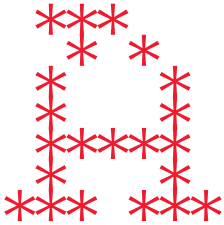




by FRANCINE D. BLAU
and ANNE E. WINKLER

does affirmative action work?

After four decades, we are still debating how much impact affirmative action can and should have on opportunities and outcomes at work



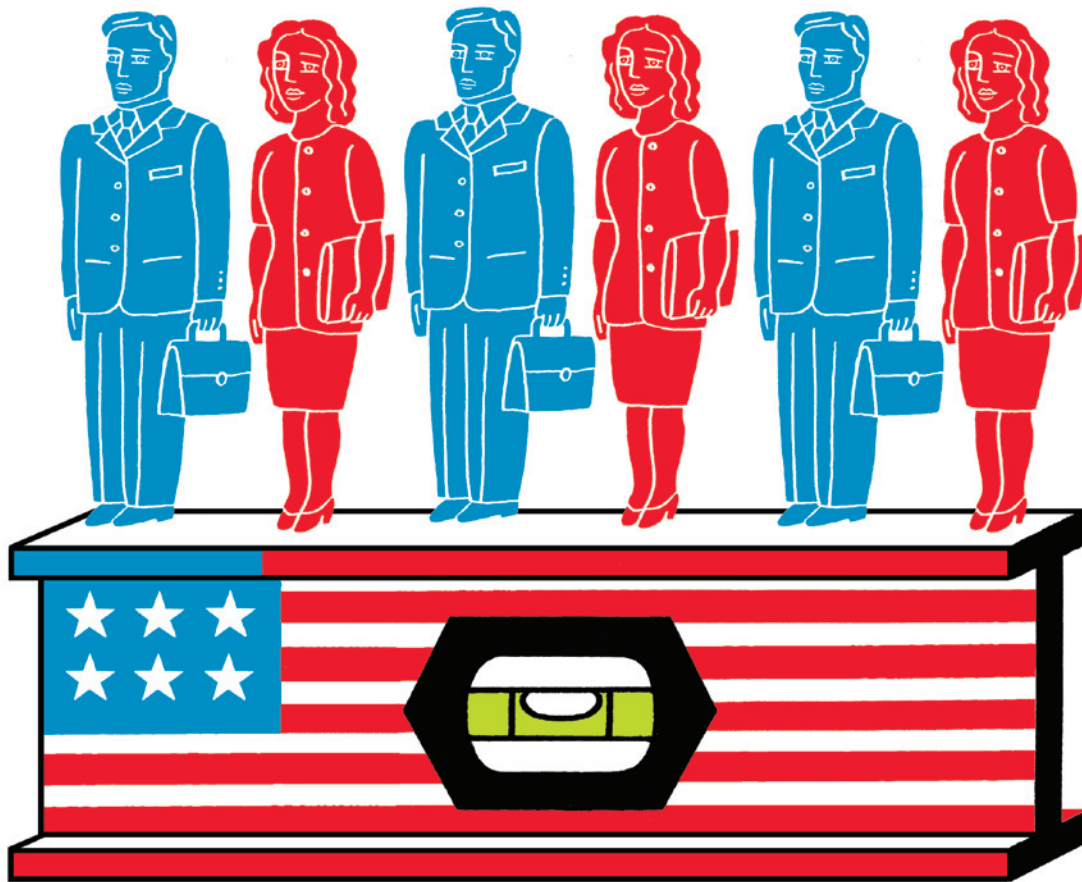
AFFIRMATIVE ACTION is a lightning rod in the debate about how to achieve equal opportunity in America. Some oppose affirmative action because they question the presence of discrimination at all. Others acknowledge the presence of discrimination but feel that taking active steps to help women and minorities should not be necessary if antidiscrimination laws are doing their job. Still others view affirmative action positively, though even here there is disagreement about how to implement it. Some think it is sufficient to expand the pool of candidates for a job, while others think it should go beyond this towards preferential treatment for women and minorities. Others worry that specific goals for employing women and minorities may become *de facto* quotas. But in all the controversy and rancor, there is one question that is less often asked and even less frequently answered: Does affirmative action in employment actually work?

