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By Becky Strauss

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Battling racial discrimination in the workplace

By Becky Strauss

On the surface, D.C.’s economy is thriving. But this is not the case for all residents. D.C. is among the most racially segregated cities in the country, which could be one reason why so much of the prosperity in the Northwest never seems to make it to the Southeast. Housing, education, and job opportunities are concentrated in different corners of the city, and across the metropolitan region.

Employment is a major factor in economic opportunity and economic stability, but there are major disparities in employment and wages, as well as other qualitative measures by race and ethnicity. Racial inequities in employment outcomes are driven in part by legacy effects of structural racism, but also systems and actions in the present day, including deliberate discrimination, unconscious bias, systemic practices, and structural barriers.

The District already has some of the most comprehensive anti-discrimination laws in housing and hiring. But there may be limits to what laws alone can do. Truly bridging the present divides in employment rates, wages, and other measures income and wealth will require deeper engagement with the private sector, and a commitment from business leaders to actively address direct and indirect racial discrimination at every step of the recruitment and hiring process.

The presence of discrimination is clear, but can be difficult to litigate

Black job-seekers should have the same shot at landing a job as a white applicant. But across the country, equally qualified Black job-seekers generally do not. The cascading effect of racial bias means there are fewer call backs, fewer jobs offers, less ability to negotiate, and ultimately less income too.

Compared to other cities, D.C.’s labor market has some characteristics that might discourage workplace racial discrimination. D.C. has a large public sector, and public sector labor practices tend to be fairer for minorities and women thanks to more transparent hiring procedures and clearer salary guidelines.¹ There also tends to be less discrimination in places where there are relatively larger communities of color. For example, one study found that Baltimore, which has one of the nation’s largest percentages of Black residents, also has less work-related racial discrimination. However, disparities in employment and income are even starker in D.C. than in the nation as a whole. Nationally, the Black unemployment rate is two times the white unemployment

¹ Throughout the 20th century, civil service employment was an important vector for secure middle-income jobs for Black residents in D.C. and the metropolitan area, although these workers were still frequently subjected to segregation and discrimination. See The Color of Wealth in the Nation’s Capital (pp 16-17, 21-22).
rate; in D.C., the Black unemployment rate is six times the white unemployment rate. And that Black residents in D.C. with a college degree are three times more likely to be jobless than their white peers with the same degree.

Most of the literature and randomized controlled experiments on workplace racial discrimination focus on the higher-skilled labor market. The typical study sends out similar or identical résumés of college graduates with different types of names and then notes the difference in call-backs. A recent study found that in D.C., applicants with Black-sounding names received a six percentage-point lower callback rate than those with ambiguous or white-sounding names. These studies generally find that the higher up the education ladder required for a given job, the worse the call-back disparity between races.²

Research also suggests that racial bias is still strong in the rapidly growing, customer-facing service market, which is disproportionately a source of employment for people of color in D.C. One academic study found that Black men earn less in markets where both customers are more prejudiced and customer-facing jobs are more prevalent.³ Another found that workers of color were less likely to be hired in fine dining establishments than equally qualified white workers.

From a legal standpoint, D.C. already some of the most robust workplace anti-discrimination laws in the country. No city or state has more protected classes than D.C. does. There are seven federally mandated protected classes, including race and religion. D.C. has 16, including sexual orientation and even political affiliation. D.C.’s Office of Human Rights has been well-funded and staffed with plenty of investigators enforcing the law.⁴ Other cities look to D.C. for leadership and best practices.

However, overt racism and discrimination in the workplace—where race alone motivated employer decisions—is extremely difficult to prove in a legal sense. Although many discrimination cases result in some kind of settlement, rarely do they go to trial—and when they do, rarely are those cases decided in favor of the defendant. This means that enforcing anti-discrimination laws is often difficult, especially when it relies on individual job-seekers to report discriminatory employer practices. Effective enforcement requires proactive measures: Field experiments and “secret shopper”-style tests of hiring practices,

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² Phone Interview on March 13, 2018 with John Nunley, Professor of Economics, University of Wisconsin - La Crosse.
³ Ibid and http://www.morgane-laouenan.fr/contenu/JMP.pdf. Most studies on hiring discrimination focus on high-skilled jobs that require college degrees. There are far fewer studies that look at low-skilled labor market racial discrimination.
⁴ Phone interview on October 3, 2018 with Gustavo Velasquez, Director of the Urban Institute’s Washington-Area Research Initiative.
similar to the work that has been done to address racial discrimination in housing, can help officials identify areas or sectors that need the most attention.

**Taking on unconscious bias**

The next battleground against discrimination will not be in the courts, but in the business world with a change in norms and hiring practices. A 2008 review of research on racial discrimination cites an analysis showing that “contemporary forms of discrimination are more likely to be perpetuated through informal networks of opportunity that, though ostensibly race-neutral, systematically disadvantage members of historically excluded groups.” Addressing these discriminatory systems requires active changes within the private sector, throughout the recruitment and hiring process.

Many large companies have addressed their internal processes on at least a surface level. The past 20 years have seen a sea change in corporate culture, where practically every large company has claimed to be trying harder to be more diverse and inclusive. Every Fortune 500 company now holds diversity training for staff, and most also have a Chief Diversity Officer.\(^5\) Unfortunately, research shows that the direct effects of diversity training do not have much staying power, usually lasting only a few days. Diversity trainings also cannot address underlying systemic issues that create the current inequities in hiring and compensation, especially when they are seen as a box to check.

