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(TEXT)

(Note: The following remarks were delivered November 19 in New York City to a conference sponsored by the Urban Research Corporation.)

In equal opportunity, as in our other activities, we react to our perceptions. How we are perceived is more important than what we actually are. For other people react to you and to me as they see us. My comments about the Bell System programs this morning will be judged in this manner. First, I would like to talk about the uniqueness of the AT&T programs which are incorporated in the consent decree.

A. As we entered into our exchange with the EEOC, we decided that the Bell System should determine where it wanted to be at the end of the hearings. During this period of time my assistant vice president, John Kingsbury, who was unable to be with us today, was engaged with the EEOC case. I had the good fortune to get the assignment to develop and implement the remedies. These solutions were compatible with Bell's existing personnel practices. In effect, once we met the EEOC and OFCC requirements, we could go ahead and run the business. Perhaps the most important thing accomplished here was to preserve our rights to manage the business. But, I must quickly add, that even though we developed a successful model for the Bell System, it is only designed to meet our needs. It would not be applicable to all industry, all business, etc. in fact, it may not be suitable for any other employer. I strongly urge you to develop your own programs for these are just too many wrong decisions being made by the courts and agencies in the area of implementation.

B. The Bell program contains a goal setting formula that is used in determining the percentages of allocation of opportunities per job classification (15) by race and sex in each of the 600 establishments.

C. The Bell programs are designed to force vertical movement of all protected group members from entry level up, through the skilled trades into management.

D. A basic commitment made by the Bell System accomplishes two acts, which is really what it is all about. The total thrust of all the civil rights laws, executive orders, administrative guidelines, is to get proper utilization of the protected group members in each of the major job classifications. In my opinion, AT&T can assist equal opportunity in two ways: First, provide access to all major job classifications (entry level to executive) for all protected group members who can do the work. This assures each person the purchasing power to participate in our economy. Second, the best method known to me to reduce prejudice and discrimination is to have protected group members as a part of a work team. This permits a minority male or female to help solve the problem and to directly contribute to the productivity of the group. By providing this opportunity to participate in the work team, many myths can be dispelled by the protected group member's own performance.

We in the Bell System are very comfortable with our agreement and the consent decree. We came out with the right to manage our business, in fact an improved personnel program, and made a quantum jump in equal opportunity which bodes well for society, minorities, for women, and the Bell System. We did what was good for the Bell System. You will wish to fashion your own remedy.

All of you, I am sure, remember the headlines last January proclaiming that agreement had been reached

by AT&T, the Department of Labor, and the EEOC. What is perhaps best recalled by many of you regarding that historic agreement, is a price tag--the \$38 million that AT&T agreed to pay out in back pay and wage increases. Let's take a look at the highlights of the Bell System settlement.

Rather than look backward and attempt to reconstruct the past, many settlements have attempted to be compensatory looking forward. This was a major aspect of the Bell System settlement which I would now like to summarize.

Hopefully, none of you will be faced with such a massive case, but also hopefully you will find in its very comprehensiveness and in the manner particular problems were dealt with, material that will be helpful to you as you confront similar matters in your own company.

To put matters in perspective, please keep in mind that the Bell companies, collectively, constitute the largest private employer in the nation. As of June 30, 1973, the operating telephone companies of the Bell System had over 800,000 employees, of whom over half were women, and about 115,000 were minorities. Annual wage, benefit and pension costs exceed \$10 billion.

Not only the Equal Employment Opportunity Commission, but also the Department of Labor and the Justice Department, were parties to the agreement, judicial approval, in the form of a consent decree embodying the terms of the settlement, was obtained from the Federal District Court in Philadelphia.

Highlights of the agreed-to changes in Bell System employment and promotion policies include:

- Each Bell company pledged to develop goals for increasing the utilization of minorities and women in each job classification in all 600 establishments within the Bell System. The affirmative action program agreed upon by the government and AT&T provides for the establishment of specific hiring and promotion targets to be met. These targets are under review by AT&T and by a government coordinating committee.
- Women and minorities in non-management, non-craft jobs will compete for entry-level craft jobs on the basis of basic qualifications and seniority. Competition for higher-paying craft jobs will also be facilitated.
- The companies will continue to use pre-employment tests for determining the qualification of prospective employees, but agree not to use the results of these tests as a justification for failure to meet their intermediate targets under the agreement.
- Non-management employees who are promoted will now be paid on the basis of their length of service with the Bell System, subject to some limitations due to lack of experience in more skilled occupations.
- All female college graduates hired into management between July 2, 1965, the effective date of the Civil Rights Act of 1964, and December 31, 1971, will be assessed to determine their interest and potential for 3rd level and higher jobs.
- All employees will be informed of the agreement's provisions and of the vacancies and promotions under the agreement which will take place in their respective establishment. All employees will be encouraged to seek promotions -- even across departmental lines.

