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The Study of Racial and Ethnic Relations in Portland

Publication of the City Club *Study of Racial and Ethnic Relations in Portland* concludes with the Employment Subcommittee Report. Five of six subcommittee reports have been presented to the Club over the past year. The Education Subcommittee Report was not completed. Controversial and pointed, the subcommittee reports are serving as catalysts for changes in our community and within the City Club itself. Many thanks to all the volunteers who remained committed to this project throughout an extended review process.

STUDY PREFACE

(Excerpted from the Study of Racial and Ethnic Relations in Portland, Description of Study, The City Club of Portland, September 1991.)

Six Subcommittee reports comprise the City Club's Study of Racial and Ethnic Relations in Portland. The individual reports address racial and ethnic relations in: 1.) social associations/citizen participation; 2.) health and welfare; 3.) law enforcement and the administration of justice; 4.) education; 5.) employment; and 6.) housing.

The 1991 City Club reports on *Racial and Ethnic Relations in Portland* are not intended to be studies of minority groups. Rather, the subcommittees have examined the ways in which the institutions, programs, attitudes, and behaviors of the majority community in Portland affect majority-minority relations and may influence the lives, aspirations, and opportunities available to members of minority groups.

The charge to the six subcommittees was to evaluate conditions in the Portland area since the publication of the 1968 City Club report, *Problems of Racial Justice in Portland*. That report was initiated by the City Club in response to racial unrest throughout the country and to the publication of the nationwide study of racial relations by the publication of the nationwide study of racial relations by the Kerner Commission on Civil Disorders. Just as the Commission concluded nationally, the City Club also found that many of the problems attributable to racial discrimination were actually exacerbated by the small size of the African-American community in Portland, which then numbered about 16,000.

The City Club found that while the "deficiencies and grievances" in Portland were different in scale from those in Watts, Newark or Detroit, they had the same roots and demanded the same urgent and immediate attention. The report cited discrimination and deficiencies in police attitudes and behavior, unemployment, the administration of justice, education, welfare and health, and housing.

Between 1968 and 1990, both the numbers of minorities in Portland and the diversity within each ethnic group have increased. A key difference between the 1968 report and this one is the inclusion of data and discussion relating not only to African-Americans but also to Asians, Hispanics, and Native Americans. In addition to the five study areas pursued in 1968, the reports now include a study of racial and ethnic relations in social associations and citizen participation in local government.

Because this study focuses on the impact of the majority community on minority groups, the subcommittees have not dealt with relations between or among minority communities.

While this study focuses primarily on the City of Portland, some data and discussion related to the larger metropolitan area have been included where they will clarify an issue or contribute to the analysis. Conclusions and recommendations are presented in each of the Subcommittee reports.

The Language of the Reports

The subcommittees are aware that there are many strong feelings about the usage of various names for racial and ethnic groups. The terms "white" and "Caucasian" are both used in these reports to refer to Portland's majority population. "African-American" is used here to refer to the minority community termed "black" and which was termed "Negro" in the past. In these reports, "Asian" refers to people whose origins are in East, South, or Southeast Asia or the Pacific Islands. The term "Hispanic" refers to people of Spanish origin or surname, or otherwise self-reported, regardless of race. Although not a racial group, Hispanics are important to any discussion of ethnic minority groups in Oregon. "Native American" includes American Indians, Aleuts and Eskimos (Inuits).

In interviews and research, the subcommittees have repeatedly heard the usage of many sensitive, often controversial, terms related to racial and ethnic relations. For example, the subcommittees carefully considered possible concerns caused by the word "minority," traditionally used as an adjective, but often used in these reports as a noun. "Cultural insensitivity" is a troublesome term. In these reports, it is used to refer to behavior which does not respect differences in culture or cultural values, regardless of whether the behavior is intentional or unconscious.

On other occasions, witnesses before the subcommittees alluded to the impact of "perceptions of discrimination" on minority individuals and groups. Witnesses frequently testified that the impact on a minority individual of an act that is perceived to be discriminatory will be negative regardless of whether the act is intended or unintended.

The Committees were frequently reminded of the hazards of stereotyping and of generalizing about individuals by ethnicity, race, or economic status. Issues and concerns of importance to individuals within each ethnic group vary enormously, and these differences are increasing with the economic and social diversification within racial and ethnic communities. Although members of minority groups served on the Committees and although there were many witnesses from minority groups, it was not assumed that any single individual was in a position to speak for an entire minority group, just as no single Caucasian can speak for, or represent, the Caucasian community in Portland.

Demographic Data

Demographic information on racial and ethnic minorities in Portland has not been consistently maintained. Between 1970 and 1990, data collection was relatively consistent only for the African-American community.

The Subcommittees have found that the absence of statistical information on racial and ethnic participation in public and private organizations is a barrier to obtaining a true picture of the participation by minority groups in the majority-dominated institutions of this community. Advocates of improved data collection assert that the failure to keep records makes it easy to follow exclusionary practices.

