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# Toward A Corporate Racial Policy

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## TOWARD A CORPORATE RACIAL POLICY

### Introduction

It is popular to speak of the domestic issue of the times in such euphemistic terms as the "urban crisis" or the "crisis of our cities." Actually, the social dilemma confronting the Nation should be labeled what it is: a "racial crisis." For as the Report of the National Advisory Commission on Civil Disorders so vividly documented, it is not the physical characteristics or the size of our cities per se that is causing internal unrest; rather, it is the rapidly changing racial composition of our urban populations. The social stress is as acute in Phoenix as it is in New York City; or in Tampa as in Chicago. In magnitude there are differences but in root substance they are identical.

To be sure, our cities are plagued with severe problems of pollution, parking, traffic congestion, waste disposal, outmoded tax structures, and architectural ugliness. But to many of these questions, answers exist. All that is required is the commitment to the expenditures needed to implement available remedies. With regard to the racial challenge, the lack of resolve is only part of the problem. The major obstacles to a solution are often found in the behavioral procedures and assumptive values embodied within our societal institutions.

In the United States, private business dominates our society. It is likely, therefore, the ultimate outcome of our racial crisis will be determined by the actions (or inactions) of private enterprise. Kenneth Clark, in fact, has declared that it is "our last hope." To date, where this sector has become involved, it has usually restricted its role to that of being an employer. Hence, the purpose of this paper will be to explore some of the necessary aspects of a successful corporate racial policy.

### The General Issue

The tide of events in the 20th Century in general and the 1960's in

particular has been toward the attainment of greater human dignity for the individual. At this juncture in the development of American society, dignity is often the result of access to quality education, adequate housing, and comprehensive health care. Obviously the Nation is a long way from providing such opportunities to most of its citizens -- regardless of race. Yet, for black Americans, the deprivation gap is worse than that which confronts whites in every category of comparison. The attainment of requisite standards of education, housing, and health care is largely a function of employment as it is the major determinant of personal income. It is in the differential labor market experience of our races that most whites have gained their advantage over most blacks and, thus, their headstart down the road to personal liberty.

As of 1968, about 83 percent of the nonagricultural civilian labor force were employed in the private sector of the economy. But although we are a nation of small business, it is the large corporations that dominate our economic life. Of about eight million non-farm enterprises, 75 percent employ less than four people. It is in big business -- especially the corporations -- that the preponderance of employment opportunities are afforded. Hence, it is to this sector that the thrust for improvement of minority employment status must be pressed.

Assuming that "bygones are forever bygones," there is nothing that can be done now about how we have gotten where we are. The blame for the past is of far less significance than is the responsibility for the future. If the corporations of this country do not act positively to alter the present state of racial affairs, they can expect a perpetuation of the divisive tendencies within our society with all of the unstabilizing effects that such a polarization can manifest.

Much has been written about the problems encountered by private industry when it seeks to employ economically disadvantaged workers in their enter-

prises. There is no need to recount them here. On the other hand, far too little has been written about the difficulties these groups have with business. It is likely that much of the explanation for the failure to accomplish more in recent years rests with the lack of introspection concerning practices as seen by the disadvantaged.

### Specific Needs

Become a Visible Participant in the Struggle of the Disadvantaged. The usual practice of business is to shun public endorsement of the need for social reform. To be sure, there is lavish national coverage of announcements of joint ventures involving private enterprise and Federal funds. But where is the day-to-day voice of private business in the local community where the union of programs and people is consummated? What is the position of big industry on the vital issues of securing fair housing; reforming inadequate state welfare statutes; passing or extending state minimum wage laws; attaining racially balanced school enrollments; creating public review boards for police abuse charges; or revamping the administration of justice by our legal system? It cannot be the fear of the price tag. Many reforms bear none. Of those that do, the cost to big business is often little if any.

By its silence when these issues arise in city council meetings and state legislative sessions, corporations default to the most reactionary elements in the community. The failure to take a public stance on critical local issues does not engender an impression of neutrality. Far to the contrary, it is interpreted as tacit opposition -- especially by the economically disadvantaged people of the locality. Political scientists refer to this phenomenon as the power of a "non-decision."<sup>1</sup> In addition to conscientiously limiting decisions to "safe" topics, the silence on crucial issues is one reason why many youth are becoming disenchanted with business careers. Ralph Waldo Emerson crystal-

alized their perspective with these words:

Your silence answers very aloud. You have no oracle to utter, and your fellow-men have learned that you cannot help them; for oracles speak. Doth not Wisdom cry and Understanding put forth her voice? 2

Another interpretation is less philosophical and more cynical. Namely, that, "Silence is not always golden, it is sometimes yellow." By implication it is assumed that the corporations of America "don't give a damn," or that they are staffed by corporate eunuchs who lack the courage to act against social injustice.