The agreement also calls for a number of pay adjustments to be made. The major adjustments include these:

• Some 3,000 women presently employed in craft jobs received pay adjustments retroactive up to a maximum of two years.

• Women presently in craft jobs, not at their maximum, will receive immediate wage increases to conform with the agreement.

• Wage rates for some 500 switchroom helpers, mostly women, in Michigan Bell will be brought into line with what is paid for comparable work in other Bell companies. In addition, they will receive pay adjustments retroactive for up to a maximum of two years.

• To compensate for possible delay in promotion, the Bell companies have agreed to make lump-sum payments ranging from \$100 to \$400 to at least 10,000 women and minority employees promoted from non-craft to craft jobs provided they remain in the new job more than six months.

• Women college graduates hired directly into management who qualify under the companies' new assessment program will receive \$100-a-month raise as soon as they qualify.

It is apparent that back pay is going to be a major factor in the future. Title VII has been on the books for nearly a decade now. And we will find courts saying, as the court, in effect, did in national lead, that "ignorance of the law is no excuse," and that when a discriminatory situation is brought to light, merely fixing it prospectively for the future is not enough. Payments which can be massive, will likely be assessed for the past.

Hopefully the back pay will not be what is best-recalled and best-understood about the agreement. I say this because dollars, of and by themselves, do not expand career opportunities.

What is perhaps less clearly perceived about what we in the Bell System have set about to do are some of the innovative and unique methods we have adopted to alter our systems of hiring, promoting and transferring employees; and our efforts to end sexual stereotypes associated with our jobs.

This is what we have set out to do; and now let me describe very briefly how we are going about doing it. I stress the word because we, as a business, actually developed many of the solutions that we felt might help us resolve our problems, and resolve them in ways that would be effective and realistic without being chaotic or disruptive to the conduct of our business.

We proceeded from an assumption -- an assumption so basic as to appear simplistic when stated. That assumption was -- and is -- that ability and intelligence are evenly distributed among the sexes and races, and while there may be differences between men and women, black and whites and orientals, there are also significant areas of overlap, of preference, ability and aptitude from which to build or -- in our case -- re-structure a work force. In addition, it is the EEO policy of the Bell System for the race and sex profile of each major job classification to more or less reflect proper utilization.

We recognized that the Bell System had two historic policies in effect that made the course of action we took a feasible one. First, we have a long-standing policy of promoting from within the business; secondly, in many of our jobs, training the employee is done after the employee accepts the assignment. Both of these existing policies could be utilized effectively in broadening the base of opportunities for women and minorities.

We knew that formalized procedures rather than rhetoric; that continuing accountability rather than "some-day" promises were the ways for us to go. Accordingly, published affirmative action programs are now in use in some 600 separate establishments across the Bell System, AAP's that will insure the proper utilization of women and minorities at all job levels. For each of these 600 AAP's we have developed ultimate goals and timetables for 15 different job classifications -- classifications ranging from entry level and craft jobs to technical and managerial

assignments. Through utilization analyses, considerable care has been taken to assure that the representation of women and minorities in each job classification in our work force will be in proportion to their representation in the relevant labor market.

We have in our affirmative action programs found it most important to establish intermediate targets so we might know at any point in time how well we are doing and where we must concentrate additional effort. Accordingly, our current affirmative action programs include intermediate targets for 1973, 1974, and 1975. These intermediate targets are subject to close and continuing scrutiny by a government coordinating committee. To assure success in meeting our targets, a novel technique -- "affirmative action override" -- has been introduced which permits the transfer bureau to override seniority and best-qualified if an establishment is not making its targets. It is worth noting that our managers are well aware of the fact that they are being appraised for their EEO performance and their ability to meet their intermediate targets, just as they are appraised on other significant components of their jobs.

Let me touch briefly on several innovative procedures we have introduced that show considerable promise for developing career opportunities for women and minority males as well as white males.

The first is the creation of the upgrade and transfer plan now in operation throughout the Bell System. These widely publicized programs are the vehicle through which non-management employees can achieve job mobility. Here's how it works: The transfer bureau informs the employee of anticipated openings in all non-management job classifications for the balance of the year. The nature of these jobs and qualifications that may be required are also described in a job briefs and qualifications manual. Working through the bureau, the employee has the opportunity to request a transfer to any two of these jobs that might interest them. These can be jobs within their own department, or in another department. If the employee proves qualified and is placed in a new assignment, he/she takes his seniority with them to the new job.

