

VOLUME I  
REPORT

A STUDY OF EMPLOYMENT PATTERNS IN THE GENERAL MERCHANDISE  
GROUP RETAIL STORES IN NEW YORK CITY

BY

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CITY OF NEW YORK COMMISSION ON HUMAN RIGHTS

## 1. PREFACE

This report grew out of a study of the policies and practices related to equal opportunity in the merchandise group retail stores of New York City. The study attempted to ascertain what progress has been made in the area of equal employment, and what the problems and prospects are, as reported by top retail executives during depth interviews. In addition to the results of the interviews, the study team had access to data on the ethnic distribution of the work forces for most of the study sample. These two sources of information are the bases for the findings and conclusions contained in the report.

Though Puerto Ricans are included in the discussion of the ethnic distribution data, the focus of the report is on the status of Negroes in retailing. The interviewers discovered early in the study that executives tended to talk primarily about Negro employees. Incidental references were made to Puerto Ricans during the interviews, but adding them to the discussion in a thorough manner would have taken the study beyond the scope permitted by time and money. If both become available the topic should be pursued.

The study was carried out by two sociologists employed for this purpose by the City of New York Commission on Human Rights. Two local laws empower the Commission to carry out such investigations. The study was conducted under the direction of Wayne State University and made possible by a grant from the United States Equal Employment Opportunity Commission.

July, 1966

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## 1-A. MAJOR CONCLUSION AND HYPOTHESIS

The study team did not begin with a hypothesis to test. It did end with one, plus a major conclusion. Both are set forth here as an introduction to the full report.

### A. Conclusion.

Analysis of the interviews revealed that retail firms may be grouped according to a combination of their images of Negroes as potential and actual employees, and their rationales proposed to explain the occupational position of Negroes in their firms. In this study, four groups emerged (see chapter 8). Statistical analysis of the ethnic distribution of the work forces of fifty-three firms demonstrated that there is no correlation between the Negro's occupational levels in the four groups of firms and the differentiated images and rationales projected by the retail executives in the respective groups.

### B. Hypothesis.

The position of Negroes in a retail firm's work force is inversely proportional to the competitive position of the firm in the labor market. That is, the general occupational level of Negroes is higher in firms having relatively more difficulty competing in the labor market for scarce labor.

We suggest that both the conclusion and the hypothesis are valid not only with respect to retailing, but probably with respect to business and industry generally in the United States.

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### 3. DIGEST AND SUMMARY

A survey of the employment policies and practices in the general merchandise group retail stores of New York City was carried out between December, 1965 and July, 1966. Sixty-two firms and six retail unions participated. (See Appendix A and B.)

Eighty-five company and six union executives were interviewed at length and in depth. The interviews were conducted and their content analyzed by two sociologists employed part-time as the Director and Assistant Director of the study by the City Commission on Human Rights. In addition to the interviews, statistical data on the ethnic distribution of the work force were available for fifty-three firms. The statistics were analyzed by the Director and Assistant Director. These two sources of data are the basis for the major part of this report.

A digest of the conclusions is reported at this point. The remaining chapters contain a more detailed analysis and discussion.

1. Lower level jobs in retailing have been available to Negroes for most of this century. But the presence of even a few Negroes in the upper level sales, merchandising and store operation jobs is a recent (last ten to fifteen years) development. At this level there are today relatively few Negroes, regardless of the stated policy of the firms.
2. Negroes are concentrated in the sales support and lower sales jobs. Employers referred to lack of education, lack of skills, lack of experience, poor family background, lack of "know how" in meeting the public, and personal insecurity among Negroes to explain the Negro's low status in retailing.

3. Fewer problems than executives had anticipated developed when Negroes entered the white collar occupational levels. In nearly every company Negroes are said to perform the "same as whites" at every job level. This includes the top jobs held by Negroes. Supervisors are said not to have problems related to the employment and placement of Negroes. Both of these factors—the recommendation of supervisors and job performance—are reported to be the major ones in determining promotions. However, Negroes are promoted less frequently and less quickly than other employees.
4. To the white interviewer, all but three employers referred to "family background" of Negroes as a negative factor in their employment possibilities. Not over three or four referred to this in interviews with the Negro interviewer.
5. It was frequently stated that most Negroes are satisfied with their present job level and generally do not look for ways to improve the promotion chances.
6. A consistent theme of the executives was that Negroes seeking employment today frequently have a "chip-on-the-shoulder" attitude. This is reported to be a barrier to employment and promotion.
7. It was repeatedly stated that Negroes do not know how to present themselves well to an employer. This reduces their employability, it was reported.
8. Not over ten percent of the employers have utilized private employment agencies which have been developed in New York City specifically to assist Negroes. Those employers who have used

such agencies reported that it has helped them get more qualified Negroes for the higher paying job levels. Those who don't use these agencies said that they have been unable to get qualified Negroes for the better jobs through the sources they now use. They pointed to this as one reason why Negroes are infrequently located in the upper level jobs. Private employment agencies (only because they refer very few Negroes), anti-poverty projects (with the exception of MDTA) and civil rights organizations are regarded as very inadequate sources of Negro employees.

9. Those employers who do have Negro employees relatively well distributed throughout the various job levels, from bottom to top, have made an effort to do so. The effort seems to have developed primarily as the result of their lower competitive position in the labor market relative to other retailers, or secondarily in response to civil rights pressure.
10. Employers reported that unions have had little or no effect in the retail employment picture generally, including the employment of Negroes, with the exception of one union. Unions reported the same thing. Both believe that retail unions can do little to change the employment status of Negroes.
11. Every employer said that civil rights legislation had not affected their own policies. Yet nearly all employers said that such legislation has been important in reducing discrimination in business and industry.
12. Government agencies in the field of human rights are generally

regarded as of little or no effect in the field of retailing.

13. Most employers were defensive about supplying data on the ethnic distribution of their work forces. Very few were cooperative. At least three were not fully honest with respect to these data.
14. Are the retail firms planning to change any of their employment policies and practices in order to affect the position of Negroes in retailing? In a word, "No."

Nearly all of the company executives reported that they are planning no such change for this purpose. A few do intend to alter their present procedures, but not in order to affect Negroes. However, one firm is in the process of becoming a participant in the national, voluntary Plans for Progress.

The few changes projected for the future are of two types: 1. Some firms are expanding the number of their stores. Thus, additional job openings will become available. Executives interviewed assumed that Negroes will fill many of these new positions. 2. A few firms plan to develop more formal recruiting, hiring and promotion practices. The executives of these firms said that they need to become somewhat more formal in order to increase the efficiency of their total employment procedure. It is not expected that this will improve the status of Negroes.

From the interviews with the executives one can only conclude that for now, and for nearly all of the firms surveyed, making any procedural changes in order to enhance the status of Negroes in the occupational structure of retailing has a low priority, if any.

#### 4. BACKGROUND OF RETAILING RELEVANT TO THIS STUDY

A study of employment patterns in retail firms in New York City enabled the Commission to explore an important sector of the City's economy that heretofore had been relatively untouched by Commission activity.

Over two hundred fifty thousand persons are employed in New York City in the retail business types sampled in this study, constituting one of the major employer groups in the City. These general merchandise group stores provide the largest annual payroll of any other category in the retail trade in New York City, with the exception of food stores. The annual payroll for the nearly twenty thousand food stores is only ten percent greater than that for the two thousand stores in the general merchandise group.

According to reports in the "Wall Street Journal" and the "New York Times", sales and profits of the general merchandise group firms studied by the Commission showed steady gains during the first half of 1966. Many of the stores included in this study have demonstrated similar gains regularly over the past five years. Several stores, chains and federations of stores set sales and profit records during 1965 and/or early 1966. (See "New York Times" business and financial sections for 3/3/66, 3/23/66, 3/24/66, 4/1/66, 4/7/66, 5/17/66, 6/7/66, 6/22/66, 6/24/66 and 7/2/66). This reference to the sales and profits of the general merchandise group retailers is made to indicate that the group of retailers studied is economically healthy.

In spite of its large annual payroll and economic health, the general merchandise group stores have some of the lowest paid employees in retailing. Lower level jobs in sales, stock, and housekeeping are frequently rated at \$1.25 to \$1.50 per hour. However, at the buyer level and above, annual earnings of \$20,000 to \$40,000 are not uncommon. Thus, within this one type of business there is a wide range of occupational levels and income. Employment opportunities exist from menial porter and housekeeping jobs to top level management and policy making. By carefully sampling these general merchandise retail corporations in New York City the City Commission was able to ascertain the relative position of Negroes in a highly variegated occupational structure. That is, it was possible to learn not only if Negroes are getting jobs in the retail business, but also to what extent occupational mobility exists for Negro employees.

Retailing, of the general merchandise group type, consists of three general employment categories - sales, sales support, and store operation. These categories are not always mutually exclusive. For example, some corporations may consider cashiers as sales support, others consider them as sales. In general, however, all personnel involved in direct selling and/or in assisting customers with purchasing are considered part of the sales force. These jobs may range from stock-sales combinations through buyers and merchandise managers. The latter supervises a group of buyers. In sales support are the stock, display, receiving and cashier jobs. Store managers, clericals, customer service (credit interviewers, adjustment service, etc.), custodial, personnel management, maintenance,

etc. are nearly always included in the store operation category. In each general category there are supervisors and executives directly responsible for the satisfactory functioning of employees. For example, nearly every corporation in this study has a "head of stock" position. This person supervises all of the stock jobs and is responsible to the assistant store manager, or store manager.

Theoretically, in nearly every firm studied, historically it has been possible to move from the lowest job levels to the top executive levels. Many of those interviewed could point to present executives who had begun in stock or receiving. A few pointed to executives who had started as porters. Also, it has been possible to move from one general job category to another. Eg. from sales support to sales.

Though today it does not exist in fact for most employees in general merchandise retailing, the lines of progression for promotion and transfer from one job category to another are somewhat flexible. This lack of rigidity is important to note if one is to understand the present employment patterns for Negroes. For example, that Negroes have been in the past and are today found frequently in stock and receiving jobs (sales support), thus "not getting appropriate experience," is not a wholly adequate explanation for their relative absence at upper level jobs in sales, merchandising and store operations. Yet some executives interviewed referred to this as the explanation.

It should be added though that the flexibility of lines of progression has been reduced over the past ten to fifteen years. This is especially true in the larger firms; that is, firms with two hundred to

three hundred employees or more. These firms increasingly recruit from colleges or from other firms, either directly or through agencies, for the managerial and executive level jobs. Thus, today employees in the bottom sales-support job classifications are generally not regarded as potential managers and executives in merchandising or store operations. Since Negro males are now concentrated in bottom job classifications they have little chance for promotion under present policy.

## 5. CHRONOLOGY OF STUDY

### November, 1965:

Dr. Don O. Watkins was employed as Study Director on a three-day per week basis as of November 8, 1965. The Commission began to look for an Assistant Director who would work two days per week. During November, Commission personnel and Dr. Watkins participated in briefings on the nature of the Wayne State Study and previous Commission studies of a similar nature.

Dr. Watkins contacted some retail corporations to ascertain the size of the labor force in these corporations, and to get some idea of the feasible number of corporations to include in the study. It was decided to focus on the general merchandise group retailers and food stores.

The original employer interview provided by Wayne State was pretested with the personnel managers of two department stores and one food market by the study director. He participated in the orientation conference at Wayne State during Thanksgiving weekend during which time the interview schedule was revised.

### December, 1965:

A study proposal was developed and submitted to Wayne State. It was decided to drop food stores from the study and add a wider variety of merchandise corporations. Food stores have a smaller range of jobs in any single outlet than general merchandise stores have. Usually they have fewer employees in a single store. Thus in the limited time

available it was deemed more efficient to eliminate food stores and add more general merchandise firms.

