



## Perceptions of Racial and Ethnic Inequality within Organizations: A Case Study of Southwest City

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### Abstract

The United States is undergoing dramatic demographic change which challenges organizational culture and potentially makes ensuring discrimination free workplaces more problematic. This research effort explores the perception of institutional discrimination within municipal government. Using a case study design, municipal employee perceptions of differential access to workplace opportunities were examined. Conflict theory and social disclosure were used to develop a conceptual approach employing sex, age, educational attainment, and occupation as key variables. The findings indicated that occurrence of differential access perceptions was small and varied across the variable dimensions. However, minority employees and those with lower educational attainment were more likely to identify differential access. The research supported the perception of social disclosure but at low levels within the organization.

**Key Words:**-Differential access, Diversity, Racial discrimination, Social disclosure, Social inequality.

### 1. Introduction

The American demographic landscape is rapidly changing. During the 21<sup>st</sup> Century extraordinary alterations to population will take place. Shortly after the United States Census was completed in 2000, Latinos became the largest racial minority group surpassing Black Americans. It is projected by 2050, Asian Americans will experience a 300 % increase in population size from 1990. Women will continue to outnumber men. The upper-class and under-class are dramatically increasing while the middle-class is shrinking. These facts represent a small snapshot of the ongoing transformation in American society (United States Bureau of the Census, 2010).

Changes in key demographic characteristics will significantly impact the workplace resulting in challenges for those leading government, non-profit and private organizations. The future workforce will increasingly be composed of individuals from historically disenfranchised racial, gender, and socio-economic groups. All other important economic, political, educational, and technological initiatives will be impacted by a diverse American society. Differential and restricted access within organizations preserving aspects of privilege could contribute to workplace challenges. Addressing diversity is one of the most critical issues facing American society. Creating work places which offer professional growth for employees across various dimensions such as race, sex, age, and socioeconomic status will become challenges for organizations (Hurtado and Dey, 1997; Lewis, 2002; Tierney, 1997).

The purpose of this research effort is to explore the perception of institutional discrimination within municipal government. This is accomplished through a case study examining how municipal employees view and perceive differential access relative to opportunities in the workplace. Moreover, the study focuses on how race influences the perceptions of impediments to equal access in the work force of a city in the Southwestern United States. Additionally, sex, age, educational attainment, and occupation are analyzed to determine any interactive effects on differential access perceptions.

### 2. Relevant Literature

Municipal government employment has played a significant role providing entrance opportunities and stability for ethnic and racial groups. In the late 1800's, Irish Americans became involved in local politics in Midwestern cities and through these activities were able to offer municipal jobs to first and second generation immigrants. Italian Americans followed a similar pattern with respect to municipal employment opportunities. These positions were largely free from ethnic and racial discrimination and were a key factor in the assimilation process (Marger, 2012).

The Federal government desegregated the military in 1948 shortly after World War II using a series of executive orders. It implemented similar approaches related to minimizing employment barriers in Federal, state, and municipal organizations. Racial minorities and women historically encountered differential treatment resulting in restricted participation in these organizations. The Civil Rights Act of 1964 along with the establishment of the Equal Employment Opportunity Commission (EEOC) supported earlier executive orders and focused on eliminating institutional practices that created differential treatment for a wide range of social groups within the Federal government. As a result, these initiatives provided a template for other governmental entities and organizations in the not-for-profit and private sector to follow suit. It should be noted that the aim of the legislation and executive orders was to allow more equitable entrance into the workplace across a number of social dimensions. However, changing the dominant group stranglehold on power and resources were not objectives related to equal access opportunities.

Recent statistical information suggests racial discrimination remains a concern within government organizations. Henderson (1978) found that the impact of the Equal Employment Opportunity Act of 1972 on minorities and women in municipal governments was problematic. She asserts that any increased employment opportunities are not directly linked to policy changes emanating from the act. Additionally, a comprehensive study of municipal employment found that women and minorities are under-represented among the professional workforces in almost all municipal departments.

This is especially the case for women who tend to be more under-represented in comparison to their male racial minority counterparts (Miller, Kerr, and Reid, 2010).