With the 1990 census, the U.S. Census Bureau has moved closer to collecting consistent data on racial and ethnic groups. However, census figures continue to be based primarily on self-identification. Some people choose not to identify themselves as belonging to a racial or ethnic group and will list themselves in the "other" category on census forms. In the 1970 U. S. Census, data were collected specifically for Caucasians, African-Americans and Native Americans and Asians. There was no racial category for Hispanics, and Native Americans were not asked to identify themselves by tribe, an omission which is believed to have lower reporting by Native Americans. In cases where individuals did not identify their race, the census collector used the father's ethnic status as a guide. In 1980, the census workers used the mother's ethnic status to determine ethnicity.

Population by racial and ethnic group in the City of Portland is shown below for three census decades (1970, 1980, and 1990). Population and other demographic data, as it relates to the topic, are presented in each of the six reports.

CITY OF PORTLAND

| | 1970 | 1980 | 1990 |
|--------------------|---------|---------|---------|
| Total population | 382,619 | 368,139 | 437,319 |
| Caucasian | 352,635 | 319,220 | 370,135 |
| Caucasian % | 92.2% | 86.7% | 84.6% |
| African-American | 21,572 | 28,034 | 33,530 |
| African-American % | 5.6% | 7.6% | 7.7% |
| Native American | 1,281 | 3,374 | 5,399 |
| Native American % | 0.3% | 0.9% | 1.2% |
| Asian | 7,131 | 12,980 | 23,185 |
| Asian % | 1.9% | 3.5% | 5.3% |
| Other | | | 5,070 |
| Other % | | | 1.2% |
| *Hispanic | 6,442 | 7,541 | 13,874 |
| Hispanic % | 1.7% | 2.0% | 3.2% |

*Source: U.S. Census for 1970, 1980, 1990. Hispanics are not considered a racial group by the Census Bureau. Hispanic identity is asked secondarily and therefore number of Hispanic peoples are included in the totals for all other races.

**Study of Racial and Ethnic Relations in Portland
Report of the
Employment Subcommittee**

Published in
City Club of Portland Bulletin
Vol. 73, No. 3
June 19, 1992

The City Club membership will vote on this report June 19, 1992. Until the membership vote, the City Club does not have an official position on this report. The outcome of the membership vote will be reported in the City Club Bulletin (Vol. 73, No. 5) dated July 3, 1992.

EXECUTIVE SUMMARY

The Employment Subcommittee was charged to investigate and evaluate the progress of minorities in Portland since 1968 toward equality in employment. Principal findings were:

- the economic picture had significantly worsened by 1980, with the unemployment rate for most minority groups approximately doubling, or in the case of Native Americans, tripling that of whites,
- in spite of a greatly expanding minority labor force, employers reported minority underrepresentation in all job categories, particularly in professional, upper management and executive levels,
- while employers' competitiveness will depend upon a diverse workforce to better respond to an increasingly diverse consumer base, a diverse workforce has not become a priority of most employers interviewed,
- while models of successful minority recruitment and retention exist, most employers continued to use traditional but ineffective recruitment methods, and fail to mount efforts to retain minority employees or even to recognize the need for such efforts,
- the need for higher skilled workers will increase in *Workforce 2000*, yet the increasingly diverse labor market often lacks the required skills. Deficits in basic and advanced skills were perceived as factors which impede both initial hiring and promotability of minorities.

The Subcommittee's primary recommendation is that each employer commit to diversity as a company goal. Each company should assess its current workplace diversity, identify barriers, set goals and develop action plans to overcome the barriers.

Additionally, employers should adopt more effective recruitment methods, insure minority representation in recruiting staffs, address retention of minority employees, and base performance evaluations for managers on meeting minority recruitment and retention goals. Organized groups of employers, such as industry or trade associations, should make workplace diversity a priority.

Lastly, employers and groups of employers should form partnerships with educators to address common deficiencies in basic and advanced skills.

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I. STATEMENT OF CHARGE

The charge to the Employment Subcommittee of the Racial and Ethnic Relations Study was to investigate and evaluate the progress of racial and ethnic minorities in Portland toward equality in employment. Issues included hiring, promotion and retention of minorities by public and private employers, and minority membership in unions.

II. RESEARCH METHODOLOGY

Employment Subcommittee members interviewed 39 individuals in early 1990, using a standard interview form (Appendix A). Interviews were conducted with representatives of public and private employers, professional firms, professional and trade associations, labor unions, and non-profit organizations seeking to improve employment opportunities for minorities. (Because the report publication was delayed, a draft of Sections I-IV was sent to interviewees in early 1992. Updated information provided by a number of interviewees was included.) Publications reviewed by the Subcommittee are listed in Appendix C.

Private sector interviewees were selected by identifying at least one company from each industry sector reflected in the Standard Industrial Code. A mix of company sizes and locations within Multnomah County also was sought.

The Subcommittee recognizes that the number of interviewees is small and that interview findings cannot be generalized to all employers or to all members of the minority workforce in Multnomah County. However, the Subcommittee believes that its conclusions and recommendations are valid due to an indepth interview process and the opportunity given interviewees to review and comment on sections of the draft report.

III. BACKGROUND

A. Growth in Population and Diversity

Oregon's population grew rapidly in the 1980s, with nearly two-thirds of the increase occurring in the Portland metro area. During this period of rapid growth, the state remained predominately white, dropping slightly from 94.6% whites in 1980 to 92.8% in 1990. The minority population jumped by nearly 70% in the 1980s. Asians grew by nearly 50%, Hispanics by 70%, African-Americans by 25%, and Native Americans by 40%.