Because the Mayoralty election brought in a Republican Mayor, the commission Chairman, a Democrat, was uncertain about his future status at the Commission. As a result, he was reluctant to make initial contacts with retail corporations which corporation offices might consider "lame duck" contacts. Furthermore, some corporation personnel had indicated that during the Christmas season it would be impossible to cooperate in any study. Thus, from December 13 to December 23, Dr. Watkins was given a leave of absence, at his own request.

On December 22, Dr. David W. McKinney was employed as Assistant Director of the study on a two-day per week basis.

On December 29, Mrs. Suzanne Kohn was employed as Associate to the study on a two-day per week basis. Mrs. Kohn was responsible for all of the office work.

It was agreed that regardless of the Commission Chairman's future status a letter should be sent by him to the presidents of retail corporations that had been selected to be included in the study. A copy of one of these letters is included in Appendix C. The first group of letters was sent on December 27, 1965.

January, 1966:

On January 1, 1966 the transit strike began. Calls to the offices of several corporations in early January convinced the Commission and the director that interviewing could not begin until after the strike was settled.

During the strike Dr. McKinney and Dr. Watkins did have meetings with executives of the largest retail union in New York City, District #65. These meetings were designed to brief the study interviewers, McKinney and Watkins, on the job structures in retailing and on some of the subtle things to watch for during the interviews with employers. These briefings proved to be very helpful and led immediately to a revised statistics form developed by the two study interviewers. A copy is included in Appendix E.

Interviewing began during the last week of January.

February and March, 1966:

A new Commission Chairman took office in February.

The Commission was briefed regularly on the results of the interviews and any problems encountered in carrying out the study.

The Commission decided to defer any follow-up designed to help companies take affirmative action until after the study was completed.

Since the Commission met with several delays at the outset of the study it was decided that February and March should be used almost exclusively for interviewing as a means of "catching up." By April 1, 1966 forty-five corporations had been interviewed.

Some general analysis of the interviews was undertaken.

April, May and June, 1966:

Interviews with seventeen employers, six unions and two employment agencies were completed. Attention was given to getting the data on the ethnic distribution of the work force of the various

companies. In contrast with the generally cooperative way in which the retailers participated during the interview, forty-eight companies had to be contacted in a variety of ways in order to get any data. Some of these companies ignored Commission forms. However, twenty-four companies did complete them. The Commission decided that it would accept copies of the Federal Standard Form EEO-1 as a substitute for its own form developed for the study. In conversations with the Commission Chairman and/or the study director many executives did agree to supply copies of these completed forms.

In an attempt to have data from companies refusing or reluctant to supply any, the study director wrote to EEOC officials requesting copies of the EEO-1 from New York City retailers. Though it entailed extra work for them they did supply some, many of which needed to be used.

The study director continued to attempt to get the store executives to supply the local data for two reasons:

1. Once the Commission started action with a store it wanted to follow through so that the store would not be led to believe that it can ignore Commission requests made in carrying out its responsibilities authorized by law.
2. The Commission needed data on the New York City stores. Many of the firms had sent consolidated reports to Washington (i.e. Some firms had data on the New York City stores consolidated with data on their outlets outside of New York City). Such reports would not be used unless no other reports were available.

Data for fifty-five firms were obtained. For thirty companies, usable data was received between late May and early July. Analysis of these data was greatly delayed by the general lack of cooperation among the retailers, including many who verbalized a "sincere desire to cooperate in all efforts to improve the situation for minorities."

From mid-May until July the study director needed to spend much time in getting and tabulating data. The assistant director then undertook the task of analyzing the data statistically. Both engaged in the content analysis of the interviews and the statistical data.

During early June, briefing sessions dealing with the nature of the final report were held at Wayne State University in Detroit. The Director, Assistant Director, and the Deputy Director of the New York City Commission participated in these sessions.

## 6. METHODOLOGY

A. Selection of Retail Firms, Unions and Employment Agencies. The retail firms studied were selected in the following manner: A list of nearly one hundred department, specialty, variety, clothing and shoe stores with outlets in New York City was compiled. Using the following criteria this number was reduced to eighty-three firms to be included in the survey:

1. Some firms which have national or regional headquarters in New York City were selected. This enabled the Commission to work with retail businesses that may possibly affect employment practices beyond New York City.
2. Some stores relatively accessible to the population distribution of Negroes and Puerto Ricans were selected. It was assumed that this would enable the Commission to determine the vertical occupational mobility opportunities for Negroes and Puerto Ricans in areas where they presently live. Of these firms some were neighborhood stores rather than affiliates of national or regional chains.
3. Stores were selected in such a way that all five boroughs of New York City were represented in the survey.
4. Stores were selected in such a way that the wide range of size of work force would be represented. The smallest store has twenty-seven employees, the largest firm over fifty thousand.

For various reasons only sixty-two of the eighty-three firms were surveyed. Some stores were dropped because they are small, family

businesses. In a few cases interview appointments were made and cancelled by the store after the interviewer arrived. For lack of time these could not be rescheduled and completed. In one case the Commission was informed that the executive to be interviewed had broken his neck. In only one of the nineteen companies not used did it seem that the store was attempting to avoid the interview. Since this store was not a major one relative to the purposes of the study, the Commission decided not to pursue the matter at this time. It may subpoena the executives at a later date.

Of the sixty-two retail firms surveyed, six are shoe stores, five are furniture stores, fourteen are clothing stores and thirty-seven are either full or specialty department stores or variety stores. Included are national chains, major local firms with national reputations and in some cases with outlets in other cities, local stores that are associates of national federations, high fashion stores, low price and discount houses, and some firms with local outlets only.

A list of the names of the sixty-two firms which participated in this survey is included in Appendix A.

It soon became clear that unions were generally considered by retail management to be relatively unimportant factors in the presence or absence of Negroes and Puerto Ricans in retailing. Only a few unions were considered to be significant in any phase of retailing represented by the sixty-two stores in this study. Six unions were included in the study and selected for the following reasons:

1. They represent the variety of occupational categories found in the retail trades. Eg. Warehouse, sales, tailors and workroom, etc.
2. They emerged from the interviews with management as among the most significant retail trade unions.

A list of the names of the six unions is found in Appendix B.

The unions were interviewed after the firms had been, and the focus of these interviews was on the practices of the firms in the area of equal employment. In addition, union interviews were carried out to ascertain union policies and practices with respect to those of the firms.

Interviews were held with a few employment agencies that direct their attention primarily to opportunities for the placement of Negroes. These interviews were granted on the assumption that the names of the agencies would not be revealed. Thus they are not listed here. The major purpose of these interviews was to discover to what extent they have been utilized by retailers and for what job levels. The fact is they have been utilized by only a handful of companies, and by only one for the middle and upper job levels.

#### B. Contact with the Retail Firms

A letter was sent from the Commission Chairman to the president of each corporation or to the regional manager, if corporate headquarters are not located in New York City. The letter indicated the general nature of the study and requested the cooperation of the corporation. A copy of the letter is included in Appendix C.

The letters were mailed out on a staggered basis, eight to fifteen

at a time. This procedure was followed in order that the appointments could be made and interviews carried out within a short time after the corporation had received the letter. In general this worked out well. The person(s) interviewed had read the letter shortly before the interview and usually did not need to be refreshed on the matter at the outset of the visit.

Appointments with the person(s) to be interviewed were made by phone. The Study Associate arranged the appointments, in most cases. She briefed the interviewee or his/her secretary about the general areas to be covered during the interview, and the minimum length of time it would take to complete the interview (two hours). If the interviewee asked for specific information, she talked very generally about the content of the interview, emphasizing that we were interested in exploring employment opportunities. Discrimination and exclusion were not raised as issues by the Study Associate and only infrequently did an interviewee ask about it during the initial phone conversation.

Nearly every corporation approached cooperated in the interview phase of this study. In only five or six cases was it necessary to make any special effort to get the cooperation. In three of these the Commission Chairman sent a terse second letter. (Copy included in Appendix C.) This brought immediate cooperation.

Though many company executives were not enthusiastic about spending two hours in an interview, nearly all became sufficiently interested and involved during the interview to spend more than two hours talking about company policies and practices. One interview lasted five hours without a break. Most were at least three.

In some of the interviews two to four company executives participated. At times this meant that ten to twelve hours of top executive time was committed to the interview. Eighty-five executives were interviewed. Two are presidents and one is a partner. Thirty vice-presidents, twenty-nine personnel managers, eighteen general and/or operating managers, seven controllers and/or corporation treasurers, two industrial and employee relations directors, two corporation secretaries, one director of executive management trainees, and one public relations director constituted the other executives who were interviewed. Ninety-three positions are listed because some of the executives held more than one position.

None of the retail corporations have had government contracts. Thus the pressure related to contract compliance is not a factor in the cooperation of the retailers. For most companies this was the first official contact with the Commission. Thus, they had never experienced any pressure from the Commission which would have led them to believe that there would be any now. Both of these points are noted to point out that ninety percent of the companies contacted were highly cooperative of their own volition during the interview and four phases of the study.

Both investigators tried to establish an easy informality at the outset of the interview. They discovered that starting with an open-ended discussion of both the job structure in the corporation and the existing opportunities for Negroes and Puerto Ricans set the stage for useful probes when the interview schedule was utilized. For example, during the initial open-ended discussion, the interviewee frequently pointed proudly to specific Negroes who "have moved up to supervisory positions." This

made it difficult later to maintain that "we don't keep records of Negroes so we don't know what jobs they hold." We only needed to refer back to that "very nice girl who is head of stock" to remind the interviewee that he or she does know where some Negroes are in the job structure.

At the conclusion of the interview the statistical forms were left with the interviewee. He was asked to complete the forms and return them to the study director in the stamped envelope addressed to the Commission.

In some cases a tour of the customer-contact areas was made immediately following the interview. In others, a later unannounced tour was made of the selling departments.

#### C. Adaptation of the Interview Schedule

During several sessions together the two interviewers analyzed the interview schedule in depth. The basic format of the interview was not changed. However, a number of probes were developed.

These probes were designed to get at the rationale for the ethnic distribution of the store's work force. For example, during the initial stage of the interview the executive was asked, "What would you say are the opportunities for Negroes and Puerto Ricans in your store?" Nearly all said the opportunities were "good" to "excellent." Later the executive was asked how Negroes worked out on the jobs relative to white employees. The answer usually was "about the same" or "very good," or "the same at the same job level." During the part of the interview dealing with promotions most executives indicated that Negroes generally have not been and are not promoted at the same rate and in the same length

of time as white employees. They were asked to relate these responses about promotion to the previous responses about opportunities and the relative job performance of white and Negro employees.

#### D. Assignment of the Companies to the Interviewers

It should be noted that the interviewing team is biracial. Both are sociologists teaching in the same college in New York City--one in sociology, the other in education.

Since the professional backgrounds of the interviewers are similar, it was considered desirable to divide the companies in such a way that each investigator would interview a representative sample of all the stores included in the study. Thus, one interviewed Macy's the other Gimbel's; one interviewed Bonwit Teller, the other Bergdorf Goodman (both high fashion specialty stores); etc.

By dividing the stores in this manner, it was assumed that if thematic differences emerged in the patterns of responses from the two sets of interviews, the ethnicity of the interviewer might be a factor. One difference did appear. To the white interviewer nearly every executive referred to "poor family backgrounds" of Negro applicants and employees. Only two or three did so to the Negro interviewer, and then only in response to probes.

#### E. Relation of Study to Commission Action

Discussions of the results of the interviews were held regularly with the Deputy Executive Director of the Commission. Throughout the study the Commission Chairman was briefed on all aspects of the study.

