

# SECTION I

A group of five business professionals in silhouette are walking across the letters of the word 'SECTION I'. Two women are on the left, and three people (two men and one woman) are on the right. They are carrying briefcases and folders.

**EXECUTIVE SUMMARY**

INTRODUCTION

OVERVIEW

HIGHLIGHTS OF THE RESEARCH



# INTRODUCTION

## GLASS CEILING COMMISSION

The term glass ceiling was popularized in a 1986 *Wall Street Journal* article describing the invisible barriers that women confront as they approach the top of the corporate hierarchy.

**The Federal Glass Ceiling Commission**, a 21-member bipartisan body appointed by President Bush and Congressional leaders and chaired by the Secretary of Labor, was created by the Civil Rights Act of 1991. Its mandate was to identify the glass ceiling barriers that have blocked the advancement of minorities and women as well as the successful practices and policies that have led to the advancement of minority men and all women into decisionmaking positions in the private sector.

## TASK

The Commission was specifically directed—

- to conduct a study of opportunities for, and artificial barriers to, the advancement of minority men and all women into management and decisionmaking positions in Corporate America, and
- to prepare and submit to the President and

the appropriate committees of the Congress written reports containing the findings and conclusions resulting from the study and the recommendations based on those findings and conclusions.

## SCOPE OF WORK

The Federal Glass Ceiling Commission systematically gathered information on barriers, opportunities, policies, perceptions, and practices as they affect five target groups that historically have been underrepresented in private sector top-level management—women of all races and ethnicities, and African American, American Indian, Asian and Pacific Islander, and Hispanic American men. **As the Glass Ceiling Act (Section 204 of Public Law 102-166) mandates,\*** the Commission was directed to do the following:

*“(1) examine the preparedness of women and minorities to advance to management and decisionmaking positions in business;*

*The Commission conducted a study of opportunities for, and artificial barriers to, the advancement of minority men and all women into management and decisionmaking positions in Corporate America.*

\*Pursuant to Title II of the Civil Rights Act of 1991 (pub. L. 102-166) and Section 9 of the Federal Advisory Committee Act (FACA) (pub. L. 92-262, 5 U.S.C. app. II) a Notice of establishment of the Glass Ceiling Commission was published in the Federal Register on March 30, 1992 (57FR 10776).

*(2) examine the opportunities for women and minorities to advance to management and decisionmaking positions in business;*

*(3) conduct basic research into the practices, policies, and manner in which management and decisionmaking positions in business are filled;*

*(4) conduct comparative research of businesses and industries in which women and minorities are promoted to management and decisionmaking positions, and business and industries in which women and minorities are not promoted to management and decision-making positions;*

*(5) compile a synthesis of available research on programs and practices that have successfully led to the advancement of women and minorities to management and decisionmaking positions in business including training programs, rotational assignments, developmental programs, reward programs, employee benefit structures, and family leave policies; and*

*(6) examine any other issues and information relating to the advancement of women and minorities to management and decisionmaking positions in business.”*

The Commission research and information-gathering process included the following:

- Five public hearings held in Kansas City, Kansas; Dallas, Texas; Los Angeles, California; Cleveland, Ohio; and New York, New York, at which 126 employers and employees from a broad spectrum of industries and institutions testified about their experiences and perceptions of the glass ceiling.
- The commissioning of eighteen research papers on the status and problems of minorities and women and on other specific aspects of the glass ceiling such as the impact of downsizing on diversity, comparative compensation, and law enforcement.
- A survey of twenty-five chief executive officers (CEOs) from white- and minority-owned businesses regarding their perceptions and experiences in recruiting, developing, and promoting minorities and women into decisionmaking positions.
- Six racially homogeneous focus groups of Asian and Pacific Islander American, African American and Hispanic/Latino male executives in New York, Chicago, and Los Angeles to determine the perceptions, opinions, beliefs, and attitudes of minority men on the key issues related to the glass ceiling barriers. (With each racial/ethnic

*Glass ceiling issues are about business and about people who work in business.*



- group, two sessions were held, one of younger men (30-45) and one older (46-65). All respondents were college graduates with a mix of bachelor's, master's, and Ph.D. degrees. All were full-time employees of U.S. companies in the following industries: communications, legal, electronic, health care, aerospace, utility, airline, financial/banking, travel, transport, publishing, realty, employment services, personal products, and beverage.)
- Two focus panel groups with American Indian men and women in Washington, D.C. (All members of the groups were college graduates with a mix of bachelor's, master's, and law degrees, a mix of government and private sector employment, and a mix of ages and tribal affiliations. The majority were based in Washington but others came from as far away as California.)
  - Analyses of special data runs of U.S. Bureau of the Census data conducted expressly for the Federal Glass Ceiling Commission to establish as clearly as possible the educational achievement, status, and compensation levels of the target groups.
  - Analyses of special data runs of U.S. Bureau of the Census data to identify the status of minorities and women by industrial sector.

## THE REPORTS

Glass ceiling issues are about business and about people who work in business. Therefore, for the first report, the findings and conclusions are presented in an "Environmental Scan." The second report will contain recommendations and will be a "Strategic Plan."

### Report One: The Environmental Scan

This document, The Environmental Scan, presents the findings of the Federal Glass Ceiling Commission resulting from research by its consortium of consultants, commission hearings, studies, interviews, focus groups, and panel discussions — as well as its review of other public and private research.

The Environmental Scan describes and analyzes the barriers identified in existing research, independent studies, and Department of Labor surveys, as well as information gathered in the minority male executive focus groups, the American Indian focus groups, the CEO survey interviews, and the five public hearings. It also identifies and outlines strategies and practices that have been employed successfully to promote the advancement of minorities and women to senior-level positions in the private sector. These examples emerged from Commission research conducted by Catalyst and from the

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Commission's work in preparing for the Frances Perkins—Elizabeth Hanford Dole National Award for Diversity and Excellence in American Executive Management.

Finally, The Environmental Scan summarizes the perceptions of corporate leaders and minorities and women in the private sector and presents available quantitative data that supports or refutes them.

Emphasis is placed on perceptions because perceptions, true or not, perpetuate the existence of the glass ceiling barrier. Perceptions are what people believe and people translate their beliefs into behaviors, attitudes, and bias. Many judgments on hiring and promotion are made on the basis of a look, the shape of a body, or the color of skin. A 1992 report on a number of the nation's most progressive businesses and institutions, *The New Leaders: Guidelines on Leadership Diversity in America* by Ann M. Morrison, revealed that **prejudice against minorities and white women continues to be the single most important barrier to their advancement into the executive ranks.** For this reason, this report explores the perceptions of employers and employees, outlines the popular stereotypes, and then contrasts them with the research data and findings that delineate the realities and status of minority

men and all the women who are affected by the glass ceiling.