When pursuing racially equitable outcomes in hiring and workforce practices, measuring the problem—and progress—is key. More companies, particularly in Silicon Valley, are publishing Diversity Reports to be more transparent about diversity in their own ranks. Tracking and publishing data could lead to more self-awareness, public accountability and ultimately a greater push for diversity internally. Companies do have to report to the federal government their salary data by race and gender, but they don’t always make that information easily accessible to the public. Fortune magazine publishes a national ranking of corporations based on diversity and inclusivity. Could the D.C. government or a D.C. non-profit publish their own diversity rankings?

Diversity targets can encourage the same self-awareness. Some argue for hardening targets into outright quotas. Europeans have wholeheartedly embraced quotas, especially for female leadership roles, and California just passed a landmark law requiring women on corporate boards—the first of its kind in the United States. But quotas in the United States face tough legal battles in courts. The same laws meant to protect people of color from discrimination also make it illegal to hire anyone because of their race. However, companies can commit to ensuring that their hiring pools include a high proportion of Black candidates and other people of color before they proceed in the selection process. This

\(^5\) For a good review of corporate America’s push for diversity, see “Increasing Workplace Diversity: Evidence from a Recruiting Experiment at a Fortune 500 Company.”
will help address hiring committees’ unconscious bias, including the “status quo effect”: One study found that the likelihood that a woman would be hired from a hypothetical candidate pool increased from zero percent to 50 percent when the number of women in a four-person pool increased from one to two, with similar findings for candidates of color.

Taken together, this suggests that the most effective way to achieve an inclusive and diverse workforce may be to actively (and proactively) recruit candidates of color, but keep the interviewing and selection process as race-blind as possible to reduce bias. Bias creeps into interviews because interviewers unconsciously prefer candidates who are like them. Thus a white or male dominated institution will carry the inertia of white male dominance into the next generation of hires. The key to breaking the cycle is formalizing processes—in other words, taking gut feeling out of the interview selection process. That means removing names from résumés, which thanks to software like GapJumpers and Unitive can be done in a pinch. Interviews should be structured and without freewheeling open-ended discussions. The same questions should be asked of all candidates, and the criteria by which candidates will be judged should be clear to the reviewers before the process begins. A pen-and-paper skills test is ideal, which is conveniently also the best indicator of how well a candidate will perform at a job anyway. To add another degree of separation, a third-party firm specializing in inclusive hiring could also sift through applications.

**Expanding networks and applicant pools**

Racial discrimination is more than about landing interviews and the job offers—it’s also that not enough minorities are being considered to begin with. This barrier is fundamentally about siloed networks. It’s estimated that one-third of all jobs are obtained through family, friends, or colleagues, with many are never listed publicly and are instead filled internally or through networking. And since 80 percent of all social networks are racially homogeneous, it’s especially hard for people of color to break into predominantly white networks.

If a company wants to become more diverse, it needs to make sure it is proactively tapping into diverse networks. Try not to hire initial connections, even for internships. Always post jobs publicly and on widely-accessible job boards, and also in more targeted networks—for example, in universities that have more students of color, or even at community centers or churches where appropriate. Many industries also have associations and listservs specifically for people of color, which can help employers connect with underrepresented groups. There is now an industry of diversity consulting shops like Handshake that can help companies connect with applicants of color and reword job descriptions so they do not unintentionally discourage candidates of color from applying.
Internship programs can be an easy and low-stakes way for an employer to give a young people of color a foot in the door to valuable professional networks. The tech company Box, for example, sponsors Business Fellowships for underrepresented groups. In D.C., the Mikva Challenge non-profit places young people in summer internships downtown. This could be scaled up with a focus on recruiting and cultivating business partners. Companies with existing internship programs can make sure that they are paying their interns and providing them with the support they need to succeed, as well as following best practices for inclusive hiring when recruiting.

Finally, employers can also make sure that they are not setting the minimum qualifications for a position unnecessarily high, especially if those requirements include college degrees. D.C. is at the center of a fiercely competitive and well-educated regional labor market where a large pool of college graduates can take up good jobs that a local non-college graduate might qualify for. Employers could even commit to hiring only D.C. residents, or only applicants without a college degree for jobs that don’t truly require one. Some small local businesses like Busboys and Poets or Access Green, which are part of the Think Local First movement, already go out of their way to hire D.C. residents.

**Businesses need to commit**

D.C. businesses can **commit now** to ending discriminatory practices and building more diverse workforces with inclusive practices, race-conscious policies, transparent reporting, and diversity targets. They can **commit** to proactive applicant recruitment outside of their traditional networks. They can **commit** to using race-blind interview processes. The D.C. government can lead the charge, providing resources for small businesses, holding employers accountable for their commitments, and showering diversity champions with praise.

Becky Strauss is a Fellow at the D.C. Policy Center. Born inside the beltway, she went to the Harvard Kennedy School of Government and spent many years at the Center for Strategic and International Studies (CSIS) and the Council on Foreign Relations (CFR). She is co-author of the book *How America Stacks Up: Economic Competitiveness and U.S. Policy* (2016). Becky’s writing and infographics have appeared in the New York Times, TIME magazine, Foreign Affairs, the Atlantic, Forbes and Quartz. She also teaches public policy to college students.