The Commission decided to develop possible follow-up techniques after the study rather than during it.

## 7. FINDINGS

The interviews with the eighty-five executives explored many areas of employment as practiced in retail firms. The interviews were usually long and generally cordial. The executives, in most cases, seemed to want the interviewers to get a good picture of their firms. That is, they tried to help us really understand how the firms actually proceed and why. There were some notable exceptions to this, but it is generally true.

The exceptions to the above statement were not confined to any one type of store. The executive of one "high fashion," high status store was so evasive and/or dishonest that he may be subpoenaed for a hearing. But this was also true, for a small, low status store.

The one area of the interview that seemed most to irritate the spokesmen for at least fifty companies was that dealing with providing data on the ethnic distribution of the work force. Some executives became hostile. Many became defensive and evasive. Some refused "as a matter of principle." That data did become available for fifty-five firms (two, arrived too late for detailed analysis) is not due to the "cooperativeness" of most of these companies. This may not be surprising, but should be noted alongside the responses made to the interviewers' assurance that the content of the interview would remain confidential to the extent that no company would be identified with respect to any specific policy or practice. Most executives, but not all, said that it didn't make any difference. "We have nothing to hide. It's all open here." And many added, "Why should our company care? We're proud of our record in this field."

The attitude of some executives toward providing data on the ethnic distribution was clearly demonstrated by one man in a telephone conversation

with the study director. This spokesman for a "Fifth Avenue-type" store told the director that his firm had not submitted a completed EEO-1 to the EEOC in Washington. He was requested by the director to check just to make sure.

"I don't need to. I know. We reported only the total numbers of Negroes, Spanish and white. We didn't break this down by occupations. And we won't for you."

During the conversation the director was holding a complete copy of the EEO-1 which this executive had signed and sent to the EEOC.

When the statistical data are analyzed it becomes clear why some firms were not enthusiastic about making them available. These data are presented and analyzed in chapter eight of this report.

In this chapter the other areas of the interview are analyzed.

#### A. Negroes in Retailing: Past and Present

Most executives were unable to pin point the exact year when Negroes were first hired by the company. Yet usually they were able to state that by a particular year Negroes had been employed. According to them at least half of the firms had employed Negroes by 1940, and nearly one-third had even by 1930. Of the firms established prior to 1950, only three or four had not employed Negroes by that date. Only one of the sixty-two firms does not have Negro employees today.

Some jobs in retailing have been available to Negroes for most of this century. These have been porter and maid level, warehouse, delivery, receiving, stock and wrapping—the lowest job classifications in retailing. In a few firms Negroes initially were hired for sales and clerical

jobs. But generally these are firms that did not hire Negroes until after World War II.

Most of the companies began to employ Negroes in white collar jobs between 1945 and 1960. Yet at least ten did not do so until later. Usually Negroes entered this classification through the lower level sales and clerical jobs. However, a few entered as cashiers, and one executive reported that the first Negro in a white collar job with his firm started as an assistant buyer in 1947.

In retailing Negroes first entered white collar jobs in one of four ways. The most frequent way was by answering newspaper ads. Second, some simply walked in to the personnel office and filed an application. Third, some stores first hired Negroes after agencies, employees, or unions referred applicants to the personnel staff or the manager of a department or store. Fourth, about twenty-five percent of the firms promoted Negroes from blue collar and unskilled jobs. Generally this was from a non-sales job such as stock to the sales force.

Several stores used more than one method to recruit Negroes initially for white collar jobs. Yet very few stores used any methods different from those used to recruit white employees. Indeed, nearly all executives reported that Negroes have become white collar employees in the same way any employee does so. They did indicate however, that very few Negroes were referred from private agencies. Yet such agencies are regarded as good sources for the middle and upper level white collar jobs. In this respect, there is a difference in the way that Negro and white employees have been recruited for these job levels, a difference that most

executives readily acknowledged when it was called to their attention.

Those executives who could personally recall when Negroes first entered the white collar job levels reported that there had been little or no complaint either from white employees or customers. Most indicated that some trouble had been expected. But it did not materialize. As one executive put it "...some white employees did threaten to quit. They didn't, and we really have had no friction."

One union executive reported that there is considerable friction between white and Negro employees in the lower level jobs. He reported that management wants the union to handle any such complaints of friction among employees. But he agreed with the picture projected by the company executives--there was very little overt hostility when Negroes moved into white collar jobs, and whatever there was has nearly vanished today.

Interracial friction and animosity among employees flares up occasionally. Yet company executives are inclined to believe that these are usually situations in which two or three people have personality conflicts, and that race is only a secondary factor. Thus, moving Negroes into white collar jobs has not produced significant personnel or customer problems. In fact, nearly all of the executives indicated that having Negro employees in the middle and upper jobs attracts Negro customers. Though there are significant exceptions, primarily among the "high fashion" stores, most of them stated that they want to attract the Negro buying market.

Retailers are not only concerned with how employees get along. They are primarily interested in how well they do their jobs. We probed

the question, "How have Negroes worked out on white collar jobs?" in order to get the executives to talk about the job performance of Negroes relative to white employees. The typical response was that Negroes "work out about the same" or "no different from white employees" on the same job levels. One representative response was, "We get no more complaints or praise from supervisors (about Negroes) than for any other employee."

Over a fourth of the firms interviewed by the study director said that Negroes work out "as well as white employees" because, "we are very careful in the selection of them". These companies feel that they need to be more selective in hiring Negroes in white collar areas, "to be sure that he succeeds. We want to avoid any problems..." for the company and/or the employee. This policy, if practiced, would tend to reinforce a feeling which exists among some members of civil rights organizations that Negroes are expected to be more qualified than white applicants in order to be hired for the middle and upper level jobs. This in turn may deter some Negroes from applying for such jobs in retailing.

Frequently the interviewees equivocated about the relative performance of Negroes. An executive would often follow-up his statement that Negroes work out "about the same" with a remark such as, "Well I guess I'd say that the proportion that is qualified is not quite as great as among white employees". Or, "We have had to bend over backwards with some of our Negro executive trainees..."

The executives of only four companies reported that Negroes do less well than whites in the white collar jobs. One of these was quite

direct: "It is the rare Negro applicant who can do simple things like making change. Also they have a chip on their shoulder and this causes friction..."

If Negroes are regarded as employees who work out as well as their white counterparts and if Negroes have been in the white collar jobs for ten to twenty years it is reasonable to assume that they would have reached the upper level jobs by 1966. Except on a token basis, such does not seem to be the case.

No firm in this survey has ever had a Negro become an officer of the company. Though one large corporation did report that in 1966 a Negro would be promoted to a vice-presidency. There are very few firms with Negro buyers. None reported Negroes as merchandise managers. At least twenty percent of the firms have no Negroes in any supervisory capacity. None of the firms consisting of outlets only in New York City have Negro store managers. A few, but not all, of the national chain stores do have. Some of the stores have no Negroes in the "high sales" jobs (i.e. furniture, major appliances, rugs, jewelry, etc.).

The ethnic distribution of the work force in the fifty-five companies for which such data were available revealed Negro males concentrated in the lowest job categories and white males concentrated in the upper levels. Negro females are concentrated in the clerical category and white females in sales.

Data from Federal Equal Employment Opportunities Commission form EEO-1 were available for thirty-eight companies. In sixteen of these, the job classification with the largest percentage of Negro males in #9 (Service workers, such as attendants, guards, elevator

operators, watchmen, etc.). In ten companies it is #8 (unskilled laborers). In twenty companies the largest percentage of white males is in #1 (Officials and management), and in eleven companies it is in #4 (Sales personnel).

In twenty-two firms the Negro females are concentrated in #5 (office and clerical workers); while in twenty-five companies the white females are concentrated in #4.

Retail executives explained this disparity in job level concentration by referring to one or more of three conditions they say exists: Negroes lack personal qualifications and background, experience and education. One typical explanation was: "We just haven't gotten that many Negroes who have the combination of education, ability, experience and judgment."

Not over five or six firms indicated that the job concentrations of Negro and white employees had developed as a result of company policy. As one executive said, "This pattern is by accident... there is nothing to keep them (Negroes) out." Over and over the executives repeated that, "the opportunity for Negroes is open from bottom to top, as long as they're qualified."

## B. The Recruiting Process and Negroes

Most of the executives interviewed in this study said they would hire more Negroes for all job levels if more qualified Negroes were available.

Several questions were asked which encouraged the executives to discuss the employment of experienced Negroes. For example, they were asked, "Has your company encountered any problems in getting experienced Negroes to apply?" Also, "Has your company experienced difficulty in hiring Negroes for other than service and unskilled jobs?"

Only three companies answered "no" to the first question. The explanation was that experience is not needed in order to be hired except for the managerial and special skill jobs. A few executives said that very few experienced Negroes do apply, but they did not regard this as a problem since they have enough experienced applicants to fill the job openings.

Only two companies reported no difficulty in hiring Negroes for other than service and unskilled jobs. Yet neither company has many Negro employees in the white collar jobs. In fact, one of the companies has no Negro males in sales and other jobs above the clerical level. Over ninety-one percent of their Negro male employees are in the service and unskilled job classification.

What these two companies report as their experience does not correspond with the actual job classifications of the Negro employees in retailing—both male and female. Though a few executives said that they did not know what the situation is, most of them reported that their companies have difficulty getting experienced Negro applicants,

particularly for the skilled and white collar jobs. Thus, nearly all companies reported difficulty in hiring Negroes for the middle and upper level jobs, and in many cases for sales jobs as well.

As seen by the executives, the major difficulty is simply "we can't find them with qualifications" for these kinds of jobs. The explanation for this was rarely related to company policies and practices. Eight executives did say that in the past, Negroes had not had full opportunity in retailing and therefore qualified Negroes had been discouraged from seeking employment in this business. But generally, deficiencies in Negroes were pointed to as the reasons why stores experience difficulty in hiring Negroes for the better jobs. Lack of education, low ability, poor family backgrounds, lack of direction, lack of initiative, lack of "extra drive and push," unwillingness to accept responsibility, unwillingness to start at the bottom and work up, low aspirations and personal insecurity were frequently referred to as the problems encountered by personnel executives in placing Negroes in better jobs.

Retailers believe that other companies in New York City experience the same problems with respect to recruiting and hiring Negroes.

When asked how they go about handling these problems, most of the retail executives said they don't do anything about it. Generally they felt that there is little the employer can do about it. "It's their (Negroes') problem not ours. We're in business, not in social service." Even some of the Plans for Progress firms indicated that they do nothing about the problem. One wonders why this is true, since essentially

the Plans for Progress is a voluntary, private program designed to encourage business and labor to engage in equal employment activity that will improve the employment status of minority groups. The federal government under an Executive Order provides some administrative support. Over three hundred firms in the United States participate.

About twenty percent of the companies report that they do try to deal with the problem. Most of these say that they "develop the potential" of Negro employees and promote from within. Yet very few of these companies have demonstrated a substantial breakthrough for Negroes into the middle and upper level jobs.

Representative of the few companies in which Negroes seem to have made gains at the white collar level is one which reported its position this way:

"Education-wise, the white applicant seems better, but if you're willing to train from their potential, then hiring Negroes for white collar jobs is not a problem. I've found I can take persons who by education and experience would be considered second or third rate and train them. The girls at the switchboard, why on Fifth Avenue they wouldn't be able to get a job, or at \_\_\_\_\_'s either. Here they can, and they work out good. Take the girl that was in here for the past hour. I hired her two weeks ago. I'm training her now. She is out at the switchboard now. She is going to do O.K. if I'm patient."