In the ghettos today, community spokesmen are constantly reminding their followings that government dollars given to business are called "subsidies" but if dispensed to the poor are called "handouts." Increasingly, they tell the story of how corporations receive the benefits of tax loopholes (as depletion allowances, capital gains provisions, expense account write-offs, and under assessed property valuations); import quotas and tariff protection; restricted monopoly franchises; food crop restriction payments; and of course -- the direct cash payments that are common to many airlines, railroads, and shipbuilding enterprises. The list could go on. The hypocrisy of the business community in accepting with ease the benefits of these programs while attacking either explicitly or implicitly the identical principle when applied to needy human beings has not gone unnoticed. In fact, it was the theme of Michael Harrington's classic book of the early sixties, The Other America. As he so vividly described, the welfare state in America has brought the benefits of socialism to the rich and the horrors of free enterprise to the poor.<sup>3</sup> Harrington carefully documented how the middle and upper income groups have benefitted by all the social legislation since the thirties while the poor -- the often espoused beneficiaries -- have been largely excluded from coverage or actually made worse by involvement. Social workers, community organizers, and grassroots spokesmen have spread the

theme into every slum of America. But the reaction to the message in the ghettos is interesting. Rather than arguing (as do most white liberals and radicals) that these subsidies be revoked from private business, the prevailing ghetto commentary is that the concept should be extended in toto to the disadvantaged. In other words, what is good for the goose, is good for the gander. In fact, one pundit has facetiously argued that welfare payments and unemployment compensation should be renamed "economic health issuance" in order to gain wider public acceptance.

Certainly it is a truism that if the powerful corporations would testify openly and vigorously for the needed reforms of our societal institutions, the changes would be adopted almost instantaneously. The reluctance of big business to play a visible and active role in reform is the root of the rapidly growing impression among many citizens that there exists an "establishment" that rules America which is ambivalent to social needs and incapable of humane motivations. There is no group in our country that benefits more by the maintenance of a peaceful society than the business community. It is incredible that its public stance is interpreted as encouraging every cause of social unrest.

Abandon Rhetoric and Acknowledge Reality. Corporate officials view themselves as being exceptionally pragmatic. Yet their attitude toward our racial crisis is frequently couched in the most primitive rhetoric imaginable. The "law and order" issue raised by many local Chambers of Commerce, Boards of Trade, and other business organizations is the most vivid example. The truth of the matter is that the prospects for order are dim without institutional reform.

In the ghettos of our country, the "crime in the streets" slogan has been interpreted as camouflage for a campaign "to keep the 'nigger' in his place." Needless to say, they do not buy it. Kenneth Clark has succinctly exposed the issue:

If human beings are confined in ghetto compounds of our cities, and are subjected to criminally inferior education, pervasive economic and job discrimination, committed to houses unfit for human habitation, subjected to unspeakable conditions of municipal services such as sanitation, such human beings are not likely to be responsive to appeals to be lawful, to be respectful, to be concerned with the property of others.

Such human beings literally have nothing to lose in seeing businesses and residences go up in fire. It is a mockery to say to such people, 'be lawful.'

There is a joy which comes out of destruction when the only power the powerless victims of the ghetto have is the power of destruction. I would predict that these eruptions will increase in frequency because there is no evidence yet that society and those who control the decisions of the society will determine priorities in the utilization of resources.<sup>4</sup>

There can be no hope for progress until "those who control the decisions of the society" (i.e., business leaders) accept Clark's frame of reference.

Years ago Daniel Willard, President of the Baltimore and Ohio Railroad, testified before Congress as follows:

When men who are willing and able to work are unable to obtain work, we need not be surprised if they steal before they starve. Certainly I do not approve of stealing, but if I had to make a choice between stealing and starving I would surely not choose to starve -- and in that respect I do not think I am unlike the average individual.<sup>5</sup>

If one will interpret unemployment as including underemployment, the relevance of Willard's comments are apropos for today; yet his understanding seems to have few modern corporate empathizers.