Much of the qualitative information on perceptions is drawn directly from transcripts of the Commission's five public hearings, the CEO Survey, the minority executive focus groups, and the American Indian focus groups. The quantitative data is based on private surveys and Commission research and on extensive analyses of U.S. Department of Census data, analyses prepared expressly for the Commission. Specific sources are cited in the body of this report.

## **Report Two: A Strategic Plan**

A second report will present the Commission's recommendations based on its findings. These recommendations will form a "Strategic Plan" that will be presented to the President and the Congress in the Summer of 1995.

The recommendations will speak to the imperative of dismantling artificial barriers to advancement. The recommendations will be designed to assure equitable opportunity for white men, minorities, and women.

## OVERVIEW OF THE FACT-FINDING REPORT

Corporate leaders surveyed, and women and minorities who participated in focus groups, researchers, and government officials, all agree that a glass ceiling exists and that it operates substantially to exclude minorities and women from the top levels of management. At the same time, increasing numbers of corporate leaders recognize that glass ceilings and exclusion of members of groups other than white non-Hispanic males are bad for business because of recent dramatic shifts in three areas that are fundamental to business survival:

- **Changes in the demographics of the labor force**
- **Changes in the demographics of the national consumer markets**
- **The rapid globalization of the marketplace**

CEOs state that the need to compete in changing national and international business environments is driving business to address glass ceiling issues because:

- **Glass ceilings exclude from top leadership of corporations able people of diverse backgrounds that businesses need in order to compete successfully**

- **Top quality people, regardless of gender, race, or ethnicity, are essential to the health and profitability of business**

Despite the growing awareness among corporate leadership of the bottom-line value and economic imperative of including minorities and women in senior corporate management, progress has been disappointingly slow, and barriers persist which stop able people from achieving their full employment potential.

### GLASS CEILING BARRIERS

Glass Ceiling research reveals three levels of artificial barriers to the advancement of minorities and women in the private sector that contradict this nation's ethic of individual worth and accountability—the belief that education, training, dedication, and hard work will lead to a better life.

The three levels of barriers identified by the Commission research, CEO studies, and focus groups are these:

- **Societal Barriers which may be outside the direct control of business**

*Corporate leaders surveyed, and women and minorities who participated in focus groups, researchers, and government officials, all agree that a glass ceiling exists and that it operates substantially to exclude minorities and women from the top levels of management.*

*Corporate leaders who have successfully addressed the business barriers to the advancement of minorities and women are those who have squarely confronted the reality that their priorities and the priorities of their middle- and upper-level managers are not always synonymous.*

- The Supply Barrier related to educational opportunity and attainment
- The Difference Barrier as manifested in conscious and unconscious stereotyping, prejudice, and bias related to gender, race, and ethnicity.

- **Internal Structural Barriers within the direct control of business**

- Outreach and recruitment practices that do not seek out or reach or recruit minorities and women
- Corporate climates that alienate and isolate minorities and women
- Pipeline Barriers that directly affect opportunity for advancement
  - Initial placement and clustering in staff jobs or in highly technical and professional jobs that are not on the career track to the top
  - Lack of mentoring
  - Lack of management training
  - Lack of opportunities for career development, tailored training, and rotational job assignments that are on the revenue-producing side of the business
  - Little or no access to critical developmental assignments such as memberships on highly visible task forces and committees
  - Special or different standards for performance evaluation

- Biased rating and testing systems
- Little or no access to informal networks of communication
- Counterproductive behavior and harassment by colleagues

- **Governmental Barriers**

- Lack of vigorous, consistent monitoring and law enforcement
- Weaknesses in the formulation and collection of employment-related data which makes it difficult to ascertain the status of groups at the managerial level and to disaggregate the data
- Inadequate reporting and dissemination of information relevant to glass ceiling issues

A majority of the CEOs interviewed felt that these practices are obstacles to pursuing opportunity. Change can be handled well or it can be handled poorly. Those corporate leaders who have successfully addressed the business barriers to the advancement of minorities and women are those who have squarely confronted the reality that their priorities and the priorities of their middle- and upper-level managers are not always synonymous. These are the companies who have made the transition to inclusion while continuing to prosper. Their experience demonstrates that barriers can be overcome.



## WHAT WORKS TO OVERCOME BUSINESS BARRIERS

There is no “one way” to eliminate the barriers to the advancement of minorities and women in the private sector. Each company is different and each must carefully evaluate its situation and needs. However, analysis of the companies that are managing change effectively indicates that the following characteristics—detailed in this report—are common to all successful glass ceiling initiatives:

- They have CEO support
- They are part of the strategic business plan
- They are specific to the organization
- They are inclusive—they do not exclude white non-Hispanic men
- They address preconceptions and stereotypes
- They emphasize and require accountability up and down the line
- They track progress
- They are comprehensive

## THE ENVIRONMENTAL SCAN

Despite the growing number of corporate leaders who consider diversity at the managerial and decisionmaking levels to be an important issue impacting their company’s bottom line, significant barriers continue to exist at various levels within organizations and are experienced differently by different ethnic and racial groups. These barriers

impede the advancement of qualified minorities and women. In general, African Americans, American Indians, Asian and Pacific Islander Americans, and Hispanic Americans resist the use of the term minority which they feel implies inferiority. It has been pointed out that in the U.S. any population is a minority if it occupies a subordinate power position in relation to another population within the same country or society.

African American, American Indian, and Hispanic American men believe that within their groups not enough individuals are earning the degrees that business needs. On the other hand, they also perceive that even those who have these credentials face brick, opaque, and thick glass ceilings that block their advancement to senior-level decisionmaking positions. A survey of senior-level male managers in Fortune 1000 industrial and Fortune 500 service industries shows that almost 97 percent are white, 0.6 are African American, 0.3 percent are Asian, and 0.4 percent are Hispanic.

African American men and women comprise less than 2.5 percent of total employment in the top jobs in the private sector. African American men with professional degrees earn only 79 percent of the amount of their white male counterparts; African American women with professional degrees earn only 60 percent of what white males earn. African Americans represent a \$257 billion consumer market.

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Only 9 percent of American Indians in the workforce hold college degrees. American Indians have the highest high school dropout rate of any ethnic or racial group — 36 percent. According to the 1990 census, only 7,862 American Indians held executive, administrative, or managerial positions at any level, very little of it in the private sector.

From 1960 to 1990, Asian and Pacific Islander Americans were the fastest growing minority group. Asian and Pacific Islander Americans represent a \$94 billion consumer market. Asian and Pacific Islander men feel that they have more than sufficient educational credentials and experience and still are kept under the ceiling because they are perceived as superior professionals but not as management material.