This executive reported that two out of three Negro white collar employees work out well with his company.

The vice-president of another firm declared that stores who say they can't find Negroes for the management level jobs "just aren't looking for them."

Are the New York retail businesses surveyed "looking for Negroes"?

Most companies have not developed either policies or practices designed to seek out and encourage the employment of Negroes. These companies believe that "since we don't discriminate" there is no need to recruit Negroes. As one Vice-President for Personnel said:

"We don't need to because we have always had equal opportunity here for anyone, as long as they are qualified."

Thirteen companies reported that they have informal policies and practices designed to recruit Negroes. A few of these have held informal discussions at the executive level about this matter. Some of the executives believe that these discussions have encouraged department managers to look especially for Negroes to promote. In two or three firms the discussions have led to the circulation among management of formal statements declaring an open hiring and promotion policy.

Although the executives of all thirteen of these companies believe that their informal policies have improved the opportunities for Negroes, none could point to specific situations in which Negroes have been hired or promoted as the result of such policies.

Eight companies belong to the federally supported, voluntary Plans for Progress. Only one of these companies considers this a significant part of its recruiting procedures. Five of these companies

participate through the national office of their federation of stores. Only one of these five indicated enthusiasm for the program, and one was openly hostile to the entire idea. The vice-president of this company indicated that he participated only because it is federation policy.

As indicated, only one of the eight firms reported that it participates in Plans for Progress in order to recruit more Negroes at all job levels. Among the other six which are not hostile to the program it is felt that belonging to the plan is desirable in order publicly to affirm "what has always been our policy anyway."

It is significant to note that in six of the Plans for Progress companies, Negro males are concentrated in the service and unskilled job categories. In the other two, the job classification with the largest percentage of Negro male employees is clerical. Yet in six of the eight firms the job classification with the largest percent of white males is officials and managers.

In these same companies, Negro females are concentrated in clerical and sales, as are the white females. However, a somewhat larger percent of the white females are in the white collar and skilled craftsman jobs than are Negro females. Thus, the pattern of employment for Negro and white personnel in the Plans for Progress companies is no different than in the other forty-seven companies for which data was secured.

It is also interesting to note that though one of the Plans for Progress companies, a national chain, was very cooperative from the interview phase of the study to providing data on the ethnic distribution of its work force, the other seven, at one or more stages of the study, were among the least cooperative firms surveyed.

Though it may not be the case, the data on the ethnic distribution

of the work force in the Plans for Progress companies coupled with the statement of executives in six of the eight participating firms suggest that Plans for Progress is used primarily for public relations purposes. If the Plan is an effective way of recruiting Negro employees it is not known to be among the New York City retail executives surveyed. Not over five or six executives in the non-participating firms had ever heard of it.

Though two-thirds have had contact with anti-poverty programs and/or civil rights group, only fifteen of the firms in the study reported that they have initiated action to reach out into the Negro community to recruit applicants. For a few this has meant recruiting at Negro colleges for management and other upper level jobs. Howard University was most frequently mentioned, but almost a dozen Negro colleges were named. Most of the executives who have included Negro colleges in their recruiting trips indicated that they have not gotten many applicants this way.

Trade schools, high schools and integrated colleges are not used by many retailers to recruit employees. Only eight use high schools. Twelve use trade schools. Twenty-one use integrated colleges. None are used in order to recruit Negroes, though a few do alert colleges "to be on the look-out for qualified Negroes."

About a fourth of the firms do go to the public schools to inform teachers, counselors and students about retailing. But this is not considered to be an integral part of the recruiting practices. And, with rare exception, these programs are not at all designed to inform Negroes about positions open to qualified Negroes. Yet many of the executives complained that young Negro applicants are unfamiliar with retailing -- its nature and opportunities.

One firm is beginning to focus on the high schools as a source of employees. The spokesman for this company said:

"We seek out high school graduates who are not going to college, but have a good potential. We want to develop a pool of promotable people. We work with counselors and teachers on this. I think its going to pay-off for us."

Though this program is not designed to recruit Negroes, the interviewee believed that it will tend to open up better positions for Negroes more rapidly than any other recruiting practices.

A few companies are active in the Distributive Education program in cooperation with the City Board of Education. Again this is not done specifically to inform or recruit Negroes. However, two executives of one store did indicate that "this does bring in Negroes." Another executive reported that "this will be a good source for getting more Negroes as employees at all job levels."

For lower level jobs some anti-poverty organizations have been used in the search for Negro employees. JOIN, Mobilization for Youth, HARYOU and MDTA were most frequently mentioned in this respect. In addition as noted, the Distributive Education program was regarded as a source of potential Negro employees. In most cases the retailers have not contacted these programs. Representatives of the organization have approached the business firms, and generally with little enthusiasm the firms have agreed to cooperate by trying out some applicants. Only the MDTA and Distributive Education are felt to be useful services. In fact, most executives felt that the other

programs are useless and in some cases worse. As one vice-president put it, "None of these programs are helpful and they take up our time. They are all poor sources." Others used even stronger language.

Some of the fifteen firms that "reach into the Negro community" have contacted the NAACP and Urban League. A few have either gone to Negro ministers or have been approached by them. Except for the Urban League with a few stores, and an occasional minister, these sources have not produced Negro applicants and employees. Some executives had been disappointed to learn from the NAACP that it does not operate as an employment agency. Several felt that if the civil rights organizations pressure business to hire Negroes they ought to send Negro applicants. That is, several of these executives felt that the organizations should recruit Negroes for the firms rather than the firms going out to recruit in the market for Negroes.

Nearly all of the sixty-two retail firms surveyed use public and/or private employment agencies, at least for some job levels. The public agency most used, New York State Employment Service, is used almost exclusively for the low level and unskilled jobs. There were mixed reactions regarding this as a useful source of applicants. Most executives felt that it is not generally a good source, though some reported it to be a very good one for lower level jobs and on a par with private agencies at this level. Executives of firms who have used this public agency estimated that six to nine out of ten applicants from it are Negroes. And it is regarded by them primarily as a referral source for Negroes.

A wide range of private employment agencies are used, especially

for the specialized skill jobs, such as typist, keypunch operators, etc., and for management and professional jobs.

Though few of the agencies reportedly inquire about company practices with respect to hiring Negroes, one executive maintained that a code is used by employment agencies. According to this executive, "If you question what the code means they will say: 'Oh don't you know-someone whose skin is dark!'".

Whether inquiry is made or a code used is practically irrelevant. Nearly all of the executives reported that Negroes are rarely referred by private agencies for the white collar jobs. The executives who made an estimate reported that well over ninety percent of the referrals are white, and some companies have never had Negroes referred by private agencies. Thus, private agencies are seen as sources of white employees. Forty-two companies reported that private agencies are one of the major sources for employees at the executive and managerial level. What this means for Negroes is obvious.

Though there are several private employment agencies in New York City who handle Negro referrals almost exclusively, only five of the retail firms reported ever using them. Only two firms use them for all job levels. Executives in both of these companies felt that such agencies are a good source for qualified applicants. Other than the five firms who use them, not over five other executives interviewed could name any private employment agencies that are primarily Negro. Two of these agencies are nationally known. Yet only eight executives said they had ever heard of them.

When retailers recruit for the sales, service and unskilled job

levels, agencies become relatively less important sources of applicants, and newspaper ads and "walkins" more important. At the lowest job levels these are the primary sources of applicants.

A few of the firms use foreign language papers to advertise job openings, especially for tailors and at times for carpenters. However, most newspaper advertising for employment is done through the "New York Times". In general, the executives maintained that nearly all other newspaper advertising is useless. When asked, "Have you ever advertised in "The Amsterdam News" (known as a "Negro weekly")?", the usual responses were "No, it never occurred to us" or "No, it would not produce applicants." Only three firms reported that they have used the "Amsterdam News". Though they have never tried this paper, executives of the other companies maintained that Negroes who are looking for jobs would use some other paper as a source of information for openings.

Nearly all of the executives reported that when Negroes do apply for jobs they are screened in the same way any other applicant is. The personnel policies and procedures used in the firms surveyed are very similar to those in other businesses of comparable size and job classifications. In the smaller companies the store managers and department managers do the screening and hiring. As the firms become larger the process becomes more structured, with the responsibility resting with the personnel departments.

Except for informal arithmetic and clerical tests, testing was reported to be infrequently used by the firms surveyed, and it was almost never discussed as a major facet of the employment process.

In sixteen companies the Wonderlic, a quick-scoring intelligence test, is given to the applicant for managerial and/or executive jobs. However, except for screening potential participants in the executive training programs this is not felt to be a crucial factor in employment.

No executive questioned the validity of standardized tests. However, usually spokesmen for the firms who use such tests reported that job performance, not test performance, is the deciding factor for employment and promotion. Not more than five companies reported using tests at all for promotion purposes.

Some executives who use formal tests reported that Negroes have more difficulty with them than white applicants. A few indicated that they are more likely to discount the results for Negroes than for whites. Yet they did not regard this as preferential treatment. They simply felt that the potential ability of Negroes does not show up so well in formal test situations. But Negro or white, an applicant is unlikely to be turned down on the basis of test results alone, according to the company executives.

Regardless of the size of the firm, the executive interviewed was certain that no qualified applicant was ever intentionally turned down unless there was no job opening at the time of application. Three or four executives indicated that it is human to err and thus probably at times a qualified applicant had not gotten the job. All asserted that the race of the applicant would never be a factor if a qualified person were turned down.

There is one way in which the Negro applicant usually confronts a different screening process than the white applicant. He will rarely talk with another Negro during the entire screening process from reception to employment. The executives with whom this situation was discussed felt that the absence of Negroes in personnel departments and the screening process has had no negative effect on Negro applicants. Five or six were asked what they thought would be the effect on their recruiting if all employees in personnel were Negro. All felt that it would deter many qualified white people from applying with their firm. One said, "Well we'd soon be a different store. Our image would change. We'd be regarded as another \_\_\_\_\_ (a store handling less expensive merchandise, serving a large number of Negro customers) and not a Fifth Avenue store."

During the discussion of the screening process two executives did report that their firms are attempting to employ Negroes in the personnel departments.

When asked why there are no Negroes in their personnel departments one or more of the following responses were made: 1. Negro college students don't study personnel in college. They don't train for it. 2. Negroes never apply for personnel work with us. 3. Negroes don't have the background and experience for personnel work.

In the light of the responses it is interesting to note that the director of the ABC employment agency (one handling Negro applicants almost exclusively) indicated that Negro college students who matriculate in the business curriculum most often major in personnel

rather than business administration, accounting, merchandising, etc. He reported that he frequently counsels applicants to seek other areas because "personnel does not have as much opportunity for Negroes." In contrast with the retail executives, he maintained that it is very important to young Negro applicants to come in contact with Negroes someplace during the recruiting and screening process.

A few executives reported that they favor some form of preferential treatment of Negroes in the recruiting and hiring process. Executives in sixteen firms said that under certain conditions preference should be given to Negroes. Usually it was stated in this way, "I wouldn't give outright preference, but if he has the potential, I'd probably give the Negro a break." Only four firms reported that they actually had ever given Negroes preferential treatment.

Most executives were adamantly opposed to any form of preferential treatment for Negroes. To these executives this was regarded as "discrimination in reverse." A typical reaction was expressed by one executive who said:

"We oppose it. All should be treated alike—based on ability and qualification. It would defeat the purpose of equal opportunity if you hire someone just because he's a Negro. I'm on the board of the Anti-Defamation League and have been very active in this field. But this whole business is being overdone by government and civil rights groups. They've gone too far. It is just as wrong to do this for Negroes as to do it for whites. If the colored are willing and anxious to move ahead, we'll go all out to help, but we will not give preference. We'll push any employee who is anxious and willing to get ahead. But preference would tend to hurt our business. It would drive away customers and hurt the morale of our white employees. It would be a grave injustice to Negroes to give them preference. It will hurt them...."