Disadvantaged America has become cynical about the law and its processes. The supposed neutrality of the law has been revealed for the myth it has always been. The workings of the law are omnipresent in the ghetto. Wage garnishments, home evictions, welfare eligibility investigations, debt collections, parole reviews, furniture repossessions -- to say nothing of the whole morass of criminal law-- create almost daily contract points with the legal



system. The imbalance has been vividly described by the remark: "The law in all its majestic equality, forbids the rich as well as the poor to sleep under bridges on rainy nights, to beg on the streets, and to steal bread."<sup>6</sup>

Widespread disillusionment has even occurred with regard to civil rights laws. Aside from the seeming inability of such statutes to foster more than superficial changes, the conceptual basis of such legislation itself has been assailed. Indicative of this view is a comment by Dick Gregory:

Of course, civil rights laws are a fraud from the beginning. They are supposed to give me my rights and outlaw segregation. But when white America gets its rights under the United States Constitution and black America gets its rights under a civil rights bill, that is segregation.<sup>7</sup>

If private industry is serious in its desire for an orderly society, its leaders must see to it that "affirmative action" ceases to become a cliché and is converted into a fait accompli. This means that corporate officials must closely examine their hiring, retention, and promotion policies. Are the prevailing criteria valid indicators of future performance? Usually no one knows why some standards (e.g., a high school diploma, no arrest record, a physical examination, or the use of aptitude tests) which were established in an earlier era are enforced in the present. Social scientists have long recognized such behavior and variously refer to it as trained incapacity, occupational psychoses, or professional deformation. Studies of the equal employment opportunities program initiated by private corporations indicate common agreement by executives that minority members need special assistance. Yet, these same studies reveal the uniform belief that "efficiency" and "sound personnel policies" cannot be made secondary to such goals.<sup>8</sup>

Today universities across the land are reviewing and altering their entrance and curriculum requirements; even the military has changed its qualifications for admission. Overwhelmingly the thrust of these revisions has been

toward providing greater latitude in selection standards and providing for deviation from established practices. Business should do likewise. The reluctance to be more sensitive to the needs of the economically disadvantaged shatters the concept that business has a social consciousness. By asserting that modified employment policies will result in higher costs, the profit motive is exposed as having priority over human values.

As the Nation is in a period of transition with respect to its racial employment patterns, it is grossly inadequate simply to advertise that "we are an equal employment opportunity employer." Most minority people remain skeptical of such declarations. They have been conditioned to interpret the phrase "everybody is welcome" to mean everybody except them. It is not reverse discrimination to provide non-whites with the information, motivation, and encouragement that whites already have. Equal opportunity endeavors have yet to demonstrate that they can guarantee equal results. Until this feat can be accomplished, prevailing corporate racial endeavors must be judged as failures and those who adhere to them as adversaries to social progress.

Proselytize the Rank and File. It is well-known that there are vast discrepancies between what is enunciated as policy in Rome and what is done in the local parish as practice. The same can be said for the corporate structure. It is of little significance if the Chairman of the Board of the Ford Motor Company or the President of the Pepsi Cola Company recite public "acts of contrition" and promise "a new day" but fail to convey the sincerity of their convictions to line employees. Seldom does the corporate reward system acknowledge accomplishment in altering racial and ethnic employment patterns by its lower echelon. As with most white employees, few non-white employees are likely to have direct contact with the top officers of an enterprise. It is the receptionist in the employment office, the foreman in the shop, or the junior

executive in the personnel department who determine the fate of many. Unless these staff members are convinced of the dedication of higher management to the goals of fair employment, they will continue to conduct their affairs on a "business as usual" basis.

Hence, hypocrisy is again revealed. For if the total sales of a company decline, the sales manager is in trouble; or if strikes become commonplace, the future of the vice president of industrial relations is in jeopardy; or if a competitor's product gains a larger share of the product market, the advertising department will be re-organized; or if the firm consistently loses anti-trust cases, the general counsel will be removed. But what happens if a corporation's racial employment patterns remain unresponsive to the publicly espoused goals of the enterprise's leadership? Nothing. In no other area of corporate decision making is the blatant failure to show results so consistently tolerated.

Enlist the Cooperation of the Disadvantaged. Undoubtedly there are shortages of "qualified" minority applicants for many job openings. There is no question that industry today will hire the "super-Negro" with honor grades and a college degree (as will universities and government). The challenge rests with the remainder as they compose the overwhelming majority.

