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Business Women's Leadership Summit-Glass Ceiling Commission

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BUSINESS WOMEN'S LEADERSHIP SUMMIT

Held in conjunction with the release of the Final Recommendations from
The Glass Ceiling Commission

What: BUSINESS WOMEN'S LEADERSHIP SUMMIT

The first leadership conference for the grass roots involvement to review recommendations from Glass Ceiling Commission; meet and greet business women leaders from all 50 states and set the stage for continuing dialogue.

Where: Washington, DC

When: Recommend Monday October 30th or early November, 1995 if with Glass Ceiling Commission or Mid-February 1996, without the Commission (NOTE: date to be reviewed and considered)

Attendees:

Size of Conference: Rough estimate: 740

1. For all major business women's organizations and representatives invited to send a President, Executive Director or key representative to the first forum for business women. (prob. 300 attendees).
2. More than 300 corporations would also be asked to send a representative. . (prob. 200 attendees).
3. This is held in conjunction with the sunseting of the Glass Ceiling Commission and its final report and recommendations to the President and Congress for November, 1995. . (prob. 100 attendees).
4. National Commission on the Status of Women: with 48 states invited. (40 attendees).
5. Diversity non-profit organizations including the Civil Rights Organizations (30 attendess).
5. Government representatives: (estimate 50).
6. Business organizations: (NAM, Business Roundtable, Conference Board, American Chamber of Commerce Executives, ASAE, US Chamber, etc.) (estimate 20).

Media Coverage should be extensive

Recommended Co-sponsors: Glass Ceiling Commission; Commissions on the Status of Women (48 states); National Women's Business Council; SBA Office of Women; Business Women's Network; five major companies.

Sponsors: Five key sponsors at \$50,000 each. Companies nominated to date: MCI, IBM, Mutual of Omaha, JC Penney, Avon, Omni World Financial, NationsBank Credit Card.

Organization: Plan with the Advisory Council and the Business Honorary Council a conference committee (see the attached two lists). Linkage and staffing will be the Business Women's Network.(BWN). Each co-sponsor will have one representative on the Steering Committee as plans and programs are designed and implemented.

Talking Points
Glass Ceiling Commissioners
The Glass Ceiling Report
"Good For Business:
Making Full Use of the Nation's Human Capital

- * The Glass Ceiling Commission was created by Title II of the Civil Rights Act of 1991 to focus greater public attention on the barriers preventing minorities and women from achieving executive level managerial and decision making positions in the private sector and to recommend policies, practices, and procedures that can reduce or eliminate those barriers.
- * On March 16, 1995, the Commission release a report, **Good For Business: Making Full Use of the Nation's Human Capital** that revealed the persistent low presence of minorities and women in America's top corporate ranks.
- * Surveys of the Fortune 1000 industrial and Fortune 500 service companies found 95 percent of senior level managers are men. Of that 95 percent, 97 percent are white.
- * Only .6 percent of male senior managers are African American; .4 percent Hispanic; .3 percent Asian Pacific Islander Americans.
- * Only 3-5 percent of these senior managers are women and 95 percent of them are white.
- * If you include executive, administrative, and managerial jobs, African American men held 2.3 percent of the positions in the private sector; Hispanic men 3.5 percent, and .6 percent for Asian Pacific Islander men.
- * For women in those categories, the percentages are 2.2 percent for African American women; 3.1 percent for Hispanic women; and 1.2 percent for Asian Pacific Islander women.
- * These small percentages exist in a society where minorities and women are two-thirds of the population, two-thirds of consumers, and 57 percent of the work force.
- * By 2005, 62 percent of the entire work force will be made up of people from these so called minority groups.
- * The report shows that minorities and women frequently find themselves in jobs with short or no career ladders and few mentors with experiences to share. They experience exclusionary recruitment procedures, subjective job interviews, job segregation and channeling into positions traditionally reserved for minorities and women, and ethnic preconceptions that make them seem less suitable for executive positions.
- * The Commission identified three levels of barriers to the advancement of qualified minorities and women: societal, governmental, and business.

* Societal barriers include a supply barrier related to limited educational opportunities and attainment. Also, a "difference" barrier manifested through conscious and unconscious stereotyping, prejudice, and bias.

* Governmental barriers include the collection and disaggregation of employment related data which make it difficult to ascertain the status of various groups at the managerial level. Also, inadequate reporting and dissemination of information relevant to glass ceiling issues.

* Most important, is the lack of vigorous and consistent monitoring and enforcement of existing laws and policies.