Affirmative action is intended to remedy the effects of discrimination against women and minorities in the labor market. While discrimination against women appears to have declined, the research evidence indicates that women and minorities continue to face significant labor market problems. For instance, statistical analyses of earnings data generally indicate that there is still a sizable sex and race wage gap, even after controlling for education, experience, occupation, industry, and other factors that might explain why women and minorities earn less than white men. In addition, courts continue to find evidence of sex and race discrimination; just one recent high-profile case was the \$54 million settlement of a sex discrimination lawsuit against Morgan Stanley in 2004. And audit studies, in which researchers

compare the employment outcomes of equally qualified workers who apply for the same job, show that women and minority applicants receive fewer interviews and job offers than equally qualified men and whites.

What most people refer to as affirmative action is actually an Executive Order signed by President Lyndon B. Johnson in 1965 and amended to include women in 1967, requiring federal contractors or subcontractors with 50 or more employees or more than \$50,000 in contracts to “take affirmative action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex or national origin.” Covered employers that “underutilize” women and minorities must submit annual goals and timetables—but importantly, not quotas—for hiring women and minorities. In a few other instances, employers may be required to have affirmative action programs because they have lost or settled a discrimination lawsuit. In addition, some employers have voluntarily adopted some or all elements of the policy.

In the last 30 years, a number of studies have attempted to assess whether affirmative action programs lead to greater employment and advancement of women and minorities. Because affirmative action is a loose amalgamation of many different employer practices, good data on its impact have been hard to come by. But the general consensus is that women and minorities have indeed benefited at least modestly from affirmative action. For example, Jonathan Leonard’s 1989 study on the issue found that employment rates for women and minorities increased faster in firms with federal contracts (who were thereby subject to affir-



mative action), than at otherwise equivalent firms without such contracts. In a similar vein, a 2000 study by William J. Carrington, Kristin McCue, and Brooks Pierce found an increase in the share of women and minorities employed at large establishments—where antidiscrimination legislation and regulations are most likely to apply—after the mid 1960s, when Title VII of the Civil Rights Act was passed and the Executive Orders were implemented.

further reading

Harry Holzer and David Neumark offer other valuable evidence in a recent series of studies (see suggested readings). They asked employers whether affirmative action or equal opportunity law played any role in recruiting and/or hiring for the position they filled most

recently. Consistent with earlier studies, Holzer and Neumark found that firms using affirmative action had greater shares of minorities and women in their workforce. Moreover, when firms used affirmative action in recruiting—for example, advertising more widely for positions or requiring applicants to complete a larger number of screening tests to learn more about their attributes and potential—the new female and minority hires were equally as qualified as their white male peers; and once hired, they received equally as good job performance ratings (indicating they were likely equally as productive). When affirmative action was used in the hiring process, Holzer and Neumark again found that new female hires had similar qualifications and job performance. They did see some evidence of lesser qualifications “on paper” for minorities; but once hired, most minority groups performed at a level equivalent to their white male peers. Holzer and Neumark also found that employers who used affirmative action programs were more likely to have formal human resource procedures in place for evaluating their employees, which should help create more objective evidence when considering women and minority candidates for potential promotions down the road. In other words, this research suggests that affirmative action policies make firm personnel management practices more systematic and impartial—one of the remedies Reskin calls for (see page 32).

Of particular interest in the context of this volume is how affirmative action may affect women’s ability to reach the upper echelons of corporate America, government, and academia. Unfortunately, of the studies that have specifically looked at the

“What Does Affirmative Action Do?” by Harry J. Holzer and David Neumark, *Industrial and Labor Relations Review*, 2000.

“Assessing Affirmative Action,” by Harry J. Holzer and David Neumark, *Journal of Economic Literature*, 2000.