To bring many of these individuals into employment is going to require a serious outreach effort. A mandatory feature of a corporate racial policy should be the establishment of communications directly with local ghetto groups. This can be accomplished by working with on-going organizations -- such as civil rights or anti-poverty (usually known as community actions agencies) groups; or by opening direct lines to grassroots groups; or by doing both. It is likely that more militant spokesmen in the ghettos and barrios are more in tune with the actual tenor of the people. It is preferable to go to them. In enlisting their help in recruitment, however, it must be realized that they too

have a constituency. The leaders of these groups must show results in order to remain in respected positions. Hence, they will be skeptical of the sincerity of such overtures. There can be no room for phony gestures that go through "the motions" and whose primary mission is simply to indicate efforts to comply with Federal equal employment opportunity requirements.

In Detroit, the Michigan Bell Telephone Company "adopted" a high school in the heart of the black ghetto. Several companies have followed suit in other cities. Although some of the undertakings seem to be more publicity gimmicks than a serious manifestation of concern, they have at least been learning ventures for the companies. Few if any corporate officials really know what it is like to live in a racial ghetto. Direct contacts with the ghetto can provide the needed awareness and can represent the first step toward the development of flexible employment standards.

Local community groups can -- if convinced that the private effort is "for real" -- assist markedly in establishing a flow of minority people to corporations. While there may be legitimate shortages of qualified people, there are far more people available who are qualified than is often assumed. For the most oppressive of the existence of racial ghettos is not that they keep blacks and whites separate; but, rather, that they have forced all blacks to live together regardless of economic class.<sup>9</sup> Although whites still tend to see blacks as a group, the truth, of course, is that they represent a wide spectrum of competency. Many blacks are educated, have initiative, and are socially ambitious. Given the opportunity, many already possess the qualifications to be employed in better jobs.

Local community groups can help to find many of these people. They cannot, however, be expected to supply only oysters with pearls. Industry must be willing to take many others. Working in conjunction with existing Federal Manpower training programs, the lives of many ghetto citizens can be

salvaged. Frequently the Federal programs will do the recruiting; teach a basic skill; and instill basic work habits. The objectives of the Federal undertakings have been to help people to help themselves by increasing the earning potential of the individual by enhancing his qualifications. But these goals have often been squelched by archaic hiring standards or corporate ambivalence to employing their graduates. If private industry would wholeheartedly endorse these public training ventures in their local communities, the manpower effort could be rescued from its present mediocre morass.

By making direct contact with the ghettos, corporate officials would quickly see the pathological effects that dilapidated housing, inadequate transportation, inferior schools, and deleterious health conditions can have on employment preparation and aspirations. The resolution of racial employment problems will never be accomplished in a vacuum. Until all vestigages of the ghettos themselves perish, progress in the employment area will be slight. With first-hand exposure and direct contact with the ghettos and their captives, a socially enlightened business leadership may emerge.

Less Sympathy and More Empathy. Too many of the current efforts by private industry in ghettos are tainted by a pseudo-Christian attitude that "we are doing 'them' a favor." Nothing would be further from the truth. The respect for our present system of private enterprise and faith in the responsiveness of democratic institutions is at issue. Needless to say, it is the survival instinct of corporate America that should be aroused.

There is no way that the racial crisis can be resolved without some degree of understanding as to its true nature. The cry today of "black power" is commingling of a call for outside assistance, an internal quest for self-determination, and an overt expression of defensive narcissism. There is no single definition of the slogan.

The concept of "black power" has been endorsed by the Wall Street Journal and its principles were complimented repeatedly in the 1968 campaign oratory of President Nixon. "Black power" does not require any large or centralized program with an incumbent Federal bureaucracy, nor does it have anything to do with nationalization of private property. Rather, it is locally oriented toward the needs of individual communities. It adheres to the most fundamental principles of self-help. Its basically conservative nature should be embraced by private industry rather than viewed with eschewal.

The experience of the Chrysler Motor Company is especially illuminating. Its black workers have formed a caucus known as the Dodge Revolutionary Union Movement (DRUM). What are its major demands? A black businessman should be appointed to the Board of Directors of the corporation; more blacks be promoted to shop foremen and supervisory positions; and more adequate responses by the union to the needs of its black members. The parallel to the requests by black students for black representatives on Boards of Regents, for more black faculty members, and racially aware student organizations is striking. Clearly, these demands are directed toward greater participation by racially representative bodies in the decision making processes of established institutions.