* Business barriers include outreach and recruitment practices that do not reach or recruit women and minorities; corporate climates that alienate and isolate; and pipeline barriers that restrict career growth because of poor training, inadequate mentoring, biased rating and testing systems, few or no internal communication networks, insufficient rotational job assignments that lead to the executive suite and inflexible organization that disrespect the fragile balance between family and work.

* Glass ceiling barriers adversely affect the bottom line of every business in America. They are a pocketbook issue for every working person and family.

* Corporate leaders need to recognize that they need the talent and input of women and minorities at the highest levels to better address the changing consumer markets, work force demographics, and international competition in today's global economy. Conducting business as usual will be the business of the past.

* High performing organizations practice policies that break glass ceiling barriers and are good for business. Companies with programs and policies that help people break glass ceiling barriers and fully utilize their diverse work forces are identified in the report.

* The practices include: (1) visible and continuing commitment from the CEO and an organizational culture that is supportive of work force and management diversity; (2) senior line managers are held accountable for hiring, developing, and advancing all qualified employees and their pay and rewards systems are tied to successful performance in these areas; (3) internal corporate research identifies specific barriers that impede minorities and women, and training for the entire work force addresses stereotypes and misconceptions; and (4) personnel systems identify and monitor the progress of high potential minorities and women to ensure that they acquire the broad range of experiences that will enable them to compete for leadership positions.

* The report is constructed as an environmental scan of corporate America. An environmental scan is a strategic planning tool corporations use to monitor key factors — demographic, economic, technological, political, legal, and social — and significant actors — customers, competitors, suppliers, and workers — that affect the ability of organizations to earn profits in the marketplace.

* The report clearly shows that breaking glass ceiling barriers opens up avenues to the middle class. Giving all Americans access to a quality education, quality training and skill development, and the opportunity to compete for and hold good jobs will give them a stake in the country's economic growth and ensure that everyone benefits when the economy does better.

* Because of the charged political atmosphere that the report was released into, it is being linked to the current debate now raging about affirmative action programs and policies.

* Over the years, affirmative action has become the whipping post and rallying cry of many groups with any number of agendas. It has become a code word linked with quotas, set asides, preferential treatment, lower standards, and white male backlash.

* I see affirmative action as a tool or strategy that affords qualified individuals an equal opportunity to compete for employment, housing, education, and other basic rights. It means casting the net very, very wide; making an extra effort to recruit and hire people who may not look like what corporate executives have traditionally looked like; who may not think like corporate executives have traditionally thought. In short, affirmative action means making full use of the rich talent this nation has to offer and ensuring that people have equal access to the American dream.

* Affirmative action is not an end in itself; it is a process that enables a society to put in place a set of principles. It is one means among many and must be seen in the full range of what we as a nation intend to accomplish.

* But affirmative action is being portrayed as a zero sum game. That is, for some to gain, others must lose.

* Our economy is as dynamic as it is diverse. To condone the view that achieving top jobs in corporate America is limited to an exclusive few subverts the American dream. It destroys, for all people, our basic belief that hard work and playing by the rules will lead to a better life.

* Much of the current debate, unfortunately, is being fueled by misinformation, disinformation, partial information and selective use of statistics.

* Much of the debate is also being fueled by the media in its relentless quest for sound bites and market share. Even the polls they conduct can provide often contradictory data.

* For instance, a recent Washington Post/ABC News poll said that three out of four Americans surveyed opposed affirmative action programs that give preference to minorities and women to make up for past discrimination. Note the wording – "give preference to..."

* Yet when asked what to do with affirmative action programs: leave them alone,

change them, or do away with them entirely, only 28 percent said get rid of them.

* The same day, and USA Today/CNN/Gallup poll reported that 55 percent of those it surveyed support the broad concept of expanding opportunities for minorities and women.

* What this tells us is, that depending on how the survey questions are worded, you can come up with almost any conclusion about how people feel about affirmative action.

* The Glass Ceiling Commission report makes no recommendations on affirmative action. It makes no reference to quotas, set asides, or preferential treatment.

* It does present statistical and anecdotal data and information on the state of corporate America today. And it does stress that QUALIFIED minorities and women still find themselves consistently underrepresented, under utilized and under valued at the management and decision making levels of corporate America.

* Title 7 of the Civil Rights Act of 1964 -- the cornerstone of affirmative action employment policies -- requires nondiscrimination in hiring, pay, and promotion.

* Affirmative action policies recognize and support the principle of merit. There is no conflict between a true merit selection system and equal employment opportunity laws. Affirmative action policies do not require or encourage the hiring of the unqualified or require that employment standards be modified to give preference to anyone, much less people who are not qualified.