Other executives felt that it is not only unfair but unnecessary:

"No. It should not and cannot be done. Our record—we're proud of it—will show we wouldn't need to. There is no inequity to correct at \_\_\_\_\_. We have...Negro buyers and...assistant buyers. We have several department managers and some floor managers who are Negro. Anyone could have if they want to. But you don't use preferential treatment. That's reverse discrimination—and you don't have to do it. You can find Negroes among your own employees who have ability to move up."

In this company the job level with the largest percent of Negro males is the service category. Thirty-eight percent are in this classification—the lowest job category. In contrast, forty-five percent of the white males are found in the officials and managers category—the job classification with the largest group of white males.

The executives interviewed for this study believed, with few exceptions, that the doors to their firms are open from bottom to top for Negro applicants. Few, if any, have discovered and used effective means of recruiting more Negroes for the middle and upper level jobs. Many expressed disappointment about this. They said they are puzzled about what can be done. Generally they reported that they have done nearly all that they can do. Nearly all say that the rest is up to Negroes and the institutions of society—in particular, education.

Though the executives believe that there is little more the companies can do to recruit Negro employees, the evidence from this study is clear, in all but a few firms, recruiting Negroes has been little more than a peripheral, incidental and coincidental activity and generally unsuccessful for the middle and upper level jobs.

Unless more effective techniques are developed to recruit Negroes for middle and upper level jobs on a larger scale the current practice of relying on the sources of white applicants (ie, the private agencies presently used by retail firms) will continue to reinforce the concentration of Negroes in the bottom occupational areas of retailing. This will have the effect of excluding Negroes, in large measure, from the middle and upper levels regardless of the retail firms stated policies of favoring "equal employment and promotion opportunities."

### C. Training, Upgrading and Promotion

The executives interviewed were asked whether their companies had ever worked together with other companies "to establish and subsidize training programs for minority group members to teach them the skills needed in retailing." This opened up discussions on the whole area of training and promotions.

Not over two or three executives favored such a cooperative, subsidized program. Most said that the skill requirements to enter retailing are so low that it is unnecessary to establish training programs. Further, many said that each store's operations are so unique that it is more efficient to hire for potential and train on the job, except for certain skills, such as typing. So, according to the executives, if Negroes with potential apply for employment they will be hired and trained on the job.

Very few retailers surveyed have formal training programs, except for executive-level training in some of the medium-size and larger firms. Four companies do have a few apprentices in the building trades—electricians and carpenters. But retailing doesn't lend itself to apprentice programs generally. A few companies are participating in Manpower Development and Training Act (MDTA) programs. With one exception, the executives considered this an excellent program, and one that does secure more trained Negro employees for the company. One executive became so enthusiastic about MDTA that he is encouraging government, business, and labor officials to extend the program beyond its present scope.

Most of the training programs below the executive level are small and informal. A stock boy may work part time as a sales clerk. Or, a wrapper may work closely with a cashier and learn this skill. A sales clerk may be tried out as an assistant department manager. Or, a clerical may move into the accounting department. Occasionally a sales clerk will move from slippers to a higher sales area in shoes and be taught informally on the job.

A few companies supplement this informal, individualized, on-the-job training program with classes for employees in retailing and merchandising. Some of these classes are offered on the company's time, some on the employee's time. Nearly all operate on a voluntary basis.

The executives in firms with the informal training programs reported that Negro employees are included in them. No executive could or would provide precise data on the ethnic distribution of the work force participating in such programs. But the executives in most of these companies felt that a relatively small percent and number of Negroes are in the programs. In general they reported that Negro employees tend "not to take advantage of the opportunities for training." Several pointed to instances in which Negroes had been approached about moving into new jobs for a trial learning period but who turned down the opportunity. The executives felt that Negroes are more reluctant than white employees to assume increased responsibilities, and that they prefer to remain in safe, low-level jobs.

There are very few Negroes in the executive and managerial training programs, which are usually formal. These programs are generally filled with college graduates. Spokesmen for the firms in this study maintained that they have been unable to find many Negroes who are qualified and willing to enter their programs. Many executives felt that Negro college graduates are in such great demand by business and industry today that they join those companies which offer better immediate opportunity and income than retailing. If this is true, since the retail executive program are filled almost entirely with white college graduates, it would imply that white graduates are willing to work for less money and where there is less opportunity than Negro college graduates. The study team questions this as an adequate explanation for why Negroes constitute such a small percent of the trainees. In fact, the data on the W-M forms completed by twenty-four companies revealed that Negroes are located, more frequently than white employees, at the lower pay grades of each occupational area.

In most of the firms, promotion is based upon job performance and recommendation of the immediate supervisor or department head. The large companies have formal job performance reviews at least once a year and many carry them out more frequently. In the smaller firms job performance is reviewed informally and on a personal basis. But whether formal or informal the reviews of performance are considered to be one of the crucial factors in promotion by most retail companies.

When asked directly how the job performance of Negro employees compares with that of white ones the executives said that on an

overall basis the performance is about the same at every job level. There were a few executives who said that Negroes work out less well. And two or three said they are "terrible" or "very poor". But, generally the executives expressed satisfaction with the job performance of Negroes.

If the executives are correct, we wondered then why Negroes tend to be promoted less frequently and less rapidly than white employees. Many executives reported that "lack of appropriate experience" is one answer. Yet, according to the executives' statements, Negroes have been employed in white collar sales, office, and stock jobs much longer than the average length of time needed to move from these jobs to the store management level, for example. When reminded of this many executives introduced a new rationale for the relative slow and infrequent promotion of Negroes and their absence in training programs.

Some executives pointed to personal characteristics that Negroes are assumed to have, which are barriers to training and promotion—poor personal appearance, lack of grooming and a lack of sophistication in presenting themselves to the public and the employer. Many of these executives referred to a "chip on the shoulder" attitude among Negro employees today. In addition, several of the employers reported that Negroes lack self-confidence and initiative — "They won't do more than they're told. They won't do the little extra that's needed to get ahead."

At the lower-level jobs Negroes are said to be less dependable than white employees. At the middle level they are reported to be less willing to accept more responsibility. In some cases, executives

reported that Negroes are reluctant to make a change or transfer to another location — whether this be a department in the same store, a store in the same city, or a store in another area. On this point there was not agreement. A few executives said that they have never found Negroes reluctant to make changes if it is clear that such changes are genuine improvements for them.

Another reason, though not stated as such, may be found in the feeling, reported by many executives, that companies need to be more careful in promoting Negro employees than white ones. The executives said that they want to be certain that Negroes will succeed before promoting them because Negroes are more hurt by failure personally and in the labor market, than white employees. Some also said that if Negroes have to be removed from the new position they will frequently charge the company with discrimination. And, as some of the executives said, companies do not want to have this kind of trouble.

Whatever the reasons, the executives did agree that Negro employees are not being trained and promoted as frequently or as rapidly as white employees. All insisted that discrimination does not exist and therefore is not a factor in this situation.

The few companies which indicated that they are making some progress in training and promoting more Negroes reported that they are doing more than just saying "the doors of opportunity are open." They are working on a personal and individual basis with supervisors and employees. Job performance review tends to be informal. Individual Negroes "with potential" are picked out by supervisors and quietly encouraged to try the new job. In a few cases the Negro employee is

not given a chance to say no. He is simply put into the job and then given whatever support is needed.

Employers who take direct action to place more Negroes in training programs and seek out Negroes for promotion seem to be more effective in this area than those who simply "open the doors" and wait.

#### D. Retail Unions and Equal Opportunity

Over half of the companies surveyed have collective bargaining agreements with one or more unions. But the executives conveyed the impression that the retail unions, with the possible exception of one, have little or no effect on company policy and practice in the area of employment. One company executive representative of those in firms with union-management contracts said, "We only see those boys (union officials) at contract time, or if there's a grievance. They're not around other times."

All except three or four executives refused our request for copies of the union-management contracts. They felt that "this is an internal matter." Since unions seemed to be of small significance to this study the request was not pursued further.

The consensus was that the union members, and leaders, are concerned almost exclusively with pay, work conditions and benefits, such as group insurance. Thus the executives reported that the unions have little effect on who gets recruited and hired. Almost none of them could remember any time when this had been discussed with management by union officials. And certainly, they said, this had never been an issue.

Company spokesmen said that the unions also have no significant effect on who gets trained and/or promoted. Very few of the retail unions have apprentice programs. And where they exist the numbers involved are very few. Thus, a question about the numbers of Negroes in such programs is nearly irrelevant.

The executives were asked whether or not the contracts with the unions include a non-discrimination clause. Not over four or five could answer the question. Most just simply didn't know. A few thought so. Some were pretty sure that there is none. A few were certain that there is. All who discussed this said that such a clause makes no difference. "We don't discriminate. The union knows that. So why have a clause?" Union officials agreed.

The firms were unanimous in agreeing that retail unions don't discriminate against Negroes, or anyone. A few said that some other unions may do so, but not those in retailing. It is true, they said, some retail unions are nearly all white, but not because of discrimination. Rather, they indicated, this is the situation because generally Negroes "have not gone into these areas of retailing."

The executives were asked: "Ideally, what can unions do to assist management in adapting and implementing an effective equal employment policy?" The usual response was that unions can't really do much other than, "Don't resist the management on this, and accept all equally." Then, the executives would frequently add, "and as I've said, they already do this."

One union was singled out as being very active in this area of employment. Even some executives in firms who had no contract with this union pointed to it as one that has always been overtly concerned with this issue. As one vice president said, "You know that \_\_\_\_\_ (an official of the union in question) is going to come in and ask why there aren't any Negroes in such and such a department."

The interviews with union officials simply bore out what the company executives reported. With the exception of one, unions do not play an active role in the employment process, thereby doing little to change the ethnic distribution patterns in retailing.

Just as the companies reported that retail unions don't discriminate, so the unions said that the retail stores don't discriminate—at least they haven't "for the last five years or more." Thus, most union officials saw nothing of concern in the patterns of ethnic distribution in retailing.

An official in the union that is an active advocate of Negro and Puerto Ricans felt that though retail companies have not kept these minorities out, they have done little to bring them in, or to upgrade them once they are employed. So unions need to act as a prod and an observer. He then added that unions also need to push its Negro and Puerto Rican members to take advantage of the opportunities to move up. He felt that frequently Negro and Puerto Rican employees are reluctant to take the risk and responsibility of the higher job levels. This official felt that Negroes especially, due to their experiences with past discrimination, may prefer the security of a "safe job" at the lower level. He stated that companies and unions need to understand this for what it is and work on it, rather than label it "a lack of ambition and desire to get ahead."

The active union reported that over sixty percent of the persons promoted to the high selling areas in one firm during the past eighteen months are Negro and Puerto Rican. He felt that this was the direct result of union pressure. Most union officials felt that there is

little a union can do except "be open to all." However, officials in the active union believed that the union can do three things---two already mentioned, closely observe the stores" promotion practices, and prod them into opening the better job levels for Negroes and Puerto Ricans. Third, they could provide opportunity within the union for Negroes and Puerto Ricans to develop and demonstrate leadership and other skills related to job success in merchandising and retail management. Needless to say, he reported that his union is doing so, and pointed out that Negroes and Puerto Ricans constitute over half of the union stewards.

When asked why, in their opinion, Negroes are concentrated in the bottom job levels, all of the union officials referred to liabilities Negroes are assumed to bring with them into the labor market---poor educational background, lack of confidence, low self-esteem, reluctance to enter into competition (i.e. as salesmen), and poor family backgrounds.