### 3. Theoretical Perspective and Social Inequality

#### 3.1 Dominant and Subordinate Groups

To adequately understand the social inequality created and maintained through discrimination, the phenomenon must be framed in terms of group dynamics. A group can be defined as a collection of people, based on an attribute, who interact with one another and have a certain feeling of unity (Yancey and Lewis, 2008). Every society is comprised of individuals who simultaneously have membership in a number of groups. Because most societies are composed of a variety of groups, diversity is multi-dimensional and is a very complex notion. There is inequality between the attributes that delineate the differences between groups and the relative importance placed on these attributes in society will determine what diversity dimensions are important at any given point in time (Lewis, 2002).

The ability to assign individuals to a group or a number of groups is a critical factor. Social attributes, either physically tangible or socially-created, are used to identify who is in a group and who is not a group member. Individuals must agree on the differences and importance associated with them. As a result, group membership creates a social perception of an *in-group* versus an *out-group* orientation between people. Social attributes are major components through which individual as well as group interactions occur (Merton, 1968).

Access to power, authority, and resources is differential. In most societies around the world, groups and the individuals comprising them do not have the same access to societal elements of power and influence. As a result, one grouping is considered dominant and the other groupings are characterized as subordinate (Yancey and Lewis, 2008). Merton (1968) has used the terms *in-groups* and *out-groups* to illustrate differential power access issues between groups.

#### 3.2 Social Conflict and Intergroup Relations

The conflict theoretical perspective is very appropriate in framing the social inequality process. Historically, conflict theorists have viewed relationships between groups as being characterized by competition or conflict resulting in social inequality (Ritzer, 2008). Ultimately, the social group garnering more access to power, authority, and resources becomes the dominant group in society. Institutions become stratified based on how society socially defines groups; differential treatment (discrimination) is used as a strategy by the dominant group to maintain its collective advantage. In contemporary American society, this dynamic is illustrated by inequality between subcomponents comprising race, sex, age, and social class. Dahrendorf (1959) would describe the resulting group inequality as a product of interrelations between competing groups. He uses the term *inter-coordinated associations (ICAs)* to delineate groups arranged based on power and resource dimensions.

Social closure plays an integral role in maintaining inequality between social groups. This is especially true for differences between racial groups (Murphy, 1988). Social closure is basically a process that creates boundaries, identities, and structures to monopolize scarce resources for one's own group while excluding out-group members (Jackson and Leon, 2010). Therefore, participation in areas of society may be limited to certain groups initiating and maintaining inequality. Social closure results in racial inequality in the United States and discrimination is a sub-process that stimulates differential access in a variety of institutions within American society (Alba and Nee, 2003).

Tension related to social closure has created a paradox relative to equal opportunity. American values espouse a society, from a philosophical perspective, that is color-blind based on race. In reality, racial and ethnic differences are important components in the stratification found within the United States. For instance, white Americans have higher personal income, higher personal wealth, and higher educational attainment in comparison to racial minority groups. The gaps between groups have remained relatively unchanged since 1970. The lone exception is the income and educational gains of Asian Americans (United States Bureau of the Census, 2012).

Historically in American society, the military and government organizations have led the way since the 1950s in providing more equal access for racial and ethnic minorities by eliminating institutional barriers. These two organizational areas have been the most impacted by Civil Rights legislation (Marger, 2012). However, this does not suggest that military and government organizations have eliminated personal and institutional discrimination (Lewis, 2002).

Based on the conflict perspective and its emphasis on social inequality, the following general research hypothesis is posited for analysis:

H<sub>1</sub> - Municipal government employees tend to perceive there are few barriers to equal access within municipal government. However, when they believe there are barriers to equal access, racial minorities are more likely to perceive their existence in comparison to their white counterparts.

Other important variables including sex, educational attainment, age, and occupation have limited impact on the primary relationship between racial group membership and perceptions of structural barriers associated with equal access.