* The origins of this philosophy go all the way back to 1941.

* With the threat of global war looming on the horizon, President Franklin D. Roosevelt issued Executive Order 8802, affirming that it was U.S. policy "to encourage full participation in the national defense program by all citizens of the United States, regardless of race, creed, color or national origin." The order also required all future defense contracts negotiated by the government contain a nondiscrimination clause.

* This order formed the basis of government affirmative action activities for the next 20 years until President Kennedy endorsed a more active approach with Executive Order 10925.

* Executive Order 10925 created the President's Committee on Equal Employment Opportunity which required government contractors to agree not to discriminate based on race, creed, color, or national origin and to "take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to these characteristics."

* This laid the groundwork for President Johnson's executive orders 11141 (forbidding age discrimination), and 11246 (transferring the functions of the President's Committee to the

Department of Labor and adding prohibitions against sexual discrimination).

- * Goals, timetables, numerical levels -- all these are products of subsequent political decisions taken during the late 1960s and throughout the 1970s that modified the original Executive Order 11246.

- * Since their enactment, every administration has supported the usefulness and lawfulness of these executive orders.

- * Another myth is that the business community would welcome the end of all affirmative action programs and policies.

- * In truth, competitive employers already practice equal employment opportunity and use goals and timetables as an integral part of their business planning and evaluation processes -- for profits, capital investment, productivity, market share, and competitiveness. Setting goals and timetables for work force diversity is an extension of this business practice which helps organizations measure their progress and growth.

- * The current debate is further confused by the allegation that the only choice we have is to keep the laws and policies we have without modification or repeal them in toto.

- * As is so often the case, a workable solution lies somewhere in between. An informed public discussion would benefit the entire nation.

- * Civil rights are basic principles of our democracy that should not be used as political grist. Other than faithful enforcement, there should be no Republican or Democratic position on civil rights.

- * We must not rush to either defend or dismantle policies. Instead, we should start defining and refocusing them within a broader agenda for economic empowerment. Breaking glass ceiling barriers is a step in that direction.

- * The report clearly shows that opening up employment opportunities opens up avenues to the middle class and beyond. Because glass ceiling obstacles are found at different levels for different groups, many qualified people are stopped in their tracks. This is a tragic waste of our nation's most precious resource -- our people -- and we cannot afford to continue doing it.

- * The future demands a new paradigm, one designed to create a cohesive, interdependent civil society in which inclusion -- in all its diversity -- is elicited and in which ethnic strengths are rewarded and differences are valued.

* It is the hope of the Glass Ceiling Commission that its fact-finding report "Good For Business: Making Full Use of the Nation's Human Capital" will contribute to this discussion.

* When glass ceiling barriers in America are forever shattered, we will have succeeded in using our skilled working people to their fullest potential. And we will have come a long way to achieving the full promise of our democratic society by making its bounty equally available to all.

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GLASS CEILING COMMISSION

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FROM: René A. Redwood *René A. Redwood*
Executive Director

RE: Business Case Talking Points

PAGES: 6 pages including this cover sheet

DATE: June 30, 1995 5:47 pm

Thank you for talking with us about the Glass Ceiling Commission. It is reassuring to know that this administration appreciates the need to move the dialogue on race and gender beyond the civil, social, and moral realm, to the economic imperative for diversity.

Attached are some talking points on the "Business Case" for diversity (3 pages), and factoids from the report on African Americans and the glass ceiling or "The Concrete Wall" (2 pages).

Please know that we are available to provide data and information on the status of women and minorities in corporate America.

Have a great weekend!