Hispanic American men have the highest workforce participation rate of any ethnic group at 78.2 percent. In 1990, 370,000 Hispanic Americans had earned advance degrees now considered essential for climbing the corporate ladder. Hispanic American represent a \$175 billion consumer market.

White women in Corporate America agree they have made some movement through the glass ceiling. They are cautiously optimistic but they do not perceive that the problem has been solved. There is still a long way to go and barriers

continue to exist. Only two women are CEOs in Fortune 1000 companies.

Minority women do not see much progress and feel that significant barriers to their advancement still exist.

The data show that minorities and white women are increasingly earning the credentials that business needs. However, data also show that women hold only 3 to 5 percent of the senior-level jobs in major corporations. Moreover, only 5 percent of the women who hold those senior-level jobs are minority women.

## **IN CONCLUSION**

Two major strengths of our country—which with the exception of American Indians is a nation of immigrants—have been:

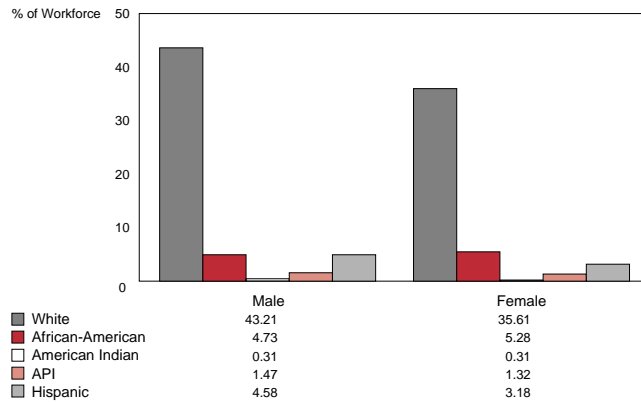
- the nation's ability to adapt to perpetual demographic change
- the nation's remarkable ability in most respects to make self-corrections whenever the contract with its citizenry is threatened or damaged

The body of research detailed in the following section reveals that in the private sector, equally qualified and similarly situated citizens are being denied equal access to advancement into senior-level management on the basis of gender, race, or

ethnicity. At the highest levels of corporations the promise of reward for preparation and pursuit of excellence is not equally available to members of all groups. Furthermore, it is against the best interests of business to exclude those Americans who constitute two-thirds of the total population, two-thirds of the consumer markets, and more than half of the workforce (approximately 57 percent).

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**Composition of the U.S. Workforce**  
(By Gender, Race and Ethnicity, 1990)



Source: Bureau of the Census, *Social and Economic Characteristics, 1990*

## HIGHLIGHTS OF THE RESEARCH

*Over the last decade, 95 to 97 percent of senior managers—vice presidents and above—were men.*

### Population of the United States Years 1980, 1990 and 2000\* By Percent

	1980	1990	2000*
White	79.7	75.3	71.2
African-American	11.7	12.0	12.6
American Indian	0.6	0.8	0.8
API American	1.5	2.9	4.3
Hispanic American	6.5	9.0	11.1

\*Year 2000 represents a population projection

Source: Department of Commerce-Economic and Statistics Administration  
1980 and 1990 Census Counts on Specific Racial Groups  
Year 2000-Bureau of the Census-Population Branch

### What is the Glass Ceiling? GCC Research 3, 8, and 13\*

Federal Glass Ceiling Commission research papers, as well as testimony presented at the public hearings, clearly document that today's American labor force is gender and race segregated—white men fill most top management positions in corporations.

According to surveys of Fortune 1500 companies conducted by Korn/Ferry International and Catalyst over the last decade, 95 to 97 percent of senior managers—vice presidents and above—were men. A 1989 Korn/Ferry survey found that 97 percent of male top executives are white. A 1992 survey of Fortune 1500 companies found that 95 percent of the three to five percent of the top managers who were women were white non-Hispanic women. In 1994, two women were CEOs of Fortune 1000 companies.

The representation of women and minorities on Fortune 1500 boards of directors is also limited. Cox and Smolinski point out that less than 10 percent of the largest employers have women on their board of directors. According to a 1992

\*The numerical references cited at each heading refer to the research papers listed at the end of this section.

Heidrick & Struggles survey, *Minorities and Women on Corporate Boards*, non-U.S. citizens held 2.85 percent of the board seats of 806 Fortune companies, slightly less than the 3.11 percent combined total held by all racial and ethnic minorities.

Conversely, the American workforce is increasingly diverse. In 1950, white men comprised 65 percent of the labor force; in 1990 white male representation had dropped to 43 percent. During the same period, representation of white women in the labor force increased from 24.2 percent to 35.3 percent. At the same time, minority representation in the labor force doubled, to 15.2 percent. Over the last decade, the size of the Asian and Pacific Islander American population has doubled, becoming the fastest growing of minority groups in the United States.

A larger proportion of women and minorities are locked into low wage, low prestige, and dead-end jobs, which according to Harlan and Bertheide, are not connected to any career ladder.

## The Current Status of Minorities and Women Managers *GCC Research 1, 4, 7, 9, 11, 12, 13, 14, and 17*

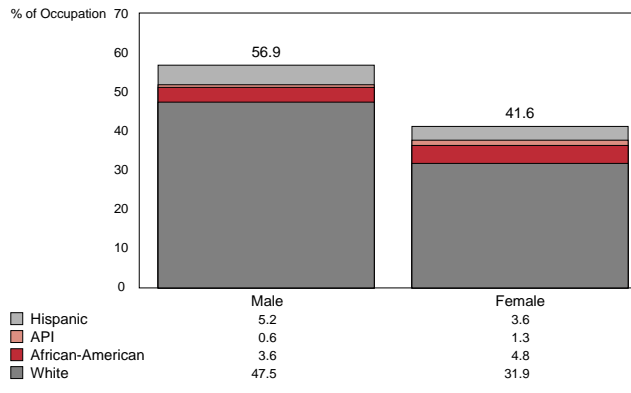
Most female and minority professionals and managers do not work in the private-for-profit sector. They hold jobs in the public sector and “third sector” — non-governmental agencies in health, social welfare, and education; legal service, professional service, membership organizations and associations; libraries, museums and art organizations. According to Burbridge, 90 percent of Black female professionals, 70 percent of Black male professionals, and 83 percent of white and Hispanic women professionals work in the government or the third sector, compared to 56 percent of white male non-Hispanic professionals.

The exception to this pattern of employment is Asian and Pacific Islander Americans (API) who rely heavily on the for-profit sector. Contrary to the popular image of API Americans, only a small percentage are entrepreneurs or managers of small businesses (9.8 percent).