## 4. Material and Methods

### 4.1 An Overview of Southwest City

This city is located in one of the largest and fastest growing states in the United States. In 2010, Southwest City had a population of 44,894. Nearly 81 % of the population was over the age of 18 and approximately 50 % were female. The racial composition was 54 % white, 38 % Hispanic, 6 % black. About 3 % were other racial groups (American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and Asian). The percentage of persons with at least a high school diploma is 83% and persons with a bachelor's degree or higher is 30 % (United States Bureau of the Census, 2010).

In terms of socio-economic status spanning 2006-2010, the average household income in Southwest City was at \$26,734 with 37 % of persons below the Federally-designated poverty line. The total number of for-profit companies in the city was 3,071. Of the total number of companies, 2 % were black-owned and 21 % were Hispanic-owned.

Approximately 19 % of businesses were owned by women. Southwest City obtained a majority of its revenue from retail sales constituting \$1,331,784.00.

#### 4.2 Data Collection Method

The study utilized survey research as the mode of observation to collect the data. Quantitative methodology was used to measure the respondents' perceptions on the various topics of this study. The study was conducted in 2012 from February through May. The Human Resources Department assisted in the distribution of questionnaires to the entire workforce of Southwest City. The study had a 90 % response rate and every individual employed at the time of data collection had an opportunity to participate. The sample consisted of 370 respondents.

A survey research instrument, with a limited number of items, was developed the researchers and approved by Southwest City. Respondents completed the survey questionnaire comprised of three sections: diversity awareness items, diversity dimensions and organizational barriers, and demographic items. The survey item annotated below was used to query respondents about potential barriers to equal access:

“Determine if, and to what extent, racial and ethnic differences represent barriers to equal access in terms of promotion, assignments, professional growth opportunities, etc. in your organization using the attributes: not a barrier to equal access, a minor barrier to equal access, a barrier to equal access, or a major barrier to equal access.”

It should be noted that this is a composite question containing a number of different dimensions related to perceptions of differential treatment. These dimensions could be potentially interactive. However, limitations placed on the questionnaire design by the municipal government representatives restricted the researcher's ability to conduct a more elaborate analysis of employee perceptions of equal opportunity across multiple access components within the organization.

Demographic items were used to assemble employees into groupings and provided the basis for establishing independent variables. These included racial background, sex, age, educational attainment, and occupation.

The general approach for analyzing the subject matter is outlined below. Frequency distributions were generated for the dependent and independent variables to gain knowledge of the sample population and examine the spectrum of the respondent's views regarding equal access opportunities within their organization. Cross-tabulations were utilized to determine if any isolated bivariate relationships existed between the dependent and selected independent variables. Finally, a logistic regression model was applied to evaluate the multiple independent variable influence on the dependent variable.

## 5. Results

The employee sample was quite diverse on a number of demographic dimensions and a summary is provided in Table 1. With respect to sex, about 58 % of respondents were male. The majority of respondents were white (approximately 55 %) with 38 % Hispanic. The remaining respondents were 7 % black and other racial groups. Regarding age, about 41 % were between the ages of 31-47. Another 31 % were older than 47 years of age and nearly 29 % were less than 31 years of age. Educational attainment provided an interesting distribution. Approximately 28 % of the respondents had a college degree and an additional 36 % had some college. With respect to occupation, about 51 % indicated they were in crafts/service positions. About 31 % said they were managers or professionals. The remaining 18 % worked in administrative support positions.

**Table 1. Demographic Summary of Southwest City Employees, 2011.**

Variable	Attributes	Percentage
<b>Sex</b>	Male	58.2 (209)
	Female	41.8 (150)
	<b>TOTAL</b>	<b>100.0 (359)</b>
<b>Race/Ethnicity</b>	White	54.7 (196)
	Hispanic	38.0 (136)
	Black/Other	7.3 (26)
	<b>TOTAL</b>	<b>100.0 (358)</b>
<b>Age Cohort</b>	Less than 30 years	28.6 (96)
	31-47 years	40.5 (139)
	Older than 47 years	30.9 (106)
	<b>TOTAL</b>	<b>100.0 (343)</b>
<b>Educational Attainment</b>	Less than high school	
	High school diploma/GED	28.0 (100)
	Some college	35.6 (127)
	College graduate	27.7 (99)
	<b>TOTAL</b>	<b>100.0 (357)</b>
<b>Occupation</b>	Management/Professional	31.1 (115)
	Administrative Support	18.4 (68)
	Crafts/Service	50.5 (187)
	<b>TOTAL</b>	<b>100.0 (370)</b>