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GLASS CEILING COMMISSION

Good For Business: Making Full Use of the Nation's Human Capital

The Business Case for breaking Glass Ceiling Barriers

- * Recent studies have explicitly examined the effect of excellence in glass ceiling initiatives on the financial performance of firms.
- * A study by Covenant Investment Management rated the performance of the Standard and Poors 500 on a series of factors relating to the hiring and advancement of women and minorities, compliance with EEOC and other regulatory requirements, and employee litigation.
- * These ratings were compared to the annualized return on investment in the stocks of the same companies over a five-year period. The analysis indicated that the annualized return for the companies rated lowest on the glass ceiling-related measures averaged 7.9 percent compared to 18.3 for the top rated firms.
- * Thus the stock market performance of the firms that were high performers on the glass ceiling related goals was 2.4 times higher than that of the firms that invested little in glass ceiling related issues.
- * A second study, "Competitiveness Through Management of Diversity: Effects on Stock Price Valuation", examined the impact on stock prices of announcements of U.S. Department of Labor awards for exemplary affirmative action programs between 1986 and 1992. It also examined the effects of the announcement of settlements of discrimination lawsuits on stock returns to corporation.
- * Results indicated that stocks of award winning companies increased significantly during the 10 days immediately following the announcement of the award. Announcements of the settlement of a discrimination case had a significant negative effect on the stocks of the firm found at fault.
- * In a third study, Pillsbury Foods ran a computer correlation of financial performance with diversity performance for the nation's 10 largest food companies. Over five years, the correlation was .79, -- highly significant. For 10 years, the correlations was stronger still, .84. While it doesn't prove a direct cause and effect relationship, combined with other studies, it strongly suggests that diversity contributes to financial performance.
- * Another study matched a set of companies for financial performance over a five-year period in the 1980s. Those with progressive human resource policies, defined very broadly, showed more growth in sales and profits.
- * Numerous CEOs of profitable and highly competitive companies have gone on the public record to state that work force diversity is important to the company's bottom line.

The Business Case for breaking the Glass Ceiling Barriers

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* Paul Alliare, CEO of Xerox, has said: "Work force diversity is a priority at Xerox and adds value to our business. Diversity of our work force requires an openness by all employees in respect to age, race, gender, and thought." Xerox received the first Frances Perkins/Elizabeth Hanford Dole National Award for Diversity and Excellence in American Executive Management.

* Ralph Larsen, CEO of Johnson & Johnson, has said: "Our goal is to ensure that all of our employees have an opportunity to excel. Equal access to these opportunities is an essential element of our diverse, worldwide culture."

* Solomon Trujillo, President and CEO of US West Marketing Resources, has said: "The theme of the future must be inclusion, not exclusion -- inclusion not at the expense of any group, but to the benefit of all."

* Edwin L. Artz, Chairman of Procter and Gamble, has said: "Developing and managing a strong, diverse organization is essential to achieving our business purpose and objectives."

* Louis V. Gerstner, Jr., CEO of IBM, has said: "As the marketplace becomes increasingly diverse, IBM's competitiveness will be enhanced through a work force which reflects the growing diversity of the external labor force, and the growing diversity of our customers."

* According to Bobbi Guttman, vice president and director of human resources diversity for Motorola, the changing demographics both of the consuming public and the work force make it imperative that Motorola eventually mirror the population as a whole, from the shop floor to the executive suite. Since 1989, when the company established the Officer Parity Goal, Motorola has been committed to having its operating directors, middle management, professionals, and lower-level managers reflect the same demographic makeup of women and minorities as the national population.

* According to Linda Higuera, director of diversity and employee relations at Pitney Bowes, "Seeking a diverse work force -- one that reflects the changing nature of the population as a whole -- is a smart thing to do. For example, as new markets emerge, companies find themselves operating in a more culturally diverse environment. It makes sense that an employee population that reflects the diversity of its customers can better serve those customers. The companies with the best work forces in the future will be the companies that draw on the entire pool of available talent. It is clear that the skills for success are not related to differences such as age, cultural background, sexual orientation, lifestyle, ethnicity, or gender." Diversity speaks to the company's sense of fairness and how it treats all its employees", Higuera says.

* According to John F. Rooney, president of Ameritech Cellular Services, "It's hard to separate your beliefs on the job and at home, which is why diversity can't be a separate

function or program. It must be an ongoing process and integrated into everything you do. Ameritech's customer base is as diverse as the society we serve. As we expand into challenging new global markets, our customer base can only get more diverse."

* These corporate leaders echo the business reasons for breaking glass ceiling barriers: (1) the changing demographics of the work force will make it necessary to draw managerial talent from an increasingly diverse pool if a company wants to attract and retain the best talent. (2) the changing demographics of consumer markets, both domestically and internationally, make it necessary to have people in decision making positions who understand and empathize with the values and traditions of the markets they serve.

* Today, minorities and women are two-thirds of the population, two-thirds of consumers, and 57 percent of the workforce. By 2005, 62 percent of the entire work force will be made up of people from these so called minority groups.

* African Americans, Asian and Pacific Islander Americans, and Hispanic Americans now collectively represent nearly \$500 billion annually in consumer spending. African Americans represent a \$257 billion consumer market, Hispanic Americans a \$175 billion consumer market, and Asian and Pacific Islander Americans a \$94 billion consumer market.