Federal Glass Ceiling Commission research also analyzed salaries as an indicator of advancement. In 1992, U.S. Census data reported the ratio of female to male earnings in management jobs ranged from a low of 50 percent in the banking industry to a high of 85 percent for managers in human services. An analysis of 1990 U.S. Census data shows that Black men who hold professional

**Executives, Managers and Administrators**  
(By Race and Gender)

**Public Administration**



Source: 1990 Census, 5% PUMS data file

degrees and top management positions earned 79 percent of what white men earn. Black women, also with professional degrees and in top management positions, earn 60 percent of what white men in comparable positions earn.

Despite identical education attainment, ambition, and commitment to career, men still progress faster than women. A 1990 *Business Week* study of 3,664 business school graduates found that a woman with an MBA from one of the top 20 business schools earned an average of \$54,749 in her first year after graduation, while a comparable man earned \$61,400—12 percent more. Wernick reports that a 1993 follow-up study of the Stanford University Business School class of 1982 found that 16 percent of the men were CEOs, chairmen, or presidents of companies compared to only two

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percent of the women. At the level below those top posts, 23 percent of the men in the 1982 class were now vice presidents and 15 percent were directors, compared to 10 percent and 8 percent, respectively, of the women.

Some data support the optimism that the 25 CEOs expressed about the progress of women. For example, between 1982 and 1992 the percentage of women who held the title of female executive vice president increased from four percent to nine percent; the percentage who held the title of senior vice president increased from 13 percent to 23 percent. In comparison, between 1982 and 1992, the percentage of African Americans who held the title of vice president or above increased from one percent to 2.3 percent. During the same period, the percentage of Hispanic top managers increased from 1.3 percent to 2 percent, and the percentage of Asian senior managers increased from .4 percent to 1.8 percent.

The small numbers of minorities and women throughout management makes statistics on the rate of change in representation misleading. For example, if two out of three Black male managers take early retirement, a firm experiences a 67 percent decline in representation.

### **The Business Imperative**

Another reason for optimism is the growing body of evidence which indicates shattering the glass

ceiling is good for business. Organizations that excel at leveraging diversity (including hiring and promoting minorities and women into senior positions) can experience better financial performance in the long run than those which are not effective in managing diversity.

Cox cites a Covenant Investment Management study to prove this point. The Covenant study rated the performance of the Standard and Poor's 500 companies on factors relating to the hiring and advancement of minorities and women, compliance with EEOC and other regulatory requirements, and employee litigation. Companies which rated in the bottom 100 on glass ceiling related measures earned an average of 7.9 percent return on investment, compared to an average return of 18.3 percent for the top 100.

Cox offers several other explanations about why some businesses are motivated to eliminate the glass ceiling. In the U.S., Asians, Blacks, and Hispanics collectively represent more than \$500 billion a year in consumer spending. In the automobile industry explicit recognition of cultural differences within the U.S. market is paying off. In 1987, by targeting advertising, hiring bilingual sales people, and holding special events, a Miami Toyota dealer gained more than 50 percent of the local Hispanic market and his sales increased 400 percent over a six-year period. On the West coast, a San Francisco Volkswagen dealership credited improved sales to Asian and Pacific Islander

Americans for a five-fold increase in overall sales per month. Sales people learned through cultural sensitivity training that among Chinese Americans, family elders often are the ultimate decisionmakers for major purchases.

To a lesser degree than competition for market share, turnover costs are also factors motivating companies to address issues related to glass ceiling. Cox cites a published report of Ortho Pharmaceuticals that stated yearly savings of \$500,000 mainly from lower turnover among women.

These savings are not surprising. Recent studies estimate the turnover costs range between 150 and 193 percent of a manager or professional's annual salary, compared to 75 percent for lower level employees. Corning Glass reported that during the period from 1980 to 1987 turnover among women in professional jobs was double that of men. During the same time period, the turnover rates for Blacks were almost two and a half times those of whites. Another study of male and female managers of large corporations found that the major reason for women quitting was a lack of career growth opportunity or dissatisfaction with rates of progress.

### **The Pipeline**

#### *GCC Studies 1 through 8*

The research monographs and testimony that

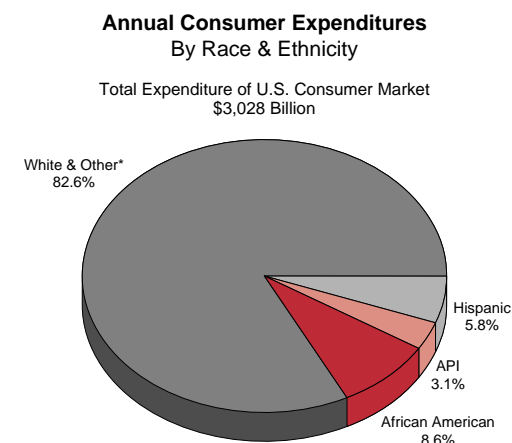
examined the preparedness of minorities and women to advance to top management positions considered preparedness in terms of corporate development of minorities and women and educational credentials.

As Wernick explains, the development of business executives is a long, complicated process. Chief executive officers (CEOs) are generally in their 50s or 60s when they assume the top position. Furthermore, they have usually spent 20 to 25 years "in the pipeline."

It is also worth noting that career paths to CEO positions vary by industry. Certain functional areas are more likely than others to lead to the top. The "right" areas are most likely to be line functions such as marketing or production or a critical control function such as accounting or finance. Studies across industries find certain factors common to successful executives, regardless of gender, race, or ethnicity. They include: broad and varied experience in the core areas of the business; access to information, particularly through networks and mentoring; company seniority; initial job assignment; high job mobility; education; organizational savvy; long hours and hard work; and career planning.

Minorities and women have limited opportunity to obtain broad and varied experience in most companies. They tend to be in supporting, staff

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\*Data is not disaggregated for White Non-Hispanics, American Indians, and other.

*Gender distribution is more prominent than race distribution across industries.*

function areas—personnel/human resources, communications, public relations, affirmative action, and customer relations. Movement between these positions and line positions is rare in most major companies. Furthermore, career ladders in staff functions are generally shorter than those in line functions, offering fewer possibilities to gain varied experience.

Education is also an important part of an executive's preparation. According to a 1993 Korn/Ferry International UCLA report, almost 90 percent of executives are college graduates. U.S. Census data show that Asian and Pacific Islander Americans and women have the largest percentage of the work force with college or graduate degrees, with 42 percent and 35 percent, respectively. The same source shows that college attendance is increasing for Black men and women of all ages. Between 1982 and 1991, there was a 36 percent increase in the number of African Americans, ages 20 to 44, with a college degree or more.

The picture for American Indians and Hispanic Americans is less encouraging. Only 9 percent of American Indians in the workforce hold college degrees. Between 1980 and 1990, the number of Hispanic Americans with bachelor's or graduate degrees increased from 7.7 percent to 10 percent. Furthermore, the opposition to bilingual education discourages the acquisition of one of the assets that business values. According to a 1994

*Hispanic Business* magazine survey of 169 Hispanic senior managers, the majority of managers work in line positions in international divisions using their bilingual and bicultural skills. However, only 4 percent of Hispanic high school students gain bilingual capability by taking the minimum requirement for Spanish literacy, according to a Department of Education longitudinal study.