The civil rights movement of the early sixties was the most "in" movement in the history of social protest. The objectives of the sit-ins, wade-ins, stand-ins, teach-ins, stall-ins, and pray-ins were all directed toward inclusion and not exclusion from mainstream Americana. Having sought unsuccessfully to move the Nation's conscience, the civil rights movement is now dead; it has been replaced by the more militant movement. The ultimate objective, however, has so far remained the same: admission. The time for meaningful response, however, is fast passing.

A job is not a job. There is no quicker sign that a businessman is "out of it" than when he publicly proclaims the willingness of his enterprise "to provide jobs for the hard core" and lets it go at that. The significant issue is not "a job" but rather "the type of job." The problem of disadvantaged males today is more underemployment than it is unemployment. Elliot Liebow has eloquently presented the view that the disadvantaged have many of the jobs that they are offered:

The job is not a stepping stone to something better.  
It is a dead end. It promises to deliver no more tomorrow,  
next month, or next year.<sup>10</sup>

Keenly aware that business indicates the value of the work performed by the wage it is willing to pay, Liebow concluded that the man who holds a menial job places "no lower value on the job than does the larger society around him."

It is likely that many businessmen reflect the attitude of the 1930's when they were reared. At that time of mass unemployment, "a job" was a luxury. But in an era of generally tight labor demand and rapid social change (as in the 1960's), the philosophy that "a job is a job" must be abandoned. Full employment itself is insufficient as a social goal. For as many black spokesmen are quick to state, "we had full employment on the plantations."

For this reason, program emphasis should be directed to efforts to upgrade minority employees to better paying jobs or to place these individuals into jobs that provide high incomes even if advancement opportunities are limited (as in many craftsmen occupations). There is little need for more private job offerings that provide only entry level jobs in the \$1.60-\$1.75 per hour categories. Blacks are rightly suspicious of job overtures at the bottom of the ladder for that is precisely where they have historically been employed.

Seek Technical Assistance. Although most corporate officials today have at least one college degree, few have had any training in community relations. The curricula of graduate schools of business administration should be altered to fill this void. It would be preferable if the classes were taught by faculty in departments outside of the business schools themselves. As it is, too many business classes are narrowly focused upon technical applications rather than upon broad principles. Moreover, business teachers typically see themselves as defenders of established business procedures. Most executives need to be told what it is they are doing that is wrong rather than how to do what they are doing better. Having had instruction in the past in such subjects as industrial relations, human relations, and personnel relations, it must now be realized that the realm of greatest corporate ignorance is in inter-group affairs.

How do businessmen handle questions of hiring narcotics addicts or alcoholics; meeting problems of absenteeism, tardiness, and stifled occupational goals; resolving racial antagonisms between advancing blacks and prejudiced whites; overcoming exclusionary racial practices by some unions; substituting "culture free" for "environment measuring" tests to meet employment standards; interpreting government edicts on implementing "affirmative action" proposals; or knowing what training efforts might qualify for Federal financial assistance? The answer rests largely with seeking advice from outsiders and establishing in-service instruction for top executives as well as for line personnel.

### Conclusions

The aforementioned considerations are set forth as parameters to the establishment of a corporate racial policy. The precise details to implement such a program will, of course, vary by industry and locality. The immediate



need for such a broad policy seems obvious. But, unfortunately, it is likely that the typical response to such pleas will be similar to that given by the Nation to the Kerner Commission findings: little if any. For as the old adage goes, "After all is said and done, more is said than done."

The racial crisis confronting this Nation, however, is not going "to go away." The basic challenge to the business community is not one that requires changes of corporate attitudes as much as it does changes of behavioral practices and beliefs. The roadblocks to racial employment progress rest against: (1) the perpetuation of virtually unattainable employment requirements and outmoded hiring procedures; (2) basic business values which place profitability always ahead of social consciousness; and (3) fundamental premises about the distribution of decision-making power in societal organizations. Efforts to maintain the inflexibility of these positions are doomed as they would be prescriptions for allowing things to become worse. Hence, the words of Thomas Huxley seem most appropriate: "Logical consequences are the scare crows of fools and the beacons of wise men."

It is time for corporate America to examine the consequences of the past. Whether the response be that of fools or of wise men will be the history of our times.

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