The following comment is typical of those made by union officials to explain the low position of Negroes in the retail firms:

"I think in my estimation it is his indifference to the responsibility in assignments. That is the striking thing in my estimation. I think this is understandable. He has had to develop a shell around himself. Perhaps his teachers were indifferent, perhaps he comes from a broken home---with rats. All of this causes his indifference. Society, as it stands, has compelled him to be indifferent. I think that this has been the thinking of the employer."

Though all union officials felt this way, only the one in the active union could propose anything that unions and companies could

about the situation. He felt that this (a lack of qualifications among Negroes) "can be overcome only in an intensified training program" carried out by stores with the cooperation of unions. The program would be open to all, but frankly give preference to Negroes.

It may be that retail unions have been effective agents in bringing about equal employment and promotion practices. But the interviews with retail executives and union officials indicate that, with one exception, they have not been; nor have they attempted to be.

## E. Civil Rights and Negro Employment

Several questions in the interview explored the nature, extent and effectiveness of civil rights activity as it is related to the employment of Negroes in retailing.

Nearly half of the companies surveyed have been approached by civil rights organizations. Some have been picketed and boycotted. A few of these with outlets in the South, found it necessary to close some stores temporarily. And, though all of these firms maintained that they had not discriminated against Negroes, nearly all reported that following the civil rights activity they had tried to increase the number of Negro employees, or to employ some for the first time. One executive reported that right now his corporation is "looking for a Negro manager for our store in \_\_\_\_\_ (a city in a southern state)." He said that the firm has no Negro store manager in the New York City area, and has no plans to add any at this time. Stores have been picketed in the New York City area but usually the approach has been in the nature of a discussion, and/or a tour of the store. No store reported that it had been singled out for picketing. But a few have been picketed as part of a shopping center or business area.

In nearly every firm the executives said that discussions and tours settled the issue. No follow-up action was taken either by the civil rights organization or the store. Yet in three or four cases when there was a threat to picket, stores did hire more Negroes or made some attempt to do so.

It would appear that "talking over the situation" with civil rights organizations brought about no real change in the employment practices of retailers. Direct action, such as picketing and/or the threat of it, seems to have led to some improvement in the employment status of Negroes in a few firms.

If civil rights organizations have affected employment policies and practices of retailers only slightly, government agencies in this field were reported to have had practically no affect.

Spokesmen for a fourth of the firms said that they had been contacted at some time by a city or state agency. Occasionally the contact had been made as part of a general survey. Most, however, resulted from an applicant's or employee's complaint. The executives reported that in every case the firm had been cleared or the charges dropped. A typical response to the question dealing with this area was made by one vice-president who said: "Yes, a girl made a complaint. She said we had fired her because of her race. But there was no substance to her argument. We were cleared. In fact the chairman of the \_\_\_\_\_ Commission commended us and said he wished all places were as fair as \_\_\_\_\_"(the firm in question).

About a third of the firms surveyed felt that the city and state agencies are effective in handling problems of discrimination. The rest either said they aren't effective or that they have no ideas about it.

Those who felt that the agencies are effective pointed to "the fair way they treat the employer. They're hearing all sides fairly". In addition, several referred to "the climate" established by the

educational function of the agencies. That is, they have helped some employers become "aware of a need to reexamine their policies", and they have "put a light on unequal treatment."

A few executives insisted that the agencies are ineffective. One said, "they really don't (help). Not much, at least, What do they do?" Another added that the agencies really don't resolve a thing. "Employers have handled this situation without the help of laws and you fellows," he said.

Many interviewers indicated that they could not estimate the effectiveness of the agencies. Some said that they had never heard of the City Commission prior to the contact for this study. Most of these executives had no idea what such agencies do. Their general attitude was summed up by one man who said, "I haven't the slightest idea. I don't pay any attention to this."

When asked if the agency could help the employer in any way, eighty percent said, "No." A few thought that the interviewer could not be asking the question seriously. "Since we don't have any problem, what could you do?"

One who responded affirmatively said, "Yes, don't bother us." Many of the sixty-two firms conveyed this same attitude without being quite so direct.

Generally those who reported that the agency could help pointed to one or both of two ways: 1. Find and refer qualified Negroes to the retailers. 2. Educate Negroes in the skills and personal characteristics needed for retailing. Representative of the executives who felt this way

is the assistant to the **president** who said:

"Well, maybe you could educate the minority, the colored. They need to learn how to apply for jobs and how to present themselves to employers... They could help Negroes get more education and be better prepared for employment."

This widely held position—that it is not the retail firms who need to change—was also revealed in the executives' responses to questions about civil rights legislation. Two questions were asked: "How effective do you feel equal employment opportunity legislation has been in furthering equal employment objective in your company? In industry and business generally in New York City and the state?"

The nearly unanimous opinion of the executives was that such legislation has had "virtually no effect" on their own firms. A few reported that laws may have had a small effect on them. They felt that perhaps the company executives had been made more aware of the need "to do whatever we can."

In contrast with their views regarding laws' affect on their own firms, ninety percent of the executives felt that such legislation had been either "of some" or "great" importance in changing business and industry in the city **and state**. These executives said:

It has opened doors. It has forced some to quit discriminating. It has given hope to Negroes. It has established a climate that makes it easier to be fair because the law supports you. It has made business more aware of what needs to be done.

If they had not already done so, during this stage of the interview many executives pointed to their own personal activities and that of their colleagues as members and/or board directors of various local, state and national organizations devoted to breaking the barriers of discrimination. Many believed that this personal concern is reflected in their firms' policy and practices. Though this was not analyzed in depth, a cursory examination of the ethnic distribution of their work forces does not indicate that it has had much impact, relative to other retail companies. That is, Negroes working in stores in which executives reportedly have been active in such organizations are no more likely to be employed in the middle and upper level jobs than Negroes in the other firms.

In short, as reported by the executives interviewed in this study, the civil rights activity of the past ten to fifteen years has had little direct impact on retail firms.

## 8. CONCLUSIONS

This section is divided into three parts: A. Hypothesis. B. Interpretation of the Data showing the ethnic distribution of the work force in fifty-three firms. C. Some Unanswered Questions.

### A. Hypothesis

Once the interviews were completed and the content analyzed, it was clear that fifty-eight of the sixty-two firms could be grouped according to the rationales their executives set forth to explain the position of Negroes in their work forces. Four explanations, or thematic rationales, were given. Though the executives of some companies referred to more than one explanation, each executive tended to stress one as more significant than the other three. These themes were not proposed by the executives in response to any specific question but rather emerged out of the total interview.

#### 1. Thematic Rationale, Type A: The Deteriorated Negro.

The executives of sixteen companies reported that the low position of Negroes in retailing is best explained by family, personal and character deficits. Further, they lack the potential now. Maybe the next generation will be different. But this one "just doesn't have it." One executive, typical of this group said, "When it comes right down to it, their families and Harlem are negative factors for Negroes." Adult illiteracy, broken homes, parents drinking too much, lack of ambition and failure to assume personal responsibility for getting ahead were all stressed by these executives.

With respect to the relative absence of Negroes in the "better jobs" an executive in the Type A group said:

"The main problem is the Negro's lack of qualification for promotion. He lacks ambition and the aggressiveness to get ahead. He doesn't have the self-confidence and self motivation. He doesn't want to make judgments and decisions. He needs more schooling. He's lacking in neatness and appearance. His poor home background hasn't given him what he needs for promotion."

Interestingly enough several executives in this category said that Negroes are too aggressive and want to get to the top too rapidly. "Sometimes I think the Negroes are trying to make haste too quickly." Yet these same officials maintain that Negroes don't demonstrate enough ambition. As one vice-president put it, "... Confidence, drive, ambition, 'moxie', drive to compete, integrity — these are what we look for, and these are largely lacking in Negroes."

The executives in the Type A firms projected a general feeling of hopelessness and futility regarding the Negro population that is now in the labor force. Little can be done about this generation. Hope lies with their children. "In about twenty years we'll see the change."

All of these executives said that the responsibility for bringing about the changes rests with "the Negroes themselves."

## 2. Thematic Rationale, Type B: The Uneducated, Unskilled Negro.

Nearly all executives referred to lack of education as a factor in the low occupational status of Negroes. But in twenty-one firms this emerged as the primary rationale to explain the present position of Negroes in retailing:

"The major reasons Negroes are so rare here is due to the lack of education, training and experience for the merchandise, and advertising and display division. For some reason, in the office, clerical and accounting area Negroes seem to be better qualified...They can shout and push to get their rights. But that doesn't qualify them to work for us..."

Those are the words of one executive, but similar comments were repeated often by spokesman for the other twenty firms in this category. They added that Negroes are in the lower jobs because that is the level of their education and skills.

These executives said that there really isn't much that retailers can do about this. "We're in business, not social service and education." However, they stressed that Negroes can do something about it now--get educated and trained. Also, they felt that public institutions, such as the schools, could do a better job in this area.

### 3. Thematic Rationale Type C: The Negro with Qualifications or Potential.

Six firms reported that there are qualified Negroes for all job levels in retailing:

"You have to go out and get them. Anybody who says he can't find them just isn't looking. The first day our store was opened we had department managers. They're available. But they're not going to come to you unless they know you really mean it."

Some of these executives said that if qualified Negroes aren't available for the jobs then it is desirable to hire them on the basis of potential and develop them. They all reported that they are doing so.

4. Thematic Rationale, Type D: Negroes and Companies Have Mutual Responsibility.

The executives in fifteen companies held the position that Negroes and retailers need to share the responsibility for the present low status of Negroes and for taking action to change it. These spokesman maintained that their firms had never discriminated, yet had not, until recently, taken action to correct a situation which had developed over the years—namely, the concentration of Negroes in the low-level jobs. Yet, they said, Negroes had not done much either. Too often, according to them, Negroes have taken the bottom jobs and have seemed content to stay there, reluctant to assume the responsibilities that go along with the better jobs.

The quickest way to alter the situation is to look for the Negro employees in the firm who show potential and upgrade them:

"Stores and business should take action to move Negroes to upper level jobs — raid other stores, train on the job, overlook some formal requirements, such as test scores. These are ways to do this. But upgrading is the quickest and probably the best way."

In addition, they said, "It is not a problem of trainable people. Negroes are as educable as any group. But they need to prepare for business jobs, too."

Thus while retailers need to take action, so do Negroes. They need to get as prepared as possible. Then they need to take advantage of all opportunities. According to these executives, Negroes are increasingly doing so:

"It's informal (the promotion policy). We observe if there is potential in the employee. It's based on job performance and an interest in going ahead in the company. Then for sales we'll put them on part time sales (ten hours), and thirty hours as stock. If they work out at sales we promote them. Negroes have really hopped into this. They see we're interested. So they see a way of helping themselves. Now they're reading literature on retailing and going back to high school--sometimes to Community College."

This optimism is shared by most of the executives in the Type D firms. Though many of these executives referred to personal and family deficits among Negroes, it was not stressed. Rather, what both the stores and Negroes could do about the problem was.

Analyzing the ethnic distribution data and the content of the interviews, and grouping the retail firms according to the four thematic rationales led to a conclusion and a hypothesis.

**CONCLUSION:** The actual distribution of Negroes in the occupational structure of the firms is not correlated with the thematic rationales. That is, Negroes are not better off occupationally, in the Type C and D firms than in the Type A and B firms. For example, in the firm of the executive quoted as typical of Type D, 10.5 percent of the males are Negro. And of these Negro males, 50.0 percent are in occupational level #8, Unskilled labor. In a representative Type A firm, 15.0 percent of the males are Negro. Thirty-four percent of the Negro males are in #9, Service Workers. In both firms, the white males are concentrated in the upper level jobs. Thus, the relative position of Negroes is the same in both firms.