Although the minority population grew rapidly in the tri-county area (a 64% increase from 1980 to 1990), Portland remained overwhelmingly white (84.6%). Only one other large city nationally (Minneapolis-St. Paul) has a smaller percentage of minorities. The only substantial minority presence can be found in North-Northeast Portland, where African-Americans make up 13.8% of the population.

Portland's population growth is expected to continue at a rate of 1.7% annually for the next several years. The major force behind the growth is expected to be new residents from out of state.

B. Lagging Minority Participation in Economic Growth

Oregon's population growth in the 1980s contributed to its relative economic health amid a national recession. In Portland, employment increased by 12% between 1985 and 1988, and the number of business establishments grew by 26% between 1981 and 1986. Portland accounts for more than half of the jobs in Oregon.

Most of Portland's businesses are small. Ninety four percent of Portland businesses employ less than 50, and less than a dozen Portland companies appear on lists of the nation's largest corporations.

In June 1991, Oregon's overall unemployment rate of 6% was a full percentage point lower than the U.S. rate of 7%. The Portland Primary Metropolitan Statistical Area (PMSA) enjoyed the state's lowest rate at 4.5%. Employment in most industries in Oregon had grown since the 1982 recession, with the exception of lumber and wood products.

While Oregon's economy outperformed the nation's, most of Oregon's minority groups continued to fall behind economically. In 1968, the unemployment rate in Portland was 3.7% for whites and 8.2% for African-Americans. By 1980, the situation had significantly worsened. Of the City's minorities, only the rate of unemployed Asians/Pacific Islanders approximated that of whites. The unemployment rate for other minorities approximately doubled, or in the case of Native Americans, tripled that of whites.

While 1990 labor force breakouts by race are not yet available, the Oregon Employment Division estimates that the unemployment rate for African-Americans remains double that of whites. The "labor force" is defined by the state Employment Division as all individuals 16 years of age or over who are either employed at least one hour/week (or, in the case of unpaid family members, who work at least 15 hours/week), or who are not working (i.e., are unemployed). "Unemployed" indi-

viduals are those who are able, available, and actively seeking work. "Unemployed" does not include individuals who are no longer looking for work.

C. Portland's Private Sector

Minorities made up 12.3% of Portland's labor force in 1980 (African-Americans, 6.4%; Hispanics, 1.9%; Native Americans, .7%; Asians, 3.2%). While 1990 labor force breakouts by race are not yet available, a greatly expanded minority labor force can be assumed due to the minority population growth of the 1980s (see Section A). Yet, in spite of an enlarged minority labor pool, minority underutilization¹ is common among Portland employers.

For example, *The Oregonian* reported in 1988 that although African-Americans comprised 6.4% of the labor force, the percentage of African-Americans employed by some of the major private companies in Portland were as follows: Pacific Power & Light, 2.5%; Kaiser Permanente, 4.2%; James River Corporation, 4.2%; U.S. Bancorp, 2.9%; and US WEST Communications, 4%.

Using this information as a starting point, the Subcommittee interviewed a number of private companies in early 1990, inquiring of the percentage of all minorities employed. These companies also reported minority underutilization:

| | % of Labor Force | % Employed by Companies Interviewed |
|-------------------|------------------|--|
| African-Americans | 6.4 | 2.0 |
| Hispanics | 1.9 | 1.5 |
| Asians | 3.2 | 2.0 |
| Native Americans | .7 | .5 |

The Subcommittee also asked about promotion of minorities. Nationally, white males hold more than 95% of top management jobs in large corporations, while women hold about 3% and minorities less than 1%. The companies interviewed also reported that top officers were white. No minority board members were reported.

In addition to executives, professional and technical positions were reported as most in need of improved minority representation. Labor categories needed the least improvement. Almost none of the employers interviewed had significant minority representation among the recruiters or personnel staff most likely to interact with minority applicants or employees.

The companies which recruited minority professionals from urban areas were national or multi-national corporations. These companies reported that minority professionals often stay in Oregon only a few years, due to a perceived high level of prejudice in Oregon and the lack of a sizeable minority population.

As indicated earlier, the vast majority of Portland businesses are small businesses, and as a result, few are required to have affirmative action plans. (Only private companies with 50 or more employees and who do more than \$50,000 worth

1. Utilization of a particular minority group by an employer is dependent upon many factors, such as the proper classification of a job, the training necessary to be hired for the job, and the geographic areas from which the labor pool comes. Underutilization (or under-representation) occurs when, for example, in the relevant geographic market, 10% of a particular minority is qualified and seeking employment as accountant trainees, yet a corporation employs 1% of that particular minority in that position.

of business annually with the federal government are required to have affirmative action plans.) Thus, information about the ethnic makeup of Portland's small businesses was not readily available. The Subcommittee interviewed representatives of the Urban League, the Northeast Workforce Center, and the Portland Development Commission — organizations which work with small businesses. They reported that few of Portland's small businesses have an employee mix which reflects the racial diversity of Portland's labor force, unless they are minority owned.