Thus far thousands of transfers have already taken place through the bureaus around the system and there appears to be significant movement of women and minorities. Women who were previously telephone operators are now moving into what would be considered non-traditional jobs--such formerly sex-segregated jobs as switchmen, framemen, mechanics, cable testing, repair assignments, etc. As for the training required to do these new jobs--as I mentioned earlier, traditionally much of our training is done on the job. Therefore, we have not had to develop training programs for women, but rather we have taken existing training programs and opened them up to women. I might also mention that we have no evidence that the training we offer must be different or specially tailored to women or for minorities.

Another innovation I would like to describe--and this one at the managerial level--has been female participation in maps. The Management Assessment Program provides an opportunity for higher level managerial jobs by participating in situations simulating those typically faced by Bell System managers. A specially-trained staff evaluates the managerial skills and abilities demonstrated by the participants and makes a judgment of the individual's potential for handling higher level responsibilities. Each assessee is provided an opportunity for a private feedback session on her performance at the center.

Of the women in the Bell System who are currently eligible to participate, almost 95% have elected to attend. We estimate that by next July more than 1,600 women will have been assessed. These women represent a substantial 'talent bank' for higher level managerial assignments.

Also of interest on the subject of developing careers on the managerial levels, is our stepped-up recruitment of women engineering graduates. In 1972, the women engineers hired into the Bell System represented approximately one out of every 10 women receiving engineering degrees. As an aside, I might here say that we look to government and the academic community to find new ways of informing, encouraging, and assisting more women to prepare themselves academically for technically-oriented careers.

Operating in an academic market, then, where demand currently far exceeds supply, we are trying to devise strategies to help us solve this problem. One approach that we have under study is a review of some of our entry engineering jobs to determine whether the traditionally-required engineering degree is really necessary. In some instances we may find that it is not required and that these jobs can be filled by women with a background of technical expertise in other areas. Currently, we are also testing an early-identification engineering assessment program which may make it feasible to offer upward mobility opportunities to some non-management women into entry engineering assignments.

Another area I should touch on briefly regards our recruiting efforts. While a major priority is, of course, the movement of people already in the business, our operating companies around the system presently bring in some 75,000 new people a year. We're having to change our image as far as sexual stereotypes in our jobs, and change the expectations of our prospective employees. That's why you're seeing ads showing a woman installer or a woman manager responsible for a telephone switching network. And -- on the reverse side of the coin -- that's why you're seeing ads of male operators and service representatives. In our employment offices, in school, and on college campuses, we're talking to women about a diversity of career opportunities, that only a short time ago neither we nor they would have considered. As you know, voluntary compliance with the law is the bulwark of our democracy. The long-term success of equal opportunity in the public sector, the private sector and in the bell system depends on voluntary compliance.

To this end, we have designed and developed a procedure for the operating telephone companies to use in conducting their own internal compliance reviews.

The AT&T compliance staff trains the compliance team in each operating company using the detailed model manual. Each Establishment (600 in the bell system) gets a thorough on-the-spot review annually and a statistical review. Since all records are available for governmental monitoring, it is necessary to have each compliance manager well-trained and knowledgeable in the law.

Each operating company has an EEO coordinator who has the overall responsibility for administering the AAP and its intermediate targets plus handling the EEOC complaint cases. Following the decree, the Bell System and the EEOC have jointly moved to eliminate some of the red tape in resolving the cases. The new process provides for the complaining party's charges to be delivered immediately to the EEO coordinator who has the appropriate compliance manager make a thorough investigation of the charges and then develop a solution.

Both the investigation and the remedy are reviewed by the EEOC district office and, if acceptable, the remedy is offered to the complaining party. This new process is being very helpful in reducing the backlog of cases. I would be less than honest if I left you with the impression that everything I've outlined in the last few minutes is being achieved effortlessly. Resistance to change is hardly a phenomenon unique to our business. It is a societal malaise.

There is no question that EEO considerations have added a new and complex dimension to the manager's job. Further, as more career opportunities are opened up to women, more questions are going to be raised by men about their futures.

We are candidly admitting to our people that from now on there will be increased and stiffer competition for the better jobs.

However, we remain firmly convinced that the best interests of all our constituencies -- our employees, our customers and our shareholders -- will be best served by making sure that each person has the opportunity to progress in this business along any career path of his or her choice.

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