the period 1974-1980, when the federal government first imposed substantial requirements for affirmative action on federal contractors.
He concluded that, within firms subject to these new government requirement, affirmative action led to occupational advances for minority group members of both sexes -- for example, a relative increase in demand for black male employees of 8.5 percent. Another study of the same period estimated that minority employment in firms covered by these requirements grew 20.1 percent, compared to only 12.3 percent in uncovered firms.\(^{(29)}\)

Thus, when appropriately designed and implemented, affirmative action can be an effective tool for creating workplaces in which, contrary to the circumstances in many workplaces today, individual merit can prevail.

**Affirmative Action as a Win-Win Approach**

When affirmative action enhances the prevalence of merit in the workplace, it benefits persons other than the minority group members who are its nominal beneficiaries.

Most discussions of affirmative action focus on a simple "win-lose" tradeoff: When a woman or minority is selected over a "more qualified" white male, then that white male loses an employment opportunity, and his employer loses efficiency and productivity. In reality, however, the situation is more complicated. This "win-lose" analysis implicitly assumes that, in the absence of affirmative action, employers select the most qualified candidates to be hired or promoted. At least five lines of evidence suggest that this key assumption is often not correct.\(^{(30)}\)

First, employment decisions are sometimes based on considerations that have virtually nothing to do with qualifications. An extreme case is that of business owners’ children who, whether or not they are competent to run a company, become bosses by inheriting a firm. A second example is the practice in many craft unions of favoring the sons or nephews of current union members in selecting apprentices.\(^{(31)}\)

Second, as discussed earlier in this paper, employers often advertise job vacancies only in limited ways, such as by word-of-mouth among current employees. The result is that qualified job candidates often do not have their qualifications considered.
Third, for many jobs, differences in qualifications represent only modest disparities in work experience that would not have arisen had on-the-job assignments been distributed in a non-discriminatory manner. For example, in one manufacturing plant I studied, a key qualification for promotion to full-time fork-lift driver was eight hours of experience driving a fork lift. This experience was commonly acquired by substituting for drivers who were sick or on vacation. Because the warehouse foreman reserved these temporary driving assignments for white males, when vacancies arose for full-time fork-lift operators, no female or minority warehouse laborers were "qualified" for promotion.

Fourth, many employee selection procedures provide only weak predictions of employees' future performance. In particular, candidates' evaluations in job interviews typically predict only between 10 and 20 percent of employee-to-employee variation in actual subsequent job performance. In those circumstances, it cannot be assumed that if a woman or minority is hired in place of a white male who obtained higher ratings from job interviewers, then future performance has been seriously compromised. Such an assumption is particularly suspect in light of the many ways, discussed earlier in this paper, in which social psychological processes lead job interviewers to underestimate the qualifications of women and minorities.

Fifth, in the contemporary workplace, performance is often generated less by individuals working in isolation than by work groups. Recent research in organizational dynamics suggests that work groups that are demographically diverse are often more productive than those that are homogeneous. One vivid example of this phenomenon involves an insurance company I have studied. For many years, this company typically hired only sales representatives who were white, male, and under age 45. When, as the result of employment discrimination litigation, the company began to broaden its hiring to encompass females, minorities, and older workers, its sales expanded dramatically; its newly-diverse workforce used their personal networks to penetrate markets not previously accessible to the company. Such results explain why many employers now report that they would retain affirmative action as part of their personnel practices even if laws requiring it were repealed.

In these circumstances, affirmative action may not mean hiring or promotion of a woman or minority over a more qualified white male. Instead, it may mean employee selection with:

$ increased emphasis on qualifications;

$ consideration of a broader range of qualified candidates;
opportunities for more employees to acquire qualifications;

reduced reliance on selection procedures with little predictive validity; and

increased productivity through employee diversity.

Such an environment would benefit employers and white males, not only their female and minority colleagues.

Notes


6. For example, Silver found that African-American white collar federal employees are 2.7 times as likely to be fired than white counterparts of similar age, education and work history. Native Americans also experienced a higher dismissal rate than comparable whites, but Hispanic and Asian employees did not. Silver, Hilary. 1996. "Firing Federal Employees: Does Race Make a Difference?" unpublished manuscript, Brown University; See also Zwerling, Craig and Silver, Hilary. 1992. "Race and Job Dismissal in a Federal Bureaucracy." American Sociological Review 57, 5:651-660.


8. The precise proportions of tests in which discrimination has been encountered is: for Hispanics in San Diego and Chicago, 20 percent; for Hispanics in Washington, D.C., 22 percent; for African-Americans in Washington, 24 percent, and for African Americans in Chicago and Washington in a study in which only limited types of discrimination were recorded, 13 percent. In all cases, these figures are "net" rates, representing the proportion of tests in which the minority tester was favored minus the proportion of tests in which the non-minority tester was favored (Bendick, Jackson and Reinoso (1994), op. cit. Table 2).

10. In Washington-area tests conducted by the Fair Employment Council, jobs advertised in the Washington Post were associated with rates of discrimination between 14.7 and 19.7 percent, which were lower than the rate for jobs listed in suburban newspapers (22.3 percent) or "walk-in" applications where there was no newspaper advertising (34.3 percent) (Fair Employment Council, op. cit.).

11. For example, in the Fair Employment Council's tests with African Americans, where both applicants received a job offer, the average starting wage offered to whites was $5.45 per hour; in jobs where white applicants received an offer but their African American partner did not, the starting wage averaged $7.13 per hour.

While the effects of discrimination are serious for any worker, they are perhaps most destructive for job seekers just entering the world of work; being denied access to the bottom rung of "career ladders" can trap persons in a lifetime of dead end, low-paying, unstable employment. Unfortunately, our testing results demonstrate that discrimination is particularly common for such career-oriented opportunities (Fair Employment Council, op. cit.).


14. Bendick, Jackson and Reinoso op. cit., Table 2.

16. For example, in tests conducted by the Fair Employment Council with African American testers in the Washington, D.C. area, there was only a modest difference in the proportion of interviews conducted by a line manager rather than by clerical or personnel staff (89 percent for whites, 83 percent for minorities), and only a one minute difference in the length of these interviews (23 minutes for whites, 22 minutes for minorities) (Bendick, Jackson and Reinoso, op. cit., Table 4).

17. An example of a positive comment is: "You are just what we are looking for." An example of a negative ones is: "This really is a dead end job; you wouldn't want it anyway."