Upward mobility was reported by interviewees to be greater among Asians than among other minorities, due to their generally good technical and academic backgrounds. Lack of English language proficiency was a hindrance to early Southeast Asian refugees. Later refugees, however, had months of cultural and employment preparation before arrival, making employment possible in widely diverse businesses. Interviews showed that employers are willing to trade language difficulties for a willingness to learn job skills quickly and learn English as a second language.

D. Portland's Public Sector

1. City of Portland

In 1990, the overall percentage of City of Portland employees from all minority groups was 7.8%. It ranged from a low of 4.1% among officials and administrators to a high of 14.2% among administrative support positions. As of December 30, 1991, the percentage of employees from all minority groups had grown to 10%, with the low remaining at 4.7% among officials and administrators and the high among paraprofessionals at 21.8%.

The City has been under strong and steady pressure to resolve its minority underutilization throughout all departments and job categories. This pressure has come from as far away as Region X, U.S. Department of Housing and Urban Development in Seattle, and as near as community organizations in North and Northeast Portland.

Recruitment efforts have been stepped up, moving away from an attitude of simply advertising openings and expecting applicants to flock to Portland because of the perceived quality of life. Recruiting teams, made up of minority persons, are establishing relationships with minority organizations. Recruitment from out of the geographic area is being facilitated with new policies which allow the City to pay for interview and moving expenses. Special hiring seminars have been held with active publicity in minority media. Cooperative working relationships are being developed with community colleges to provide for pretraining of minorities, along with women, and there is greater use of summer employment and training programs to provide work experience allowing minorities to move from trainee to permanent worker. There has been improvement in the numbers of initial applicants who are minorities, now up to 18%. In addition, the Fire Bureau was cited by several witnesses as having an excellent affirmative action plan, and an aggressive recruitment effort which has had a positive impact. However, overall City hiring of minorities has improved slightly.

It seems clear from Subcommittee interviews, that City leadership would like its record in hiring and retaining minority employees to improve. It seems equally

clear that there is no consensus on a specific, workable plan for accomplishing this goal. This lack of consensus has been particularly evident in the case of City efforts to hire a sizeable number of new police officers. Strong disagreements have been obvious among various parties to this hiring process with the end result of virtually no change in the underrepresentation of minorities in the Police Bureau.

The City has adopted detailed provisions for a comprehensive approach to assuring equal employment opportunity as part of the City Code. However, full and systematic compliance with all of the provisions is not taking place. Line management accountability for results toward the goals and requirements of the affirmative action plan are inadequate.

2. Multnomah County

Of Multnomah County's overall workforce, 13.8% are minorities, the highest representation among public employers in the state. Seven percent are Native Americans and 7.8% are African-Americans. Hispanics and Asians are only slightly underrepresented. However, County officials acknowledge that improvement is needed at middle and upper level management positions throughout the County workforce.

County efforts have included utilization of minority individuals on employment screening, examination and selection committees, maintenance of a minority talent bank, and active examination and modification of hiring practices having a disparate, negative effect on minorities. Some cultural diversity training has been provided to attempt to improve the minority retention rate. The level of retention is inadequate, reaching 100% turnover, but is an improvement from a prior rate of 200% i.e., losing twice as many as were hired in any given year.

3. Portland State University

Portland State University (PSU) has approximately 750 employees, 550 of whom are faculty. Minority representation among classified staff is better than among faculty members. While underrepresentation exists for minorities in all job categories, approximately 6% of the faculty is minority.

The state maintains an Affirmative Action list of eligible job candidates which can be used to hire minority persons. Progress was strong in minority hiring in 1989. However, this has been, in part, spurred by a two-year conciliation agreement between the University and the Office of Federal Contract Compliance. This agreement covers specific goals to address the prior lack of successful minority hiring efforts.

In 1989, fifteen minority faculty were hired. However, eight minority faculty members left during the same time period. Since faculty are the primary recruiters for new faculty, it is difficult to recruit minority candidates, even with help from the Affirmative Action Office. While there is no organized effort to specifically welcome or orient new minority employees, there are organizations both on campus and nationally for minorities in particular disciplines, which includes the Minorities Affairs Council on campus. The PSU representative interviewed stated that a major barrier in recruiting minority faculty is the lack of sufficient numbers of minority Ph.D.'s and low minority enrollment in institutions of higher education.

4. Portland Community College

Portland Community College (PCC) shares similar minority recruitment problems with PSU. PCC employs 3,723 employees, of which 74% are part time. Underutilization exists in all job categories. However, in 1990, the Board of Directors adopted diversity as its number one planning and executive priority. A very detailed and specific Affirmative Action Plan was adopted and funding was committed to implement the plan.

Because the Plan included specific goals and timetables, it made management accountability possible. The Affirmative Action Director reports directly to the President. New policies and procedures adopted by PCC include reviews of hiring lists to assure that minorities are included. If not, recruitment is reopened. A central data bank of minority job candidates now exists. More national recruitment is being undertaken, using existing minority faculty and staff, and funding has been provided to defray interview expenses for candidates from out of the area. Aggressive networking in the community and region among minority organizations and community groups has begun. A number of minority organizations operate on campus but there are no specific minority orientations or welcoming activities. All new employees receive affirmative action orientation and training.

E. Labor Unions

Labor unions are a major factor in the employment equation in the Portland metropolitan area. Unions can be divided into two types: craft unions (carpenters, electricians, plumbers) and company-specific unions (unions in school districts, city and county government).