Perceptions of racial and ethnic barriers to equal opportunities within the organization provided an informative view of employee dynamics. Table 2 shows that about 55 % of the respondents did not feel Southwest City had racial and ethnic barriers linked to employee opportunities. However, 29 % stated that race and ethnicity represented a minor barrier and 16 % felt they represented a barrier to equal opportunity. It should be noted that if the responses associated with a “minor barrier” and “barrier” are combined, 54 % of the employees believed there are no racial or ethnic barriers and 45 % perceived these barriers exist within the organization.

Perceptions of racial and ethnic barriers to equal access within the organization are influenced by two variables. The bivariate analysis displayed in Table 2 show that racial minority employees are more likely to perceive barriers in comparison to their white counterparts. Approximately 24 % of the minority employees felt race and ethnic differences acted as a barrier to equal access while only 10 % of whites expressed similar views. Educational attainment impacted perceptions as well. Individuals with lower educational attainment were more likely to exhibit perceptions of barriers in comparison to those with higher educational attainment. About 20 % of employees with a high school diploma believed racial and ethnic differences were equal access barriers. Conversely, 11 % with college degree had similar perceptions.

The sex and age of the respondent as well as occupation status had no impact on equal access barriers. The majority of employees across these three independent variables felt that race and ethnic differences do not inhibit equal access to opportunities within Southwest City (see Table 2).

**Table 2. Employee Perceptions of Race and Ethnic Differences as Barriers to Equal Access in Southwest City, 2011.**

Independent Variable	Not a Barrier %	A Minor Barrier %	A Barrier %	TOTAL %	Chi-Square
<b>Overall</b>	54.5	29.3	16.2	100.0 (352)	----
<b>Race</b>					
White	61.6	28.9	9.5	100.0 (190)	15.27*
Racial Minority	46.3	29.6	24.1	100.0 (162)	
<b>Sex</b>					
Male	54.0	29.8	16.2	100.0 (198)	0.01 ns
Female	54.5	29.7	15.9	100.0 (145)	
<b>Educational Attainment</b>					
High school diploma/GED	38.9	41.1	20.0	100.0 (90)	15.22 *
Some college	60.5	21.8	17.7	100.0 (124)	
College graduate	59.8	29.1	11.0	100.0 (127)	
<b>Age</b>					
30 years and younger	58.1	29.1	12.8	100.0 (86)	1.71 ns
31-47 years	56.3	27.8	15.9	100.0 (126)	
Older than 47 years	51.3	29.9	18.8	100.0 (117)	
<b>Occupation</b>					
Management/Professional	50.9	34.8	14.3	100.0 (112)	3.97 ns
Administrative Support	50.8	32.3	16.9	100.0 (65)	
Crafts/Service	58.3	24.6	17.1	100.0 (175)	

ns No statistically significant difference

\*Statistically significant difference at .05

The independent and dependent variables are examined utilizing Spearman rank-order correlation coefficients. The information provided through this analysis compliments the cross-tabulations presented earlier. Although the correlation coefficients indicated low associations, it is important to note that employee racial background and educational attainment were related to barrier perceptions. Table 3 shows that minority employees were more likely to perceive race and ethnic barriers to equal opportunity within Southwest City in comparison to white employees. With respect to the influence of education, perceptions of barriers tended to decrease with higher levels of employee educational attainment. The occupational category, sex, and age of the employee were not statistically related to perceptions of barriers to equal opportunity. With respect to independent variable interaction, it should be noted that minority employees tended to have lower educational attainment in comparison to whites ( $\rho = .151$ ) and were more likely to occupy administrative support and service/crafts positions ( $\rho = .139$ ).

