



A Study in Black and White: Do Your Employees Consider Your Corporate Policies Racist?

A thought piece developed by Carlsen Resources, Inc. (CRI)

Introduction

The following is a first in a series of what we at Carlsen are calling executive-level “thought pieces.” They are designed so that we may all consider key issues that impact our personnel, our workplaces, and by extension our entire businesses – challenging our thinking in ways, perhaps, we never have before.

We hope you find great value and insight in this and subsequent Carlsen thought pieces, and we welcome your comments and suggestions. Please share your thoughts with Ann Carlsen at acarlson@carlsenresources.com.

Racism in America: Perception versus Reality

To begin to fathom the breadth and depth of the cultural and racial divide in America, one need look no further than four major news events involving athletes; three of them recent and one which dominated the headlines just over a decade ago.

The 1995 murder trial of football star O.J. Simpson; last year’s Duke Lacrosse team members accused of sexual assault; Atlanta Falcons quarterback Michael Vick’s guilty plea to dogfighting conspiracy charges; and San Francisco Giants outfielder Barry Bonds breaking Hank Aaron’s home run record amidst allegations of steroid use; all tell us in no uncertain terms that we are, in many ways, a divided nation when it comes to how we view and perceive certain occurrences. Despite facts which have proven to be incontrovertible, blacks and whites viewed each of these events differently and hold vastly dissimilar opinions about the relative guilt and innocence of the individuals involved.

Consider the following data:

- Following Simpson’s acquittal, while the majority of African Americans rejoiced, most whites felt shock and anger. U.S. News & World Report found in a survey taken immediately after trial that 55% of all blacks felt Simpson was not guilty, while 62% of whites felt he committed the murders.
- In an ESPN/ABC News poll:
 - 74% of African Americans wanted Bonds to break Aaron’s record, compared to only 29% of whites
 - 46% of African Americans felt Bonds was treated unfairly by the media, compared to just 25% of whites
 - An overwhelming 85% of African Americans feel Bonds belongs in the Hall of Fame, compared to just over half of all whites
- In a recent poll conducted on the popular web site YourBlackWorld.com, 46% of African Americans believe that the Michael Vick case involves race, while only 14% of whites believe it does.

Dr. Boyce Watkins of Syracuse University, who helped construct the Vick survey for YourBlackWorld.com, said the results are not surprising. "Every time we have a controversy in America involving race, it's always very clear that whites and blacks see it differently. The polls during Katrina, O.J., and many other tragedies showed similar trends."

These polling figures seem significant for a number of reasons, but perhaps the most compelling might be the quantitative differences between them. Whether these differences are ultimately a product of race or class, or a combination of both, this much seems clear: in America, whites and blacks view the world through the prism of personal and cultural experience and each group processes information very differently and forms opinions accordingly.

And given that as a backdrop, as businesspeople we must ask ourselves this very difficult and important question: Is it possible that a company's policies are being viewed differently by different minority groups within its overall employee base?

And, most important, could your own company's policies being deemed as racist and/or sexist by one or more of these groups?

The High Cost of Being Viewed as a Racist Organization

Having read to this point, it would be very easy to cast this document aside and go on believing that our companies are, as we've always believed them to be, racially neutral and culturally sensitive. And to some degree this may be the case.

But what the polling data above tells us is that any two groups of people may look at the same set of facts, the same combination of circumstances, and perceive them entirely differently. And for a major corporation that can be a dangerous and costly thing.

Consider, over the past few years there have been dozens of class action suits alleging corporate and institutional racism brought against American companies, and the settlements in these cases have totaled hundreds of millions of dollars.

Among the most noteworthy and/or recent:

- This past July, Nike agreed to pay \$7.6 million to settle a race discrimination suit involving 400 employees at Nike Town in Chicago. The suit alleged that 75% of the store's lowest paid employees were black, while 75% of its highest paid employees were white.
- In 2001, ten plaintiffs and thousands of members of the certified class brought a suit against food service giant Sodexo, arguing the company systematically denied promotions to 3,400 African American mid-level managers. The company settled for \$80 million, while agreeing to a monitoring program to ensure its ongoing compliance to the terms of the settlement.
- In 1999, Microsoft was hit with one of the largest discrimination suits in U.S. history, as seven African Americans alleged racism and a "plantation mentality" at the software giant. The \$5 billion suit cited one particularly chilling fact: only 2.6% of Microsoft's employees and 1.6% of its managers were black.
- Earlier this summer, retail pharmacy giant Walgreens agreed to pay \$20 million to settle a class action lawsuit on behalf of thousands of African American employees who alleged "hiring and placement discrimination."

What is interesting to note is that in all four instances, the companies above completely denied any wrongdoing, and in most cases issued statements defending their hiring and advancement practices, while at the same time reiterating their belief in diversity as a social good.

Now, the legal rationale for making such statements notwithstanding, we're confident that both sides in these cases utterly believe in their respective legal positions. And we sense that, even if money were not part of the equation and the cases were being judged on merit alone, each side would resolutely believe in the validity and sincerity of their argument.

There's little doubt that the African Americans who brought suit felt horribly wronged by their respective employers. But there's also little doubt that employers felt that they had done nothing wrong.

Why the disconnect?

Given the course and direction of corporate America over the past two decades, and the fact that so much focus has been placed on both minority hiring and equal opportunity advancement, we sense that executives at these companies truly believed they were being unfairly singled out as racist organizations. We're sure many chief executives at these companies are resolutely convinced that their policies rank among the more enlightened in corporate America.

Yet like the divided reaction to the news events mentioned above, a person's belief ultimately comes down to one simple thing: his or her own perspective, shaped by his or her personal experience and values. So with this in mind, consider your own company policies for a moment. Are they truly as fair as you believe them to be? Are they the products of another era, drawn up by a homogenous and, perhaps, small group of people and then simply tweaked and modified over the years? Or were they developed with a deep understanding of the current marketplace? Do you even know?

Taking the Right Steps

When you're dealing with perceptions, it's a tricky proposition. It's likely impossible to resolve a complex issue like this one to everyone's full satisfaction. But there are steps employers can take to steer their organizations towards a healthier, more diverse workplace environment:

- **Thoroughly review your HR policies and practices often.** Times change, and a full, periodic HR audit is a good way to keep them fresh, relevant and effective.
- **Solicit feedback from your employees at all levels.** Employees appreciate being part of the process. Just make sure you follow up with them and that they can see the results of their participation.
- **Continuously communicate.** Make sure everyone's clear on your HR policies and encourage discussion. Don't just deliver the employee handbook and walk away.
- **Seek outside perspectives.** Read what's going on at other companies, talk to peers and keep up with workforce issues and trends.
- **Walk the talk on diversity.** Let your employees know you're serious about this issue, and demonstrate that you are continuously exploring how to improve.

Ask yourself if perception is reality regarding your current workplace policies and practices. But before you do, make sure you know what the perceptions are. There are no quick fixes or easy answers. Just the willingness and the resolve to look in the mirror and take the necessary action.