An important distinction between these two types of unions is the manner in which one becomes a member. Craft unions require a potential member first be admitted into an apprenticeship program. Once admitted, the apprentice follows a special educational program while working in the craft. The non-craft unions have less influence on who the employer hires, but once hired, the person is represented by the union, regardless of whether the person joins the union. Public employee unions are characteristic of this type of union.

Representatives of craft unions interviewed indicated that it is still not easy for minorities to be admitted into some of the craft unions. Some efforts have been made by craft unions to find qualified minorities. A major obstacle confronting minorities interested in craft unions is a lack of basic skills.

In Subcommittee discussions with management regarding the role of unions, some said they did not ascribe a major role to unions either in encouraging or hindering the employment of minorities. They said that minorities were best represented in entry level positions in their companies. The problems faced by minorities were attributed to skill deficits, which prevent advancement to middle management or supervisory positions. Some agencies such as the Portland Fire Bureau and Tri-Met have programs to prepare minorities for entry-level requirements and, once hired, to assist them in preparing for supervisory and management positions.

F. Workforce 2000

The Department of Labor's *Workforce 2000* studies in 1987 revealed the shift toward a more diversified workplace. While white males now dominate the job market nationally (47%), by the end of the decade they will make up only 39% of the labor force. African-Americans and Hispanics will account for nearly a quarter of the workforce. Of new entrants to the workforce, women and minorities will constitute 85% and white males will drop from 45% to 15%.

The need for advanced knowledge and skills will increase in the new workforce. According to the Oregon Progress Board, "Oregon workers and employers must be able to respond effectively as low-skill jobs shift to developing countries and as global markets and technologies make new demands on workplace skills and organization." The Governor's Commission on Higher Education in the Portland Metropolitan Area also found that "Many new high-skill jobs will be created, and middle- and lower-skill jobs will disappear in the wake of technological innovation and economic change."

In addition to advanced skills, the report of the Governor's Commission cited the need for "basic skills...the ability to read and think critically, to communicate and compute effectively, and to learn continuously." A 1990 Oregon Business Council survey of 315 Oregon business leaders found that many believe that the employees they hire do not have the basic skills necessary to perform adequately on the job. Indeed, U.S. students now rank at the bottom in international comparisons of science, math and literacy achievement levels.

The Oregon Educational Act for the 21st Century, adopted by the 1991 legislature, intends to achieve the technical and academic skills levels required of *Workforce 2000*. Among other requirements, the Act calls for educational performance standards (Certificates of Initial and Advanced Mastery), performance-based assessments of students, and accountability by schools for student progress. It also proposes partnerships among business, labor and education in developing curriculum and performance standards for school-to-work transition programs.

G. Jobless Minorities

While well-paying jobs will go to the well-trained, highly skilled people of *Workforce 2000*, opportunities will dwindle for the less-skilled or unskilled. Oregon's employment boom did not decrease the jobless rates of the hard-core unemployed — a group that includes minority workers without job skills and work experience.

While 50,000 jobs were created in the Portland Metro area in 1988, jobs shifted from high paying manufacturing jobs to low paying service jobs. Portland lost thousands of jobs to the suburbs, and inner-city residents were unwilling to follow the jobs to the suburbs. The reasons cited were lack of education and skills (the number one barrier), and a "fear of moving out of Northeast Portland."

The Northeast Coalition of Neighborhoods describes North and Northeast Portland as an area "severely impacted by unemployment and economic disinvestment. The area's major business arterials, Martin Luther King Jr. Blvd. and the Williams/Vancouver corridor, are lined by empty buildings and severely undercapi-

talized small businesses." These neighborhoods house the core of the African-American Community (56.7% of the population), although the 12.3% of the population that is Hispanic, Native American and Asian make it the most racially diverse of all Portland neighborhoods. Unemployment in this area is generally estimated as at least twice that of the overall metropolitan area.

To address the chronic unemployment problem, the NE Coalition in 1989 developed a demographic profile of unemployed residents and in 1990 an Employer Workforce Needs Survey. Extensive discussions of the studies' findings followed among North and Northeast Portland community leaders and agencies that provide employment training and placement, such as Portland Community College (PCC), Portland Development Commission's Jobnet Program, Portland Private Industry Council, the Urban League, Tri-Met and the State Employment Division.

As a result of the Coalition's efforts, the Northeast Workforce Center was established in the fall of 1990 on the PCC Cascade Campus. The Center works to connect employment services, employment referrals, and referrals for related needs, such as daycare, and alcohol and drug treatment. It also coordinates with PCC's Skills Center to recruit students for vocational training, which is supplemented with Adult Basic Education and GED programs. The Center is also designed to address the workforce needs of employers, such as the service sector's projected job growth. The Center staff believe, however, that few employers know how to approach minority job networks.

The Portland Private Industry Council (PIC) provides job services to the poor in Portland and surrounding counties. Between July 1989 and June 1990, 5,790 persons were served and 1,706 persons placed in jobs. PIC's NE Portland office placed 75 persons during this period of time. The Urban League of Portland has changed its focus from employer/employee training to minority outreach and job referral, and placed 101 individuals in the first six months of 1990.