* Studies are beginning to evaluate whether ethnic and gender heterogeneous groups, bringing together different perspectives, tend to make better, more creative decisions than do homogeneous groups. Diversity training programs are using exercises to test these hypotheses and are finding that mixed groups perform significantly better when dealing with complex tasks or problems.

* Glass ceiling barriers affect the bottom line of every business in America. Conducting business as usual will be business of the past.

* It's a pocketbook issue for working families because breaking glass ceiling barriers opens up avenues to the middle class and beyond.

* When glass ceilings in America are forever shattered, we will have succeeded in using our greatest asset -- our working people -- to their fullest potential. And we will have come a long way to achieving the full promise of our country by making its bounty equally available to all.

Factoids from the Glass Ceiling Commission's Research

African Americans and the Glass Ceiling: The Concrete Wall

- * African Americans are 12.1 percent (30 million) of the U.S. population and 12.9 percent of the U.S. Civilian workforce.
- * African Americans represent a \$257 billion consumer market in 1993.
- * African American men and women comprise less than 2.5 percent of total employment in the top jobs in the private sector.
- * The foremost barrier to the advancement of African American men and women is subtle racism and prejudice.
- * African American managers have less access to mentoring, are subjected to bias in their performance ratings, and are usually segregated into jobs less likely to be on the path to top management. Jobs typically filled by minorities and women have short or no career ladders so that few of the people filling these positions ever compete for the top managerial positions.
- * "Equal educational attainment does not guarantee that black men and women are getting through the glass ceiling or that they are fairly compensated". (*Minority male focus group*)
- * African American women and men with professional degrees earn only 60 percent and 79 percent respectively, of what white males earn with similar credentials.
- * Women of color often encounter different gender-based stereotypes than those applied to white women along with stereotypes relating to their race/ethnicity.
- * African American women managers have a lower promotion rate (ratio of number of promotions to years of work experience) than White women managers. The promotion rate of African-American women is related to getting good careering counseling, systematic training and development, and challenging job assignments. However, promotion was negatively related to feeling accepted by white males. It appears that African-American women managers who have advanced did so without being accepted by insiders.
- * An estimated 90 percent of Black female professionals, 73 percent of Black female technicians and 50 percent of Black female managers work in government and the non-profit sectors of the economy.
- * According to Labor Department data, in 1992, 3 percent of executive, administrative and managerial positions in the private sector were held by African American women.
- * African American women felt that they receive less organizational support than their peers, were in positions where they had less control and authority, and believed that their jobs were less likely to allow them to use their skills and knowledge.
- * Compared to White women, African American women did not perceive their work to be as significant, and were less positive about their relationships with their bosses and how their companies managed race and gender relations.
- * African American women are more conscious of their racial identity at work, felt less accepted by their colleagues, received less collegial support, and perceived a higher level of sex discrimination on the job.

- * The majority of African American men work for a living. In fact, the total African American male labor force participation rate (63.1 percent) increased by 5.5 percent between 1980 and 1990 compared to an overall 4.2 percent increase for whites.
- * The total Black female labor force participation increased by 11.9 percent between 1980 and 1990, compared to an overall 12.0 percent increase for their white female peers. In 1990, the percent of African American women, ages 35 to 44, in the labor force was higher (79.0 percent) than that of their white female peers. (Bureau of Labor Statistics)
- * African American have a successful business tradition and experience as managers and entrepreneurs. Between 1932 and 1987, the number of employees of these firms increased by 81 percent, from 121,373 to 219,685. (Bureau of the Census).
- * Private sector industries that showed the most progress in hiring and promoting African American women to executive, administrative and managerial positions were: communications (4.9 percent) and insurance (3.0 percent).
- * Those industries in which African American women made the least progress were: construction (0.3 percent), wholesale trade (0.3 percent), business services (0.5 percent), and manufacturing (0.9 percent).

In Sum:

Public hearings, private studies, CEO interviews, and focus groups, and other research contracted for by the Commission, indicate that the major barriers to the advancement of African Americans in business are the following:

- The disproportionately small pool of African Americans with the educational credentials required for senior management positions
- Recruitment practices that overlook or do not identify African Americans with the required credentials.
- Stereotypes that African Americans are not suited for leadership positions.
- Prejudice and bias that makes white middle-level managers reluctant to promote African Americans.
- Exclusion from informal communication networks.
- Reluctance of white managers to mentor African American men or women.
- Lack of career counseling and exclusion from careers ladders.
- Lack of equal access to assignments that provide key career experiences.
- Lack of equal access to assignments that provide visibility and interaction with senior managers.