“The Continuing Need for Affirmative Action,” by Barbara Bergmann, *Quarterly Review of Economics and Finance*, 1999.

“Women and Affirmative Action,” by Jonathan Leonard, *Journal of Economic Perspectives*, 1989.

The Economics of Women, Men, and Work, by Francine D. Blau, Marianne A. Ferber, and Anne E. Winkler, Prentice-Hall, 2002.



impact of affirmative action on women, none have focused on women at the highest rungs on the career ladder. Thus, we still do not know whether being the beneficiary of affirmative action early in their careers ultimately helps women to attain top leadership positions; though as noted, it does appear to have helped open doors to positions along the way. Affirmative action and antidiscrimination policy, in general, may also have broader social benefits, beyond the gains to the specific individuals hired, for instance by creating mentors and expanding networking opportunities for women and minorities.

The benefits of affirmative action in employment, then, are moderately positive for women and minorities alike. Some individuals, however, perceive its costs to be large, which is what makes the policy so controversial and also may threaten its effectiveness. One concern that has been raised is that it creates *de-facto* quotas. But work by Jonathan Leonard shows that federal contractors tend to fall short of their employment goals for women and minorities, suggesting that they are indeed goals and not quotas. The more frequently raised concern, however, is that affirmative action encourages reverse discrimination—deliberately excluding white men to provide more opportunities for women and minorities. Such concerns may particularly arise when the economy is in a downturn and jobs are scarce. However, Holzer and Neumark's evidence suggests that the likelihood of more productive men or whites being passed over in favor of less productive women or minorities is probably low. And the fact that women and minorities still earn less than men and whites, all else equal, also indicates that reverse discrimination is not the norm.

Concerns about affirmative action not only make the program politically sensitive but could actually cause problems for those who are supposed to benefit from it. They may be viewed as “affirmative action hires” rather than as equally qualified, equally productive employees. This, in turn, could sap their confidence, creating a self-fulfilling prophecy. On the other hand, without affirmative action, women and minorities are likely to have fewer opportunities available to them or may invest less in education and training because they think that it will not pay off down the line. Looking to the future, the challenge is to continue to find ways to equitably level the “playing field” so that everyone has an equal opportunity to succeed. *

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a psychological effect of stereotypes

by CARRIE CONAWAY



WE DON'T NORMALLY THINK OF highly successful people as likely to suffer due to psychological pressure or stereotyping. But according to social psychologists, it is those most invested in their achievement who are most likely to fall prey to a kind of unconscious behavior known as stereo-

type threat. This threat is pernicious because it is not due to active discrimination by employers, teachers, or other external evaluators; rather, it comes from within. It emerges in situations where people worry that their poor performance on some measure might be attributed not to their individual ability, but to a negative stereotype about a group they belong to—women, African-Americans, athletes, liberals, any group at all. Members of these stereotyped groups worry that their individual results will serve as a referendum on the abilities of everyone in their group, and the stress and self-doubt this brings on demonstrably reduces their performance—creating the very outcome they were striving to avoid. For example, knowing that women are perceived as indecisive, a successful woman leader may still act indecisively, not because she actually is incapable of making a decision, but because the fear that others will perceive her that way slows down her decision-making process.

Stereotype threat is a complex psychological phenomenon that occurs only when several related factors coincide. Research evidence shows that for people to be affected by it, they must be high performers—people who care about doing well, rather than people who have dissociated themselves from striving for high achievement. They also must be put into a situation where their skills or abilities might be in question. This does not literally need to be an examination; a job assignment could serve the same purpose. But the task does need to be challenging, even frustrating, since these high achievers will not doubt their ability to perform well on an easy test. Studies also indicate that people will be more susceptible when they are invested in their image as a member of the stereotyped group. People whose group identity isn't important to them won't be worried about whether their poor performance reflects badly on their group. In addition, individuals are especially vulnerable if they believe that human intelligence is determined at birth (rather than being determined by situational