Portland Development Commission's Jobnet Program created 394 jobs with Portland companies from July 1990 through June 1991, 62.7% of which were filled by minorities. Among its goals are to directly connect inner N/NE residents with economic development opportunities and address anticipated skill shortages of the future workforce. Of its total placements in 1990-91, 54.3% were residents of the N/NE target area.

The Jobnet process involves contact with 300 job referral and placement organizations when new hiring opportunities arise, and interviews of every person attending orientation sessions. Applicants with basic needs, such as clothing, are diverted to the NE Workforce Center. Jobnet representatives have concluded that recruiting qualified minorities for entry level positions is possible but employer investment in programs to upgrade their skills is lacking.

Portland Development Commission believes that even more significant success stories will result from "enterprise zones." Employers who hire a certain percentage of zone residents are eligible for a property tax abatement on new investments, such as facility improvements. Employers participating in the NE Portland zone have had good results. Nabisco and Blue Bell hired 200 zone residents for \$8 - \$10/hour entry level positions, 50% of whom were African-Americans.

Recruitment of minorities to employers located outside of their neighborhoods may be facilitated by locating satellite facilities in or near minority neighborhoods. Tektronix and NIKE, for example, have Northeast Portland facilities.

IV. DISCUSSION

A. Recruitment

As described in Section III, minority underutilization is common among Portland employers. Yet certain themes described by numerous interviewees reflect the characteristics, perceived and real, of the minority labor pool. First, the pool of minority applicants is small—despite the growth in the minority population. Second, a great many applicants for entry level jobs, including minority applicants, lack necessary skills. Frequently cited deficits in skills include basic math, reading, writing, and work related attitudes emphasizing attendance and punctuality. These basic skill deficiencies then stand in the way of future advancement or of obtaining advanced skills.

Some interviewees, however, cautioned that the perception of unavailability of minority applicants may well be an erroneous conclusion based upon inadequate or inappropriate methods of recruitment. While employers may recognize that the workforce mix is changing, most continue traditional means of recruiting. Many believe that a phone call to the Urban League or an ad in *The Skanner* will suffice as a minority recruitment process. As a rule, they do not look for non-traditional but natural places to recruit minorities, such as churches and recreational facilities. Those minorities who have not had positive experiences in responding to the typical traditional recruitment methods, such as newspaper advertisements or job postings, may respond more positively to community-based information sources and personal contact.

Minorities actually working in the personnel/recruitment field reported that employers also fail to realize that reaching out and building a relationship of trust with minority community organizations is necessary. Such relationships can result in successful partnerships. Several employers complained, however, that local referral agencies either do not send candidates or send unqualified candidates. A history of unmet expectations has impeded a consistent partnership.

Employers recognize that the likelihood of successfully recruiting a minority applicant is increased if a minority employee participates in the process. Nevertheless, almost none of the employers interviewed have significant minority representation among the recruiters or personnel staff most likely to interact with minority applicants or employees. Instead, at best, a minority employee with no regular personnel responsibilities is asked to participate in recruiting a particular individual.

Minorities in the personnel field reported that this type of recruiting is insufficient to present recruits with assurance that the employer gives minority employment a priority. In addition, it is minority recruiters and personnel staff, not minorities in general, who are most likely to be aware of, or develop alternative recruiting methods most likely to improve minority employment. Small gains have been made by the legal profession in Oregon by use of minority recruiters or

personnel staff. Out of 8,700 lawyers in 1988, 38 were African-American, up from 5 in 1968.

Larger employers, particularly those headquartered outside of Oregon, are more aware of professional minority organizations, such as the Society of Black Engineers, and of the benefits of networking. Larger employers also target minority programs at college campuses, such as the Minority Engineering Program at the University of Washington. Not enough employers are "plugged into" minority networks, although interviewees felt this would change as Portland becomes a "convention center city."

Interviewees differed on whether the small minority population in Oregon was a deterrent to recruitment. Some said that African-Americans in Northeastern states do not perceive the Northwest as "a place an African-American would want to be," due to the small African-American population. A representative of a high tech firm testified that it was difficult to recruit African-Americans for this reason, particularly those from urban Northeast, Southern and Mid-West cities. However, other witnesses testified that the lack of a critical mass of minorities in Oregon was "just an excuse" for not hiring minorities. Instead, they contended, employers' attitudes of exclusivity prevail and pose the more significant barrier to recruitment.

The Northwest's "skinhead" image also was cited as a deterrent to recruitment by employers who recruit nationally. Certain high-profile hate and bias crimes in Portland have attracted national attention and the incidence of such crimes has grown. The Metropolitan Human Relations Commission listed 149 incidents in the year ending May 1990, compared to 89 crimes in the year prior.

In spite of such barriers, examples of successful recruiting efforts do exist. As an example, the hiring of a fulltime, tenured, minority faculty member at Northwestern School of Law at Lewis & Clark College was accomplished by combining several key ingredients: a personal commitment by the Dean of the Law School, meetings to enlist the support of minority law students, contact with minority law faculty nationally, and exposure to a cross section of Portland's minority community.

B. Retention

Employers' efforts in retention of minorities are considered critical to achieving workforce diversity. While some companies expressed the concern that many minorities leave their employment within a year or two, no concerted efforts are made to retain minorities by most companies interviewed. Many employers do not even recognize the need to make a concerted effort.

