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UNIVERSITY OF CALIFORNIA
BERKELEYAFFIRMATIVE
ACTION AT AT&T

by James Peoples //

The U.S. Commission on Civil Rights, the General Accounting Office and the House and Senate Committees on Labor and Public Welfare have argued that affirmative action programs, established to provide women and minorities with more diverse employment opportunities, have been ineffective. An exception to this trend, however, has been the program developed by AT&T.

The 1973 EEO Consent Decree

The 1973 AT&T equal employment opportunity consent decree set up guidelines to increase the number of minorities and women employed by the Bell system as managers, professionals and craft workers. The proportion of minorities and women in the regional labor force and the projected number of job openings at each Bell operating company was used to determine the number of positions available to groups under-represented in these occupations. Meeting these employment goals was commonly referred to as achieving "statistical parity."

AT&T used both an affirmative action override program and a transfer and upgrade program to attain statistical parity within a five year time frame. Affirmative action override permitted AT&T to pass over senior *qualified* employees in favor of less senior *qualified* workers from the under-represented groups. The less controversial transfer and upgrade plan reduced AT&T's reliance on the affirmative action override and allowed it to transfer senior qualified women and minorities to departments with job openings in the targeted positions.

Race-Gender Employment
in Telecommunications by 1979

Current population survey information compiled by the

Bureau of Labor Statistics (BLS) reveals that following the enactment of the affirmative action program, the percentage of under-represented workers in the three targeted occupational groups in telecommunications increased. Minority participation in professional occupations rose from 0 to 4.25% between 1973 and 1979. The proportion of minority managers and craft workers employed in the industry increased from 2.38% to 3.28% and from 1.95% to 4.31% respectively. The percentage of women employed as professionals rose from 21.22% to 24.66%; those employed as managers rose from 24.0% to 29.1%; those employed in craft occupations rose from 1.95% to 6.1%. This change in the race-gender composition of the telecommunication industry workforce indicates the greater number of minorities and women employed both in high paying occupations and in occupations not as sensitive as clerical jobs to changes in industry technology.

Information contained in BLS annual industry wage surveys shows that the number of clerical workers fell by 10.01% during the implementation of the consent decree guidelines. This decline represented a loss of 40,500 jobs. Most of these jobs were telephone operators whose responsibilities were drastically reduced with the introduction of the electrical switching system. The overwhelming number of women employed in these clerical occupations is a sign of how susceptible they were to job displacement. In 1973, for example, more than 95% of clerical workers were women.

One major concern AT&T expressed in meeting its goal of statistical parity was the possibility of an insufficient supply of qualified women and minorities. AT&T, however, was able to move toward statistical parity while employing workers from under-represented groups who had attained, on average, as many years of schooling as others holding jobs in the targeted positions. By 1979, women and minorities employed as managers had attained, on average, 13.5 years of schooling compared to 13.75 for other managers. Minorities employed as professionals averaged one more year of schooling than other professionals, and women employed as professionals averaged 14.93 years of schooling compared to 14.26 for other professionals. Minorities with jobs in craft occupations averaged six months less schooling than other craft workers, and women in these occupations attained on average six more months of schooling than other craft workers.

To the extent that years of school can be used to identify

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worker quality, telecommunication workers employed from traditionally under-represented groups were as educationally qualified as other telecommunication workers. With the infusion of qualified women and minorities, AT&T reached a labor productivity growth rate that far out-paced comparable rates preceding the consent decree. Information provided by AT&T shows average yearly labor productivity gains of 5.2% from 1973 to 1979, as compared to yearly growth rates of 2.18% in the previous five years. Although gains in labor productivity are directly linked to the introduction of new technology, these impressive growth rates could not have been attained without a labor force composed of workers having the skills to operate and maintain technically advanced equipment.

Beyond the 1973 Consent Decree

The implementation of the AT&T-EEO consent decree guidelines did not occur without some objections from workers who did not belong to under-represented groups. Most complaints were directed at the use of the affirmative action override to achieve statistical parity. This provision diminished the role seniority played in job promotions. Thus following the 1979 termination of the consent decree, AT&T developed the "Model Affirmative Action Program," which eliminated the use of the affirmative action override program and placed greater emphasis on the job transfer and upgrade program as a method to meet numerical goals. The Model Affirmative Action Program upheld AT&T's commitment to employing a workforce that closely resembled the race-gender make-up of the regional labor force.

These changes in the affirmative action guidelines indicate that a commitment to employing qualified workers from under-represented groups may not be sufficient to achieve the numerical goals set by the company. An effective transfer and upgrade program relies on a readily available pool of qualified women and minorities who have attained senior status within the Bell System. To maintain a sizable pool of these workers Bell telephone companies must also be committed to retaining qualified women and minorities.

Concurrent with the termination of the 1973 consent decree the Federal Communication Commission softened regulations that prohibited non-Bell carriers from competing in the interstate sector of the telecommunications industry. By 1987, MCI, Sprint and other long distance competitors had over 9.5% of the market. The entrance of long distance competition spurred a proliferation of technical innovations, such as satellite transmitters and fiber optics. These technological advancements require less maintenance and need fewer employees for installation purposes than the standard coaxial cable. This has dampened demand for craft workers. The proportion of telecommunication workers employed in craft occupations in 1987 was 6.8% smaller than in 1973. On the other hand, the introduction of technically advanced equipment increased the need for technically trained professionals and managers. Workers employed in these occupa-

tions accounted for 30.9% of the workforce by 1987, compared to 15.03% in 1973. The shift toward greater demand for professionals and managers and away from other jobs points to the need to sustain efforts that bring more workers from under-represented groups into these white collar occupations.

The Effect of Structural Changes in the Industry

The industry experienced structural changes resulting from the 1984 divestiture of the Bell operating companies from AT&T. Since the operating companies now have autonomy, they could approach the goal of statistical parity with differing levels of enthusiasm. Despite this possibility, the industry as a whole has continued to provide workers from under-represented groups with employment opportunities in occupations other than clerical.

The industry's proportion of minorities employed as professionals rose from 4.15% in 1979 to 5.64% in 1987. Minorities also made gains in managerial and craft occupations. They comprised 4.44% of the managerial positions in 1987 as compared to 3.28% in 1979. The minority employment share in craft occupations rose from 4.31% to 9.17% following the termination of the 1973 Consent Decree. Women made significant inroads into higher-paid occupations between 1979 and 1987, with a rise in professional representation from 24.60 to 28.17% and astounding gains of 29.1% to 50% in managerial positions and 6.1% to 13.16% in craft occupations. Gains made by women in non-clerical white collar jobs did not diminish their participation in clerical occupations. Women held over 89% of the clerical positions in telecommunications by 1987. However, as compared to the 1970s, clerical occupations included fewer telephone operators in the 1980s and more computer operators, accounting clerks and secretaries. Job security for these positions is not as sensitive to advances in switching systems as it is for telephone operators. As a result, the proportion of telecommunication workers employed in clerical occupations stabilized around 30% during this period.

Conclusion

The 1973 Consent Decree seems to have provided the telecommunications industry with the impetus to change its hiring practices by encouraging the employment of qualified people from under-represented groups. As a result, women and minorities were provided employment opportunities in a wide array of job categories. Following the termination of the EEO consent decree and faced with increased competition and divestiture, the industry continued to move away from employment practices that limited female employment to lower paying clerical positions and excluded minorities from employment in white collar occupations. Expanding the choice of occupations to women and minorities has improved their employment situation and the telecommunication industry has continued to maintain a high level of productivity and prosperity.

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