### **Where are the Opportunities?**

*GCC Studies 1, 3, 5, 7, 11, 15, 17, and 19.* Federal Glass Ceiling Commission research on the opportunities for minorities and women to advance to top management positions in corporate America focused on two areas: 1) identification of growth industries and businesses and high-demand occupations and their relation to opportunities for advancement, and 2) identification of possibilities resulting from changes in the structure of work, new technologies, and the demands of a global economy.

Gender distribution is more prominent than race distribution across industries. Women are more likely than men to be clustered in services; finance, insurance, and real estate (FIRE), and in the wholesale/retail trade industries. Nearly 75 percent of employed women work in these industries.

### **Growth Industries**

The industries expected to grow the most between 1990 and 2005 are service/retail trade; FIRE; wholesale trade; transportation, communications,



and public utilities; and construction.

Those areas which are expected to have growing needs for general managers and top executives include wholesale trade; retail trade, especially eating and drinking establishments; finance and real estate (but not insurance carriers); and services, particularly business services, auto services, health services, education, social services, and engineering and management services.

Women appear to have the best opportunity for advancement into management and decision-making positions in three types of industries: those which are fast-growing (business services); those like telecommunications where change, i.e., deregulation, restructuring has occurred; and those with a female intensive work force (insurance, banking).

### **Restructuring**

A review of research on recent changes in the organization of work identifies seven ways in which downsizing and restructuring can limit opportunities for all managers, professionals, and administrators. They are: 1) an increase in external recruiting which reduces the number of internal career ladders; 2) elimination of layers of management and staff positions, 3) hiring of independent contractors or small businesses to perform some staff functions; 4) more stringent performance measures on those managers who remain; 5) more geographic mobility required of man-

agers; 6) increased importance of team work; and 7) a shift of employment from manufacturing to services.

As Hamlin's research on the impact of downsizing and restructuring in nine companies found, in more than half the companies, white women and—to a somewhat lesser extent—minority men have increased their representation in management both in absolute numbers and in proportion to white men between 1990 and 1994. Restructuring can present problems as well as opportunities for minorities and women in management. In some cases the last hired are the first fired. On the other hand, when early retirement is part of the restructuring process, higher level positions may become available, thereby increasing advancement opportunities. Hamlin's study showed that white male managers who had seniority and were eligible for relatively generous buy-out packages were most likely to take early retirement or choose other forms of severance during downsizing.

### **Comparison of Industries—Women**

The industries with the highest percent of women managers were FIRE (41.4%), services (38.9%), retail trade (38.5%), transportation, communication, and public utilities (25.6%), and wholesale trade (20.9%). Manufacturing (15.9%), agriculture (14.5%), construction (10.4%), and mining (9.8%) had the lowest percentages.

*Restructuring can present problems as well as opportunities for minorities and women in management.*

*Women appear to be advancing best in industries with relatively high growth, those undergoing change with regard to regulation, and those highly competitive and thus dependent on marketing and flexibility.*

The proportion of women employees who are managers is the closest to that of men who are managers in transportation, communications, and public utilities (10.1%; 15.2%), with the construction industry second (6.4%; 9.9%). Manufacturing and FIRE showed the biggest proportional differences.

Predominately female industries have larger percentages of women in at least mid-level managerial positions than do predominately male industries. Furthermore, women appear to be advancing best in industries with relatively high growth, those undergoing change with regard to regulation, and those highly competitive and thus dependent on marketing and flexibility.

#### **Comparison of Industries—Minorities**

Department of Labor analyses of 1990 EEOC data for minorities (men and women) find that the industries with the highest percentage of minority managers are retail trade (13%), transportation, communication, and public utilities (12%), services (11%), and FIRE (11%). Agriculture (1.3%), wholesale trade (0.9%), manufacturing (0.8%), mining (0.7%), and construction (0.6%) had the lowest percentages.

The proportion of minority employees who are managers is the closest to that of non-minorities who are managers in transportation, communication, and public utilities (7.7%; 15.0%), with the retail trade industry second (9.2%; 21.0%).

Agriculture and construction had the biggest differences between the proportions.

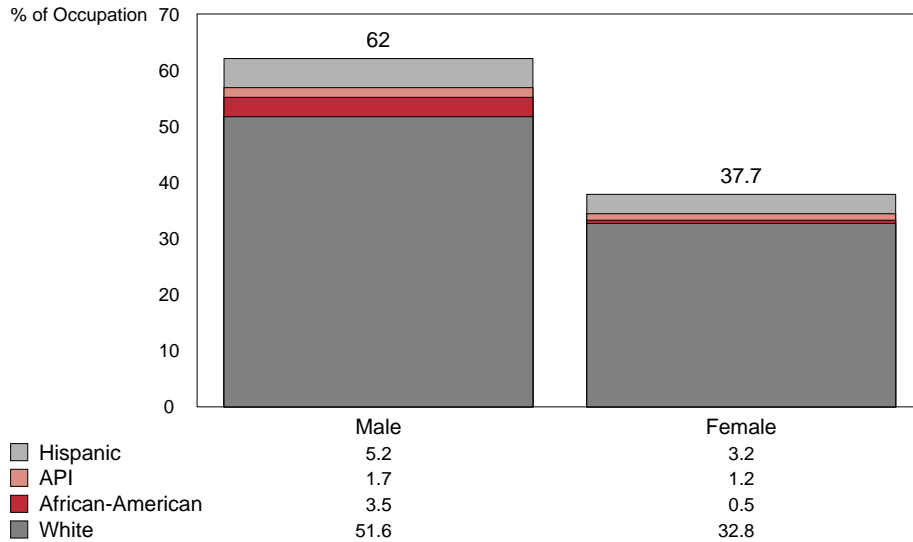
However, a study of Hispanic executives in the Fortune 500 industrial and 500 service industries (HACR 1993) found the highest percentage of Hispanic officers in beverages (3.8%), soaps and cosmetics (2.4%), building materials (1.9%), and motor vehicles and parts (1.1%). These sub-industries are all in the manufacturing sector. Officer representation for Hispanics in all other industrial sectors was below 1 percent, and has the lowest percentage of FIRE and transportation, communication, and public utilities.

An analysis of the 30 companies listed as best places for Blacks to work in the February 1992 edition of *Black Enterprise* found 8 of the 30 companies were in the consumer products industry. Telecommunications, automobiles, other manufacturing firms, oil, chemical companies, and banking/financial services had 3 mentions each.