Minority interviewees said that minorities do not have a comfort level at the workplace most of the time. Minorities step into a different world at work due to their lack of numbers and few personal interactions. New minority employees can form social and personal ties, however, through mentoring programs, orientation programs and employee support groups, where they exist.

A few employers promote the creation of minority support groups within the company. US WEST Communications recognized that employers should meet minorities' socialization needs in 1986 and began Pluralism Councils. Now thriving,

the Councils' main purpose is to make employees feel wanted and needed. "Pluralism" or the fostering of diversity in the workforce, is one of US WEST's corporate goals, and the performance of managers is evaluated on meeting this goal.

At Security Pacific Bank of Oregon, over 500 employees participated in the Anti-Defamation League's "Workplace of Difference" training program to combat prejudice and discrimination. At the bank, the "ability to diversify" is considered a job skill and a factor in determining merit raises.

Oregon State Bar Affirmative Action Programs work to address the need for personal interaction and to fill the skills gap. The Professional Partnership Program matches minority law students with successful practicing attorneys for three years to enable the lawyer to become a friend and resource to the student. The First Year Honors Program provides top minority law students summer clerkships with major private law firms and public employers, such as the Attorney General's office, to give the students early exposure to legal employment life.

C. Skill Deficits

Most employers interviewed said that a major concern was how to improve the record of promotion of minority employees. Many employers are providing internal education programs, including programs to improve basic skills, specialized skill training, and cross cultural / managerial training. Many private companies offer classes in English as a second language. Classes sponsored by the American Institute of Banking range from basic writing to advanced accounting and computer skills.

Beyond skill development, interviewees stressed the importance to employers of a work ethic. For example, a Business Youth Exchange survey of approximately 400 employers found that the most important characteristic sought in entry-level employees was punctuality. The Private Industry Council found that work ethic values are difficult to impart, particularly among at-risk youth who have no parents as role models.

Employers' lack of interest and involvement with school districts was criticized. Interviewees felt that exposing minority students to the world of work would allow them to gain experience and job skills and would allow employers to cultivate their labor pools. The Portland Investment Plan of the Leaders Roundtable was identified as an example of a business and education partnership.

D. Commitment to Diversity

Affirmative action often has meant an unnatural focus on one group. Several interviewees argued that affirmative action is no longer a "numbers game" but a question of economic competitiveness. Employers are beginning to recognize that competitiveness may depend upon a workforce that reflects the diverse customer base. A business partnership in New Jersey stated: "The effort to improve our ability to manage a diverse work force and enable all members of it to achieve their full potential can not only improve morale, team work, and communication but, in addition, increase quality and excellence, productivity and profitability."

The challenge for employers lies in the mismatch between the need for highly skilled employees and an increasingly lower skill level in the entry level labor pool.

Employers also will be challenged to solve problems arising from cultural and racial differences in the increasingly diverse workforce.

Only a few companies nationally have adopted the attitude that "affirmative action can be good for business." Only one fourth of the companies surveyed train supervisors to manage a "disparate group," only 12% train minorities for supervisory positions, only 11% have created minority support groups, and only 10% have set up mentor programs.

Several interviewees felt that Portland employers should take advantage of the move toward diversity, particularly given Portland's international potential. They believed, however, that stated commitments to diversity should be made, taking care to communicate such commitments to management teams and to base evaluations on meeting those commitments. As at US WEST and Security Pacific Bank, for example, management policy clearly demands that diversity be embraced and made part of the corporate culture.

V. CONCLUSIONS

1. Employers are on a collision course between growing demand for increasingly higher skilled workers and an increasingly diverse labor market which often lacks these required skills.
2. As the consumer base diversifies and gains clout, employers' competitiveness will depend upon their ability to diversify their workforces to better reflect and respond to their customers.
3. Developing and effectively managing a diverse workforce has not become a priority of most employers interviewed, particularly locally-based employers.
4. While minority representation is lacking in all job categories, the underrepresentation is greatest in professional, upper management and executive levels.
5. Deficits in basic and advanced skills are perceived to be factors which impede both initial hiring and promotability of minorities.
6. The visibility and high profile of recent hate crimes in Portland has deterred recruitment on a national level.
7. Most employers continue to use traditional but ineffective minority recruitment methods.
8. Few employers have minority representation among recruiters or personnel staffs.
9. Most employers fail to mount organized or systematic efforts to retain minority employees or even to recognize the need for such efforts.
10. Explicit goals, record keeping and timetables are necessary to promote management accountability in improving minority workforce representation.
11. Models of successful minority recruitment and retention exist in both the public sector (PDC's Jobnet program) and in the private sector (US WEST's Pluralism Councils).

VI. RECOMMENDATIONS

1. Employers, public and private, should commit to diversity at all levels. A signal should be sent from the top that workplace diversity is a company goal. Each company should assess its current workforce diversity, identify barriers, set goals, and develop action plans to overcome the barriers.
2. Employers, public and private, should adopt more effective recruitment methods and form partnerships with minority employment networks and associations.
3. Employers, public and private, should insure minority representation in personnel and recruiting staffs, and those persons should be directly involved in the recruitment and hiring process.
4. Employers, public and private, should address retention of minority employees through specific approaches, such as diversity training for managers and minority mentors and support groups.
5. Performance evaluations for managers should be based on meeting minority recruitment and retention goals. Statistics should be kept and monitored in order to measure results and promote accountability.
6. Organized groups of employers, such as industry or trade associations, should make workplace diversity a priority. Group goals for minority recruitment and retention should be set. Expert advice on effective methods of recruitment and retention should be sought. Statistics should be gathered to measure progress as a group in meeting the goals.
7. Employers and groups of employers should form partnerships with educators to identify and address common deficiencies in basic and advanced skills.