HYPOTHESIS: The position of Negroes in a retail firm's work force is inversely proportional to the competitive position of the firm in the labor market. That is, the general occupational level of Negroes is higher in the firms having relatively more difficulty competing in the labor market for scarce labor.

## B. Interpretation of the Data

### 1. Introductory Statement

It has been noted that employers generally have been unwilling to supply the statistical data requested in the revised statistics form which were developed specifically for the study by the study interviewers. As a result of the steps taken by the Commission to obtain the return of completed statistics forms twenty-four firms complied. Due to the character of the errors contained in three forms, it was necessary to exclude from the statistical analysis the data supplied by three firms. As such, the analysis of data provided in the revised statistics form (hereafter referred to as the W-M statistics data) is based on 21 firms.

In anticipation that some firms in the sample would refuse to return the W-M statistics form the Commission authorized the study interviewers to request from reluctant firms their EEO-1 data in lieu of the W-M form. In the meantime the study director requested from the EEOC those EEO-1 forms of all firms contained in the study sample. From these sources, EEO-1 forms were obtained for thirty-eight firms in the study sample. One arrived in July, therefore the statistical analysis in this section is based on EEO-1 forms for thirty-seven firms (hereafter referred to as the EEO-1 data).

Accordingly, the analysis to follow is based on two sets of data collected by means of two different statistics forms. Since both forms were acquired for each of five firms included in the statistical analysis, the twenty-one W-M forms and thirty-seven EEO-1 forms represent a combined total of fifty-three firms included in the separate statistical analysis

of the two sets of data. It should be recalled that sixty-two firms comprise the complete study sample.

## 2. Additional Sample Considerations

In New York City there are two thousand stores in the general merchandise group from which the study sample of stores were drawn. These two thousand stores employ over two hundred fifty thousand persons. The combined total of fifty-three firms included in the separate statistical analysis of the two sets of data constitute 3.0 percent of the store population. The twenty-one firms for which there is W-M statistical data employ 10,570 persons. These twenty-one firms represent 1.1 percent of the store population, employing approximately 4.2 percent of the total number of employees in the retail businesses sampled. The thirty-seven firms (including five that returned the W-M form) on which the analysis of EEO-1 data is based constitute 1.9 percent of the store population. These thirty-seven firms employ 123,294 persons, an indeterminate number of which are employed outside New York City. If it is assumed, on the basis of a comparative analysis of the reported total number of employees by each of the five firms for which there are W-M and EEO-1 forms, that at least 50 percent of the combined total number of employees reported on the thirty-seven EEO-1 forms are employed in New York City, then it may be estimated that at least 25 to 30 percent of the 250,000 employees in the retail businesses sampled are involved in the statistical analysis.

## 3. Distribution of Firms in Terms of Size of Work Force and the Thematic Rationale Offered for the Disadvantaged Position Occupied by Negro Employees

When the respective firms, for which W-M and EEO-1 data were obtained, are examined in terms of size of work force the following breakdown is revealed:

TABLE 1

DISTRIBUTION OF FIRMS (SUBMITTING W-M DATA) IN TERMS OF WORK FORCE SIZE

<u>Size of Work Force Interval</u>	<u>Frequency</u>
100 or less employees	7
101 - 500	8
501 - 1,000	4
1,001 and above	2
N = 21	

TABLE 2

DISTRIBUTION OF FIRMS (SUBMITTING EEO-1 DATA) IN TERMS OF WORK FORCE SIZE

<u>Size of Work Force Interval</u>	<u>Frequency</u>
300 or less employees	6
301 - 1,500	14
1,501 - 3,500	7
3,501 - 10,000	7
10,001 and above	3
N = 37*	

\* Includes five firms that Submitted the W-M Statistics Form.

When these same firms, submitting respectively the W-M and EEO-1 data, were examined in terms of the rationale given for the inferior position of Negro employees the following distribution emerged:

TABLE 3

DISTRIBUTION OF FIRMS (SUBMITTING W-M DATA) IN TERMS  
OF THE TYPE OF THEMATIC RATIONALE\*

<u>Type of Thematic Rationale</u>	<u>Frequency</u>
A	6
B	6
C	2
D	4
N = 18	

TABLE 4

DISTRIBUTION OF FIRMS (SUBMITTING EEO-1 DATA) IN  
TERMS OF THE TYPE OF THEMATIC RATIONALE

<u>Type of Thematic Rationale</u>	<u>Frequency</u>
A	8
B	15
C	3
D	9
N = 35	

\* For an explanation of each rationale see Section A of this chapter.

#### 4. Comparative Considerations of the W-M and EEO-1 Statistic Forms

In view of the fact that the following statistical analysis is based respectively on the W-M and EEO-1 data a brief consideration of the two statistics forms is necessary. The least in importance is the observable difference in the minority category breakdown. Whereas the W-M form employs only three differentiated categories of minority (Negro, Puerto Rican and other), the EEO-1 form uses four of them

(Negro, Oriental, American Indian, and Spanish American). However, aside from the Spanish American category being inclusive of the Puerto Rican category this difference in minority breakdown poses no difficulty in the comparative analysis of the two sets of data.

Unfortunately the same may not be said for the differences in occupational breakdown on the two forms. Although the categories of Managerial and Executive, Professionals, Sales, and Apprentices are identical on the two forms, the remaining five categories on the W-M form and the six categories on the EEO-1 form overlap considerably. Moreover, since the exact extent and position of the overlapping is unclear the speculation in this regard would at best be questionable, an attempt at clarification will be omitted. This being the case it must be assumed that the number and percent of each racial group representation in the respective occupational areas will vary somewhat between the two sets of data.

Despite this lack of comparability in regard to the occupational categories in question, it is noteworthy that when the percentage distribution by rank of the respective minorities are examined in the two sets of data it is clearly noticeable that both sets of data reveal the greatest proportion of minorities to be employed in the low-paying, low-status occupational areas and the lowest proportion to be employed in the high-paying, high-status areas (Appendix D, Fig's. 3A, 3B).

The most marked and perhaps significant contrast between the W-M and EEO-1 forms consists in the inclusion on the W-M form of job-occupational breakdowns for each of the eight occupational areas and the respective paygrades for each of the job-occupations. For the task of ascertain-

ing the patterns of exclusion and employment opportunities as they pertain to specific minority members it is clearly apparent that the absence of such differentiations on the EEO-1 form would make it inferior to the W-M form. The absence of such job-occupational breakdowns and their corresponding paygrade differentiations on the EEO-1 form does not allow for an assessment of how well specific minority employees stand in relation to white employees within specific occupational areas. As such, even if there is accurate reporting, the EEO-1 form, while revealing a certain percentage of Negro employees in the selling area, will not reveal that they are confined primarily to low-status, low-paying selling jobs.

Evidence in support of this view may be cited as indicated. Without job-occupational and paygrade differentiations on the EEO-1 form the portrayal of the Negro's position in a firm or industry tends to be inflated. This may be readily observed by comparing the percentages of Negro males reported by the same firm on the two different forms for the same occupational category. As one example, on the EEO-1 form one firm reported a total of thirty-three males in the Officials and Managers category.

Twenty-eight of the thirty-three are identified as white—representing 84.8 percent; three are identified as Negro—representing 9.1 percent; and two are identified as Spanish American—representing 6.1 percent.

This same firm, in reporting on the W-M form, listed a total of twenty-three males in the Managerial and Executive category. In the breakdown of the total, twenty were identified as white—representing 87.0 percent; two were identified as Negro—representing 8.7 percent; and one was identified as Puerto Rican representing 4.3 percent.

As such, the EEO-1 form reveals that 9.1 percent of the males in the occupational category in question are Negro. The W-M form reveals that 8.7 percent of the males in that category are Negro. In addition, the W-M form discloses that nine of the twenty-three are in the \$200.00 or more paygrade, and all are white; seven of twenty-three are in the \$150.00-\$199.00 paygrade, three being white and one Negro; three are in the \$75.00-\$99.00 paygrade, one being white, one Negro, and one Puerto Rican. Accordingly, 80.0 percent of the whites are in paygrades of \$150.00 or more, while 100 percent of the Negroes are in paygrades of \$149.00 or less.

#### 5. Problems Identified

An examination of the EEO-1 data reveals that the greatest percentage of Negro employees are found in the Service Worker occupations (Appendix D, Fig's. 1A, 1B). Of the 9,097 male employees in this occupational area, 28.1 percent are Negro. Of the 5,830 female employees in the same occupational area, 19.6 percent are Negro. The only other occupational areas in which Negro employees approach a comparable level of concentration are Laborers (unskilled)—21.8 percent of the males, and 16.6 percent of the females; Office and Clerical—17.1 percent are Negro males and 17.0 are Negro females; and Operatives (semi-skilled)—11.2 are Negro males and 16.9 are Negro females. In the remaining five occupational areas (Officials and Managers, Professionals, Technicians, Sales, and Craftsmen) the Negroes as a percentage of the employees is below 7.6 percent for each of the respective areas and below 4.1 percent for three of them (Officials and Managers, Professionals, and Technicians).

Despite the overlapping of occupational categories on the two statistics forms, the pattern of Negro employee concentration in the low-status jobs is also revealed in the W-M data. In examining the W-M data (Appendix D, Fig's. 2A, 2B) it is found that the Negro proportion of the employees in an occupational level is greatest in Warehouse jobs-- 28.1 percent of the males are Negro, and 80.1 percent of the females are Negro. Following in rank order for Negro males are: Stock, Custodial and Maintenance--24.7 percent of the males and 20.3 percent of the females are Negro; Food service--21.8 percent of the males and 10.5 percent of the females are Negro; Customer Relations (excluding information desk jobs)-- 20.2 percent of the males and 27.1 of the females are Negro; Clerical, Machine Operators and Other Office jobs--18.1 percent of the males and 16.1 percent of the females are Negro. These data reveal that Negroes constitute the smallest proportion of the occupational levels in the Professional; Managerial and Executive; and Sales Jobs--in that order.

With the exception of Office-Clerical and Sales-representatives, when the two curves intersect in those occupational areas where the greatest percentage of white employees is found, the lowest percentage of Negro employees is found and vice versa. Hence, when the respective percentage distribution by rank of white and Negro employees in each occupational area is plotted in a line graph (Appendix D, Fig's. 3A, 3B) the relationship just discussed becomes clearly apparent.

For Negro and white males essentially the same relationship obtains for the pay grades corresponding to the respective job occupations. When the percentage of Negro employees in each pay grade is inspected, it is

found that the greatest concentration of Negro males and females is in the \$99.00 or less per week pay category, with a negligible percentage receiving more than \$125.00 per week (Appendix D, Fig's. 4A, 4B). While it may be observed that the \$99.00 or less pay category represents the highest percentage category for male and female whites, white males are found in comparably high percentages in each of the pay grades above \$99.00 (100-149, 150-199, 200 or more).

The hypothesis has been previously advanced that while civil rights has led to, or increased slightly, a token representation of Negro employees in high-status, high-paying job classifications, only the short supply of labor for such job categories has brought about in a particular instance, a meaningful increase in employment opportunities for Negroes. This hypothesis negates the idea that employment opportunities for Negroes will vary in accordance with the image of Negroes held by company executives as reflected in the rationale offered for the inferior position of Negro employees.