Representation of minorities in an industry is not directly related to their advancement to management, as is the case with women. However, like women, minorities have the best chance of advancement in industries with relatively high growth, those undergoing change with regard to regulation, and those highly competitive and thus dependent on marketing and flexibility. (Note industry charts on next page.)

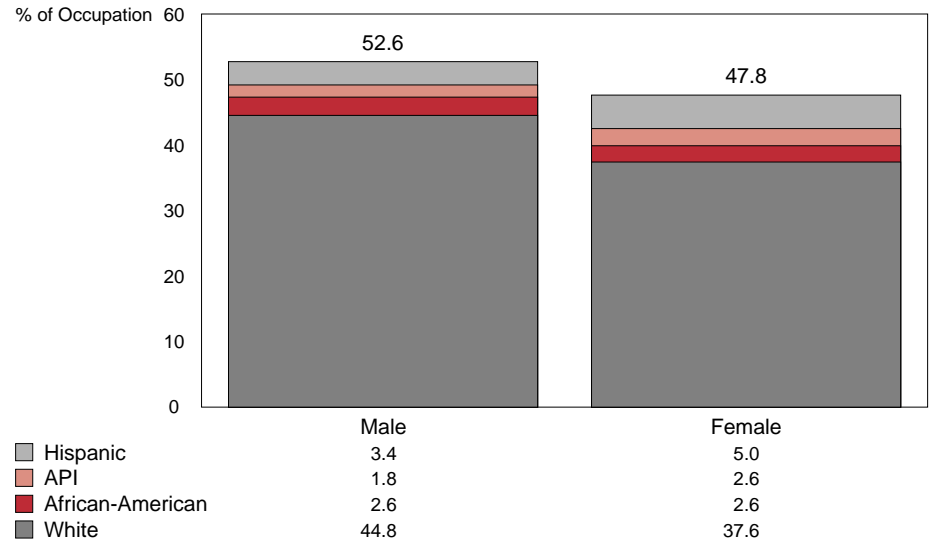
# EXECUTIVES, MANAGERS, AND ADMINISTRATORS (By Race and Gender)