Respectfully submitted,

Susan Frohnmayer
Norma Jaeger
Vishnu Jetmalani
Bruce Rubin
Paul Williams, Chair
Mimi Bushman, Vice Chair

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VII. APPENDIX

A. Interview Form

Interviewee's Name: _____

Company: _____

Address _____

Phone: _____

1. What is the number of employees in your company or organization?
2. If yours is a private company, which of the following industry sector categories best applies?

agriculture, forestry, fishing

construction

computers, software, instruments

manufacturing (food, textile, lumber & wood products, machinery)

transportation, communications

wholesale trade

retail trade

finance, insurance, real estate

printing and publishing

services (lodging, recreation, health, legal, personal)

self-employed

other

If a public agency, are you federal, state or local? Function? (please describe briefly)

3. In your company or organization, which job skill categories need improvement in terms of minority representation?
4. Recognizing that your answer might depend upon the vacancy in question, in what geographical regions do you recruit?

In the Portland area, how do you recruit (at schools, by want ads, through other companies)?

5. Please describe the ethnic makeup of your company or organization and of your personnel/recruiting staff.
6. Please describe the progress and the barriers your company has experienced in recruiting and retaining minority employees.
7. What problems, if any, do you perceive as being faced by Portland employers in general in recruiting and retaining minority employees?
8. Is there any involvement by your company or organization in community hiring and placement programs for minorities?
9. Does your company or organization have problems in integrating its workforce once a minority employee is hired? If so, describe the problems and how you are seeking to solve them.

10. Does your industry have any recognized minority organizations (for example, a fraternity for black engineers)?
11. Are your employees unionized? If so, what role, if any, has the union played in promoting minority employment?
12. Does your company or organization have an affirmative action plan and if so, how long has it had one?

Interviewer(s) Name(s) _____

Date of Interview _____

B. Persons Interviewed

Most interviews were conducted between September 1989 and August 1990. Agency affiliations and job titles were correct at the time of the interview.

AFL-CIO Oregon:

Bill Sam

Boise Cascade:

Ralph Evans, Human Resources Manager

Bonneville Power Administration:

Curtis Kirkpatrick, EEO Officer

Business Youth Exchange:

Eva Parsons, Executive Director

Centro Cultural:

Rumaldo Perez

City of Portland:

Steve Bauer, Director, Office of Finance and Administration

Dick Bogle, Commissioner

Al Jamison, Assistant to Commissioner Dick Bogle

Coalition for Black Men:

Ralph Evans, Vice Chair

Far West Federal Bank:

Ryan Kenney, Employment Relations Specialist

Hoffman Construction Company:

J.D. Hutchison, Labor Relations Manager

Kaiser Permanente:

Phyllis Lee, Director of Planning and Development, Human Resources

Metropolitan Human Relations Commission:

Jeannette Pai, Executive Director

Multnomah County:

Robert Phillips, Affirmative Action Officer

Lorenzo Poe, Juvenile Justice Division

NAACP/Portland Chapter:

Robert Phillips, President

Northeast Workforce Center:

Jennie Portis, Director

Northwest Natural Gas Company:

Jacki Lindquist, Affirmative Action

Oregon Association of Minority Entrepreneurs:

Sam Brooks, Founder

Oregon State Bar Association:

Rebecca Sweetland

Pendleton Woolen Mills:

Gary Benson, Personnel Manager

Portland Community College:

Jorge Espinosa, Affirmative Action Officer

Portland Development Commission:

Lisa Niesenfeld, Jobnet

Portland Organizing Project:

Jim Francesconi

Portland State University:

Armando Laguardia, Affirmative Action Officer

Private Industry Council:

Dennis Cole, President

Providence Medical Center:

Ken Maestretti, Vice President, Human Resources

Security Pacific Bank:

Cheryl Nickerson, Vice President

State of Oregon, Bureau of Labor and Industries:

Raleigh Lewis, Administrator, Civil Rights Division

State of Oregon, Employment Division:

Alan Stoebig, Research and Statistics

Tektronix, Inc.:

Linda Workman, Policy and Procedures Manager

The Oregonian:

Mary Crook, Assistant to the Personnel Director

Tri-Met:

Carolyn Nelson, Personnel Director

Urban League of Portland:

Thomas Darby, Director of Employment and Training

Jean Young, Education Director

U.S. Bancorp:

Curt Meyers, Corporate Recruitment

U.S. Department of Labor, Office of Federal Contract Compliance Programs:

John Herrera, District Director

US West Communications:

Marsha B. Congdon, Oregon Vice President and CEO

Charles Fleenor, Oregon Employment Manager

Wacker Siltronic:

Jim Harper, Director of Human Resources

Jill Inskeep, EEO Manager

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