In an effort to check the plausibility of the preceding hypothesis, firms were grouped in terms of work force size on the assumption that in the present market of a short labor supply of the middle and upper level workers, as reported by the retail executives interviewed, the small, non-prestige type retail firm would be hardest pressed for such workers. As such, it would be anticipated that the pattern of percentage distribution by rank of Negro employees, in the respective occupational areas, would be somewhat different in the small work-force type firms than in the larger ones. Moreover, it would be further anticipated that in the latter type

firm the pattern of percentage distribution by rank would be uniform.

In Fig's. 1-9D of Appendix D, the occupational areas I-IX, employed in the EEO-1 form, are classified into three groupings. These are: (a) I. Officials and Managers, II. Professionals, III. Technicians, and VI. Craftsmen (skilled); (b) IV. Sales Workers; and (c) V. Office and Clerical, VII. Operatives (Semi-skilled), VIII. Laborers (unskilled), IX. Service Workers. When the percentage distribution by rank of Negro employees in each respective occupational grouping is compared for firms with varying work-force size the following is noted: In firms with 300 or less employees the largest percentage of Negro males occur in the occupational grouping comprising areas I, II, III and VI. His second percentage distribution rank is in occupational group IV (Sales), and his third percentage distribution rank is in the occupational grouping comprising areas V, VII, VIII and IX. In firms with 301 or more employees the Negro's percentage distribution rank is uniform, as anticipated: it ranks first in areas V, VII, VIII, and IX; second in areas I, II, III, and VI; and third in area IV.

Additional support for the hypothesis is provided in the pattern which occurs for the Negro female's percentage distribution rank. Although the Negro female's rank-pattern remains uniform for firms with varying work-force size, in firms with 300 or less employees the rank-pattern is undifferentiated for white, Negro, and Spanish American females. In this instance the percentage distribution by rank is first in the occupational grouping comprising areas V, VII, VIII and IX; second in IV; and third in I, II, III, and VI. In firms with 301 or more employees the white

female's percentage distribution rank changes to a uniform pattern that is first in IV; second in V, VII, VIII and IX; and third in I, II, III and VI.

Correspondingly, an examination of the firms classified in terms of thematic rationale also reveal an anticipated pattern. It will be recalled that the hypothesis negates the idea that employment opportunities for Negroes will vary in accordance with the image of the Negro as reflected in the rationale offered for the inferior position of Negro employees. With the exception of type firm C\* (Appendix D, Fig's. 6C-13C), it will be noted that the Negro male's distribution rank-pattern is uniform. It is first rank in V, VII, VIII and IX; second in I, II, III and VI; and, third in IV (Sales).

The exception to the forgoing Negro male rank-pattern in type firm C is also revealing. It so happens that the C-type firm complained most about the labor shortage. Also, the thematic rationale characterizing such firms reflected the short labor supply of which they complained. Hence, the themes ("You have got to go out and find them (Negroes)", "you can't hire them (Negroes) on the basis of the criteria the jobs require--you have to hire them on the basis of potential and train them"), depicting this type firm, constitute in one sense a justification for their action--on which they capitalized in moral terms. In this connection it should also be noted that it is only in the C-type firm that the rank-pattern for white, Negro and Spanish American employees is undifferentiated.

\* For an explanation and discussion of type firms A, B, C, and D see Section A of this chapter.

Moreover, the rank-pattern is exactly the same as it is for firms with three hundred or less employees.

Attention should also be directed to the observation that it is only in C-type firms that the percentage of Negro males in Sales is comparable to the Negro female's percentage in Sales. Furthermore, their respective percentages in Sales are comparable to their percentages in the occupational grouping comprising areas V, VII, VIII and IX. This observation appears to be particularly revealing in light of the fact that the percentage distribution of Negro males tends to be highest in those occupational areas comprising the greatest proportion of females—with, of course, the exception of Sales. (Appendix D. Fig's. 5, 14C-19C, 6C-13C, and 20D-29D).

Though the proposed hypothesis may not have been substantiated here beyond all question, sufficient evidence has been presented to establish the high probability of its validity.

#### C. Some Unanswered Questions

1. No retail firm seems to have developed a pattern of ethnic distribution that can be pointed to as a useful model for others. One store located in the center of a population that is largely Negro, does have an ethnic distribution better than most. Yet, even here the white males are concentrated in the highest occupational levels and the Negro males in sales. Ninety-four percent of the females are Negro, and they are concentrated in sales. The white females are located in sales and managerial jobs. As noted the pattern is better than most firms. But it is no solution to tell retailers to move all of their business to Harlem or Bedford Stuyvesant.

The question is, why are some retailers able to find Negroes for the better sales, supervisory and upper level jobs when they are pressed by the conditions of the labor market or civil rights action to do so, and those who feel no pressure "can't find Negroes"?

2. The retail firms maintained that they promote from within whenever possible. Negroes have worked in retail firms generally for the last twenty to thirty years. They are reported to do as well as white employees at every job level. Yet, they have not been upgraded and promoted as frequently or as rapidly as white employees. Why?

3. The overwhelming majority of retail executives said that the educational requirements for the bottom through the sales jobs are low--in practice, below high school graduation for some employees. In addition, most of the companies reportedly prefer "to train our own due to our own unique methods of operating." Yet, Negroes are said to lack "the education and experience" needed for employment.

Even if this evaluation of Negroes is correct, why would it be of major significance, if in practice little education or experience is required?

4. The executives reported that the public employment agencies generally refer Negroes to the retail firms, and primarily for low-level jobs. They also said that the private employment agencies which they use refer white employees almost exclusively, especially for the middle and upper job levels. Why do the retail firms recruit from agencies that are sources of Negro labor for the low paying jobs, but do not recruit from agencies that specialize in Negro referrals for higher-status, higher-paying jobs?

5. Is it correct that Negroes are not attracted to retailing due to low pay and irregular hours which prevail in this business? This is one reason frequently given to explain the relative absence of

Negroes. Yet, it is precisely in the areas of low pay and irregular hours that Negroes are concentrated.

6. Why are the anti-poverty programs apparently of little help to retailers as sources of Negro employees—or white ones?

7. Is it myth or reality that the high fashion, high status firms would experience reduced image and status if they were to employ Negroes in greater proportion at the middle and upper level jobs? One executive reported that no "Fifth Avenue-type" store does or would employ Negroes in such jobs, except on a token basis, regardless of its public policy statements.

8. Since very few retail firms audit their practices with respect to equal employment, how can they be certain that they have no built-in practices that tend to reinforce the concentration of Negroes in the low level jobs, and nearly exclude them from the upper levels?

9. Why are retail executives generally quite sensitive about providing precise data on the ethnic distribution of their work forces?

10. Why do most retail executives believe that they are making more progress in the area of equal employment than is indicated by the data on their work forces?

11. If Negro employees are reluctant to take advantage of opportunities for upgrading and promotion, are there measures that retailers can employ to change this now?

12. Is it possible for Negroes to make a massive breakthrough into the middle and upper levels of retailing now?

## 9. RECOMMENDATIONS

### A. Study Procedures

In general, the procedures used to carry out this study worked well enough to achieve the original purposes. However, three procedural recommendations are made here that might produce more effective results for future survey teams:

1. Do not be overly concerned about establishing rapport with the interviewees. There is no evidence from this study that more depth and accuracy was achieved during those interviews in which more rapport had been established than in any of the others.

2. Include fewer firms, and concentrate more on the relationships between the content of the interviews and actual practices. Insist on observing various departments and discussing practices with heads of departments and, at least, some minority-group personnel. If possible, this should be done on an unannounced basis. The discussions should be carried out privately.

3. From the outset, insist that ethnic distribution data be provided. Take all steps authorized by the law to obtain them.

### B. Commission Action

At the present time the City Commission on Human Rights is reconsidering the content and scope of its total program. The direction of its activity has not been determined. Thus, how this study of retailing will be followed-up is now under consideration. Three lines of action seem possible:

1. For those firms that refused to cooperate in one or more

phase of the study a subpoena may be issued to compel attendance of personnel executives at hearings on their employment policies and practices.

This is not likely to have much effect on the status of Negroes in retailing.

2. Recently at least two retail firms have had complaints registered against them by job applicants. These should be investigated in the light of the information about the firms gathered for this study.

For example, one firm has been charged with using the results of a test to deny jobs to two young men. One of them was reportedly told that he was turned down not because he was unqualified to do the job for which he had applied, but because his test score indicated that he is not promotable. Yet, during the study interviews, a vice-president of this firm told the study director that the test was never used in this manner.

In this firm, seventeen percent of the males and fourteen percent of the females are Negro. Seventy-two percent of the Negro males, but only twenty-four percent of the white males are concentrated in the lowest occupational level in the store. In contrast, sixteen percent of the white males and only two percent of the Negro males are in the top job levels -- Managers and Executives.

The vice-president for personnel of this store declared that his company has developed equal employment practices and has done all that it can to upgrade Negroes. Is he serious? Or, is he unaware of the actual situation in his firm?

3. The Commission may be able to carry out an educational function with a few firms that indicated an interest in changing some of their practices in ways that would improve the status of Negro employees.

Since retail executives believe that they don't discriminate, focusing on discrimination will not "get through" to them. However, if the Commission approaches some firms with suggestions based upon some practices of a few retailers, it may be able to improve the position of Negroes in a few firms.

#### C. Some Affirmative Action by Retailers

With few exceptions, the retail executives reported that their doors are open at all levels without regard to race. For whatever reasons, Negroes are infrequently found in the middle and upper level jobs. What can be done about it by retail firms? The following suggestions are not regarded by the study team as either profound or panaceas for the problems of equal employment opportunity. Indeed, most of the suggestions have been made before.

##### 1. Recruiting

The personal grooming of many Negro applicants was reported to be a barrier to their employment. Would it be possible for retailers to reconsider this? That is, is it possible for the firms simply to point out to applicants what grooming standards must be maintained as employees, and not reject them on the basis of the appearance at the time of application.

Retailers may be able openly to recruit more aggressively among Negroes for the supervisory, management and executive jobs. Companies

that have Negroes at these levels have looked for them.

According to W. Willard Wirtz, U.S. Secretary of Labor, two-thirds of all Negro college students are preparing to teach. Perhaps this pattern could be changed, if executives sought out Negroes during their college sophomore years. Some of the more affluent retailers might offer scholarships to some promising college sophomores willing to commit themselves to join the firms upon graduation.

Recruiting high school graduates with an agreement to subsidize further education may be in order for some firms.

If using some of the services of the private agencies that specialize in referring Negroes for better jobs is too expensive, as one executive felt, perhaps two or three firms could explore the possibility of an agreement with one or more agency, such as Richard Clarke Associates. These firms would pay for the service on a cooperative basis and have one personnel department screen applicants for all three firms.

More firms might arrange through schools and organizations for minority group youths to tour store locations and to explain to them the opportunities that exist in retailing.

## 2. Upgrading and Promotions

Retailers may be able to review the qualifications of all minority group employees in the lower and middle job levels for the purpose of more rapidly upgrading them.

A few retailers have taken employees in lower job levels and tried them part-time at higher jobs. For example, an employee may

work thirty hours in stock and ten hours in sales until he learns, and then move full-time into sales. They report that it works. Perhaps many more could try this, particularly with minority group employees.

Perhaps rethinking the lines of progression may lead to new openings for Negroes. For example, one large company does not consider its sales personnel for store manager positions. With respect to its minority group employees, it may be well to reconsider this policy.

#### D. Goals

1. It is not unreasonable to expect that retail firms will examine their ethnic distribution data, and enter into serious discussions at all executive and supervisory levels in order to take immediate action designed to improve the occupational status of minority group members.

2. The major goal remains, to bring about an equality of achievement that is demonstrated by an adequate representation of minority group employees throughout the occupational structure rather than a concentration in the lower levels. This can be achieved by retail firms, if the will to act with urgency and imagination is present.