## Business Services



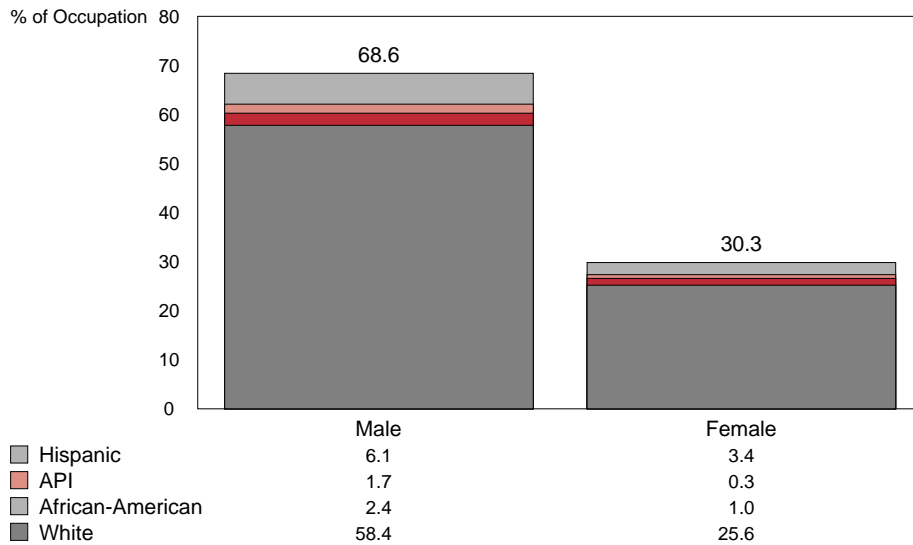
Source: 1990 Census, 5% PUMS data file

## Finance



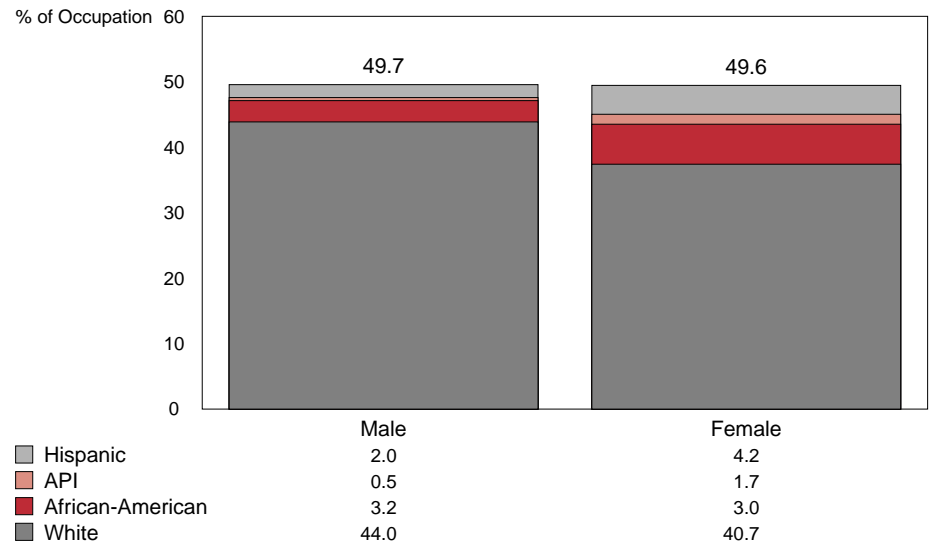
Source: 1990 Census, 5% PUMS data file

## Communications



Source: 1990 Census, 5% PUMS data file

## Insurance

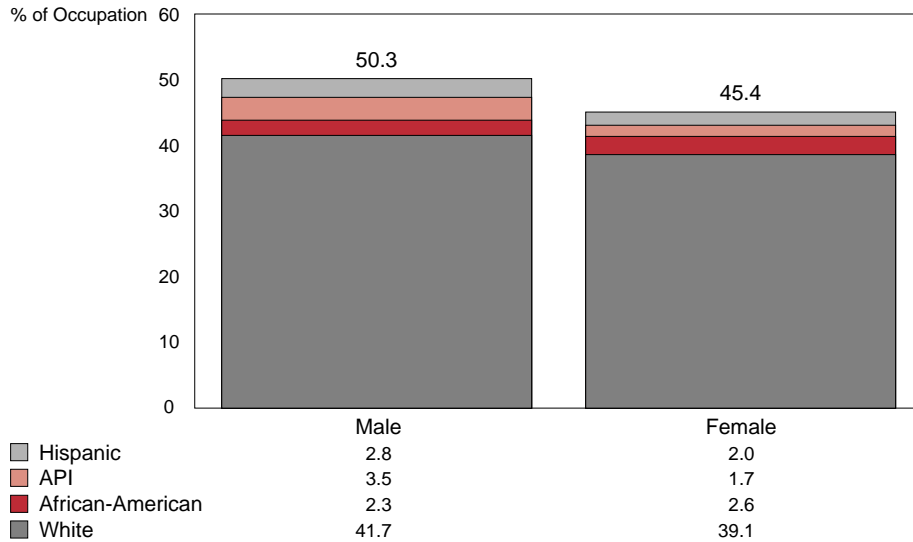


Source: 1990 Census, 5% PUMS data file

Asian and Pacific Islander Americans is abbreviated as API

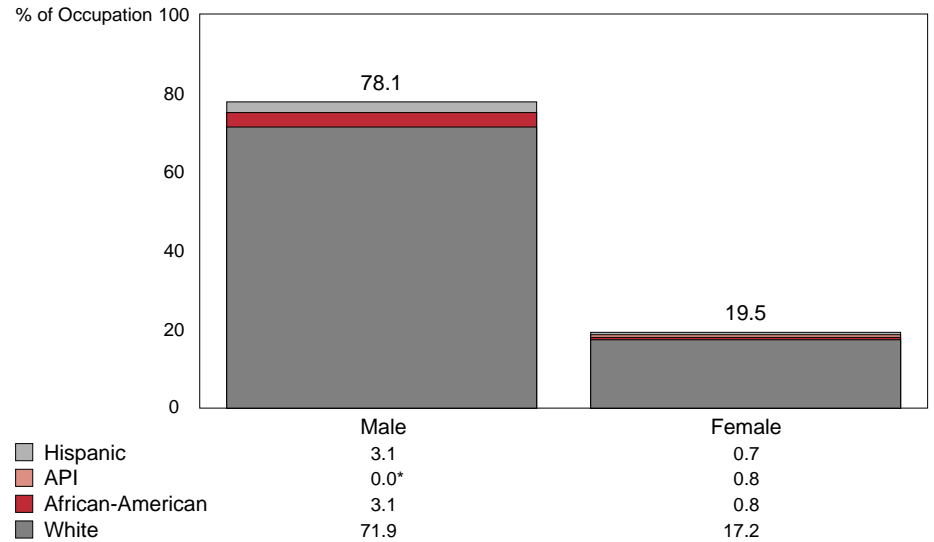
# EXECUTIVES, MANAGERS, AND ADMINISTRATORS (By Race and Gender)

## Retail Trade



Source: 1990 Census, 5% PUMS data file

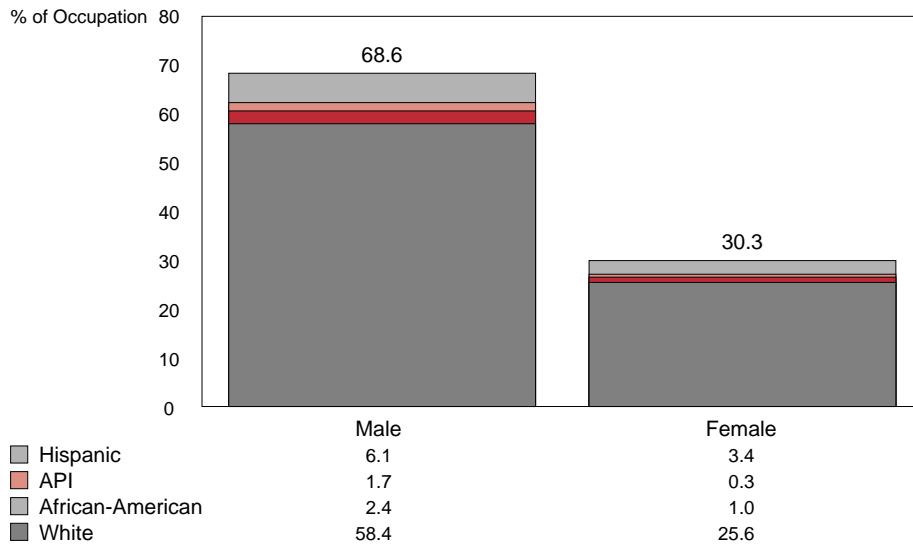
## Utilities



Source: 1990 Census, 5% PUMS data file

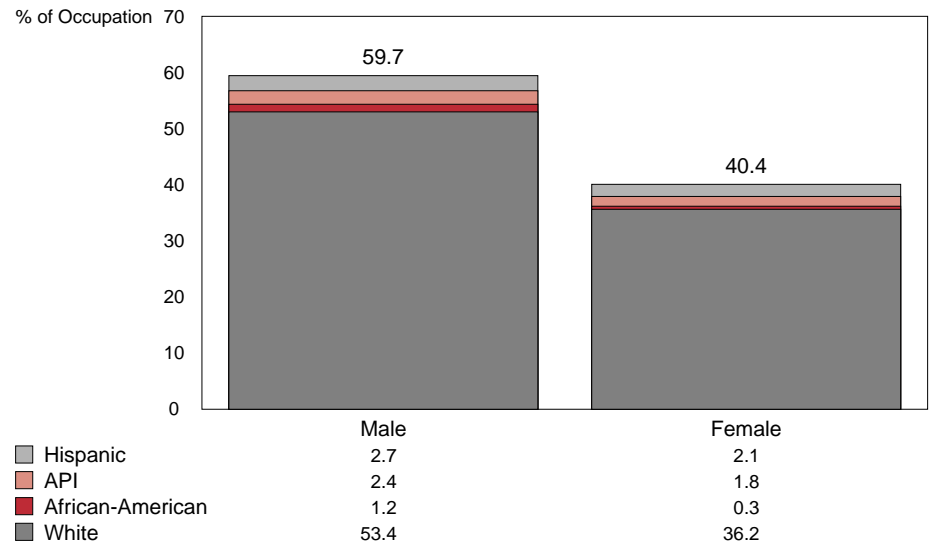
\*API males sample size too small

## Transportation



Source: 1990 Census, 5% PUMS data file

## Wholesale Trade



Source: 1990 Census, 5% PUMS data file

Asian and Pacific Islander Americans is abbreviated as API

## **Additional Research Needed**

Although the Commission was able to conduct useful research with limited funding, it is clear that its work must be complemented with a five-to-ten year longitudinal study to determine definitively the sequence of activities that would be most effective in dismantling glass ceilings and promoting women and minorities. A study similar to the work of Valiant conducted at Harvard during the 1950s and 60s regarding the advancement of white executives would add considerably to knowledge of the factors that perpetuate the glass ceiling and the impact of various remedies in furthering the advancement of women and minorities into the ranks of upper management. Such a study could focus on both the elements of selected organizations' infrastructure that may affect the glass ceiling and the career progress of a number of high-potential individuals within the management ranks of the selected organizations, including white women, white men, and minority women and men. The results of this major research would add a significant dimension to the work already commissioned and reviewed for this report.