**Table 3. Spearman Correlations of Independent Variables and Perceptions of Racial and Ethnic Barriers to Equal Access in Southwest City, 2011.**

Variables	Barriers	Age	Sex	Race	Education	Occupation
Barriers (y)	---	.075	-.005	.187**	-.139**	-.046
Age (x1)		---	.079	-.100*	-.037	-.271**
Sex (x2)			---	-.040	.151**	-.398**
Race (x3)				---	-.212**	.139**
Education (x4)					---	-.425**
Occupation (x5)						---

\*Statistically significant difference at .05

\*\*Statistically significant difference at .01

A binary logistic regression model utilizing race, sex, age, educational attainment, and occupation as independent variables with perceptions of racial barriers to equal access as the dependent variable was tested. A summary of the findings is provided in Table 4. The overall model was statistically significant. Racial background, educational attainment, and occupation were found to be probability predictors of perceiving racial and ethnic barriers to equal access within the organization. The B coefficients for each of the three independent variables were statistically significant at .01.

The odds ratio (OR) is the change in odds for each unit change in the predictor. The odds of perceiving race and ethnic barriers were 1.818 times greater for minority employees in comparison to white employees (see Table 4). Additionally, the odds of perceiving race and ethnic barriers were .584 times greater for each categorical decrease associated with educational attainment. For instance, college graduate employees will perceive race and ethnicity as less of a barrier to equal access in comparison to those with some college. In turn, employees with some college will perceive less barriers when compared to those with a high school diploma or less. Lastly, the odds of perceiving race and ethnic barriers were .688 times less for each categorical change linked to occupation (see Table 4). For example, managers and supervisors will perceive race and ethnicity as more of a barrier to equal access in comparison to administrative support employees. In turn, administrative support employees will perceive more barriers than service/crafts employees. The interactive effects related to the independent variables in the logistic regression model explain approximately 9 % of the variance in the answers associated with barrier perceptions (Nagelkerke R-Square is .087).

The sex and age of the employee have no impact on organizational barrier perceptions. The B coefficients related to these two variables were not statistically significant.

**Table 4. Logistic Regression Equation Including All Predictor Variables on Perceptions of Racial and Ethnic Barriers to Equal Access in Southwest City, 2011.**

	<b>B</b>	<b>Standard Error</b>	<b>Wald</b>	<b>Df</b>	<b>Significance</b>	<b>Exp (B)</b>
Gender	-.097	.246	.154	1	.695	.908
Race	.597	.232	6.661	1	.010	1.818
Occupation	-.374	.159	5.558	1	.018	.688
Age	.036	.151	.056	1	.813	1.036
Education	-.538	.166	10.564	1	.001	.584
Constant	1.614	.889	3.299	1	.069	5.023

## 6. Discussion

This study examined how racial and ethnic differences were perceived as barriers to equal access in the work place of Southwest City. It was discovered that the majority of employees did not feel that racial and ethnic differences existed in their municipal government organization. However, for those employees who felt this type of barrier existed, the research found that racial background and educational attainment were critical factors. Racial minority group members (Hispanics and blacks) were more likely to feel that barriers exist within the municipal government structure creating differential workplace opportunities. Additionally, individuals who had lower educational attainment tended to perceive equal access barriers in comparison to those with higher educational attainment levels. It should be noted that sex and occupation had no impact on access perceptions.

The findings are supportive of social closure. The low levels of perceptions regarding barriers to equal access suggest unequal treatment may be located in certain areas within the organizational structure. Social closure plays an integral role in maintaining inequality between social groups and creates boundaries, identities, and structures to monopolize scarce resources for the in-group while excluding out-group members. Minority employees and those with lower educational attainment tend to occupy positions that are more peripheral with respect to the organizational hierarchy. This separation from more central positions may contribute to the perceptions of inequality and reinforce the feeling that opportunities are reserved for preferred employees.

Through employee perceptions of the workplace, this case study suggests equal access exists with respect to promotional opportunities within the organization. The perceptions of unequal access influenced by racial or ethnicity appear not to be a routine occurrence. Moreover, employee views tend to suggest that differential access is not strongly related to promotional opportunities. It can be concluded that social closure plays a rather minor role regarding equal opportunity within Southwest City's municipal government.

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