## **Research Papers**

**1. Bell, Ella Louise J. Edmondson and Nkomo, Stella M. 1994. *Barriers to Work Place Advancement Experienced by African-Americans*. Ella Louis J. Bell, Sloan School of Management, Massachusetts Institute of Technology and Stella**

**M. Nkomo, Belk College of Business Administration, University of North Carolina at Charlotte. Paper prepared for the Glass Ceiling Commission. On file.**

**2. Braddock, David and Bachelder, Lynn. 1994. *The Glass Ceiling and Persons with Disabilities*. University of Illinois at Chicago. Paper prepared for the Glass Ceiling Commission. On file.**

**3. Burbridge, Lynne. 1994. *The Glass Ceiling in Different Sectors of the Economy: Differences Between Government, Non-Profit and For-Profit Organizations*. Wellesley College Center for Research on Women. Paper prepared for the Glass Ceiling Commission. On file.**

**4. Catalyst. 1993. *Successful Initiatives for Breaking the Glass Ceiling to Upward Mobility for Minorities and Women*. Paper prepared for the Glass Ceiling Commission. On file.**

**5. Cox, Taylor and Smolinski, Carol. 1994. *Managing Diversity and Glass Ceiling Initiatives as National Economic Imperatives*. The University of Michigan. Paper prepared for the Glass Ceiling Commission. On file.**

**6. Golen, Amy. 1994. *The Impact of the Glass Ceiling on the Professions*. Draft working paper prepared for the Glass Ceiling Commission. On file.**

*The Federal Glass Ceiling Commission was directed to "conduct a study of opportunities for, and artificial barriers to, the advancement of women and minorities to management and decisionmaking positions in business." The study included a variety of activities, including analyses of current academic and business research, empirical studies, data analysis, focus groups, surveys, and public hearings. The components of the research are listed in alphabetical order.*

7. Hamlin, Nancy; Erkut, Sumru; and Fields, Jacqueline P. 1994. *The Impact of Corporate Restructuring and Downsizing on the Managerial Careers of Minorities and Women: Lessons Learned*. Paper prepared for the Glass Ceiling Commission. On file.
8. Harlan, Sharon L. and Bertheide, Catherine Waite. 1994. *Barriers to Workplace Advancement Experienced by Women in Low-Paying Occupations*. Colorado State University. Paper prepared for the Glass Ceiling Commission. On file.
9. James, K. et al. 1994. *Barriers to Workplace Advancement Experienced by Native Americans*. Paper prepared for the Glass Ceiling Commission. On file.
10. Leonard, Jonathan. 1994. *Use of Enforcement in Eliminating Glass Ceiling Barriers*. School of Business, University of California, Berkeley. Paper prepared for the Glass Ceiling Commission. On file.
11. Mauricio Gastón Institute for Latino Community Development and Public Policy, University of Massachusetts. 1994. *Barriers to the Employment and Work-Place Advancement of Latinos*. University of Massachusetts at Boston. Paper prepared for the Glass Ceiling Commission. On file.
12. Schwartz, Debra B. *An Examination of the Impact of Family-Friendly Policies on the Glass Ceiling*. 1994. Paper prepared for the Glass Ceiling Commission. On file.
13. Shaw, L.B. et al. 1993. *The Impact of the Glass Ceiling and Structural Change on Minorities and Women*. Paper Commissioned for the Glass Ceiling Commission. On file.
14. Thomas, Roosevelt et al. 1994. *Impact of Recruitment, Selection, and Compensation Policies and Practices on the Glass Ceiling*. Morehouse College. Paper prepared for the Glass Ceiling Commission. On file.
15. Tomaskovic-Devy, Thomas. 1994. *Race, Ethnic and Gender Earnings Inequality: The Source and Consequences of Employment Segregation*. North Carolina State University. Paper prepared for the Glass Ceiling Commission. On file.
16. Wernick, Ellen. 1994. *Preparedness, Career Advancement, and the Glass Ceiling*. Paper prepared for the Glass Ceiling Commission. On file.
17. Woo, Deborah. 1994. *The Glass Ceiling and Asian Americans*. University of California, Berkeley. Paper prepared for the Glass Ceiling Commission. On file.
18. Woody, Bette and Weiss, Carol. 1994. *Barriers to Work Place Advancement Experienced by*

*White Women Workers*. University of Massachusetts at Boston. Paper prepared for the Glass Ceiling Commission. On file.

#### **Analyses and Commentaries**

19. Bell, Ella Louise J. Edmondson and Nkomo, Stella M. 1992. *The Glass Ceiling vs. The Concrete Wall: Career Perceptions of White and African-American Women Managers*. Unpublished working paper.

20. Hispanic Policy Development Project. 1994. *A La Cumbre. A Latino Perspective on the Corporate Glass Ceiling*. Paper prepared for the Glass Ceiling Commission. On file.

21. Lee, Yvonne Y. 1994. *An Asian Pacific American Perspective on the Glass Ceiling*. Lee Consultants. Paper prepared for the Glass Ceiling Commission. On file.

#### **Special Analyses of U.S. Bureau of the Census Data**

22. Asian and Pacific Islander Center for Census Information and Services. 1994. *Reference Documentation: Datasets of U.S. Bureau of the Census Public Use Microdata Sample Files*. Prepared for the Glass Ceiling Commission. On file.

23. Institute for Policy Research and Education of the Congressional Black Caucus Foundation.

1994. *The Impact of the Glass Ceiling on African American Men and Women*. Reference documentation: Datasets of U.S. Bureau of the Census Public Use Microdata Sample Files. Prepared for the Glass Ceiling Commission. On file.

24. The Tomás Rivera Center. 1995. *Wage Differentials Between Latinos and Anglos: A Statistical Portrait and Its Implications to Glass Ceiling Issues*. Reference documentation: Datasets of U.S. Bureau of the Census Public Use Microdata Sample Files. Prepared for the Glass Ceiling Commission. On file.

#### **Surveys and Focus Groups**

25. Henderson, Lucius S. III et al. 1994. *Report on Six Focus Groups with Asian, Black and Hispanic Executives in Three Cities on Issues Related to The Glass Ceiling in Corporate America*. Paper prepared for the Glass Ceiling Commission. On file.

26. ———. 1995. *Final Report on Two Focus Groups with American Indians on Issues Related to the Glass Ceiling in Corporate America*. Paper prepared for the Glass Ceiling Commission. On file.

27. McGuire, Georgianna and Nicolau, Siobhan. 1994. *In Their Own Words: CEO Views of Diversity at the Top*. Paper prepared for the Glass Ceiling Commission. On file.