Community Matters:

Uncovering the Societal Mechanisms Undergirding Workplace Discrimination and Inequality

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**ABSTRACT**

The struggle for equality of opportunity in the United States during the Civil Rights era culminated in a series of laws making discriminatory practices in the workplace illegal. Perhaps the most extensive equal employment opportunity (EEO) law, Title VII of the Civil Rights Act of 1964 (Title VII) not only outlawed employment practices that discriminate against employees on the basis of race, color, religion, sex, or national origin, but also created a federal agency, the Equal Employment Opportunity Commission (EEOC), charged with the responsibility of ending employment discrimination ([Burstein and Monaghan 1986](#_ENREF_6); [Nelson, Berrey and Nielsen 2008](#_ENREF_16)). Despite the comprehensiveness of employment discrimination legislation in the United States – including Title VII, the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act (ADA), and, most recently, the Genetic Information Nondiscrimination Act (GINA) – the total number of discrimination charges during 2011 was at an historic level, with 99,947 workplace charges filed with the EEOC and monetary relief for victims totaling over $364 million (EEOC 2012). Both jurisprudence (e.g., *Barrett v. Whirlpool Corp.* 2009, *Dukes v. Wal-Mart, Inc.* 2007, *Jaffe v. Morgan Stanley & Co, Inc.* 2008) and social scientific research (e.g., [Bertrand and Mullainathan 2004](#_ENREF_5); [Kalev 2009](#_ENREF_9); [Pager and Karafin 2009](#_ENREF_20); [Stainback and Tomaskovic-Devey 2009](#_ENREF_25)) suggest that discrimination and inequality of opportunity remain social opprobrium that plague the American workplace.

In addition to issues of justice and fairness, there are real and pervasive consequences of discrimination and inequality being played out in and around organizations, whether in hiring ([Bertrand and Mullainathan 2004](#_ENREF_5); [Pager and Quillian 2005](#_ENREF_21); [Pager, Western and Bonikowski 2009](#_ENREF_22)), mobility and managerial access ([Baldi and McBrier 1997](#_ENREF_2); [Baron, Davis-Blake and Bielby 1986](#_ENREF_3); [Cohen and Huffman 2007](#_ENREF_7); [Kalev, Dobbin and Kelly 2006](#_ENREF_11); [Maume 1999](#_ENREF_14)), earnings ([Beggs 1995](#_ENREF_4); [Cohen and Huffman 2007](#_ENREF_7); [Neckerman and Torche 2007](#_ENREF_15)), or occupational segregation ([Stainback, Robinson and Tomaskovic-Devey 2005](#_ENREF_24); [Tomaskovic-Devey et al. 2006](#_ENREF_26)). For instance, despite gains in education by blacks and Hispanics and moves into higher paying occupations, they still have considerably lower earnings than whites: In 2011, the median weekly earnings of black and Hispanic men who were full-time wage and salary workers were $653 and $571, respectively, in comparison to the $856 earned by white men, mirroring the $559 and $518 earned by black and Hispanic women, respectively, relative to the $703 earned by their white counterparts (U.S. Department of Labor, 2012). Even more startling, however, are the findings from field studies demonstrating that minorities and women are less likely than equally qualified whites to receive a callback or job offer ([Bertrand and Mullainathan 2004](#_ENREF_5); [Correll, Benard and Paik 2007](#_ENREF_8); [Pager, Western and Bonikowski 2009](#_ENREF_22)) and that minority applicants with clean backgrounds were no better off than a white applicant with a criminal record ([Pager 2003](#_ENREF_19); [Pager, Western and Bonikowski 2009](#_ENREF_22)). Clearly, organizations are a consequential stage on which discrimination and inequality are performed.

National aggregates of indicators of discrimination and inequality (see Figure 1), such as total discrimination charges, awards to plaintiffs, and numbers of minority and women managers, seem to suggest that we, as a country, have not made adequate progress toward parity in the workplace, especially since the 1980s ([Amaker 1988](#_ENREF_1); [Kalev and Dobbin 2006](#_ENREF_10); [Kelly and Dobbin 1998](#_ENREF_12); [Leonard 1990](#_ENREF_13); [Nielsen and Biem 2004](#_ENREF_17); [Nielsen and Nelson 2005](#_ENREF_18); [Stainback and Tomaskovic-Devey 2009](#_ENREF_25)). For example, although white women have made substantial gains in managerial positions – growing from 15 to 26 percent in an average private establishment from 1971 to 2002 – the representation of black women and men in managerial positions only rose from 0.4 and 2.0 percent to 1.3 percent and 3.1 percent, respectively, in the same 29-year span ([Kalev and Dobbin 2006](#_ENREF_10)). To date, research on discrimination and equality of opportunity at work has suffered from two major limitations: (1) little attention has been paid to acknowledging and exploring sources of workplace discrimination and inequality that are rooted in the local environments where firms are situated and (2) the mechanisms driving such inequality are either unspecified ([Reskin 2003](#_ENREF_23)) or are largely assumed to be found *within* firms ([Cohen and Huffman 2007](#_ENREF_7)). To address these limitations, I seek to understand whether – and if so, how and to what extent – the local social infrastructure of the communities in which firms are embedded affects the nature of workplace discrimination and inequality and, moreover, to uncover the mechanisms by which variation in these inequities are created and maintained across communities.

I develop a series of theoretical predictions which are tested using 799,935 establishment-years over four annual panels of data derived from a variety of sources, but most importantly from data collected annually by the Equal Employment Opportunity Commission (EEOC) which is protected by federal law. A key takeaway from this paper is that communities do indeed matter. Establishments are embedded in different, localized contexts which influence how minorities and women are segregated across occupational categories. In several of the years under study, establishments residing within communities where there was a more progressive appellate court and greater representation of minorities and women in the district court judiciary experienced lower levels of occupational segregation. However, a qualification of this finding is necessary: Greater representation of minorities in the judiciary led to lower levels of occupational segregation *by race*, but to *greater* levels of segregation by sex. A similar pattern of findings was found with the representation of women in the judiciary. In summary, the current study expands upon previous approaches to workplace discrimination and inequality by making explicit the community-based mechanisms that undergird variations in occupational segregation occurring across communities from 1988 to 2008, and provides a basis upon which future research on the relationship between organizations and their local environments can build.

**Figure 1. National Estimates of Managerial Representation by Race and Sex, 1990-2008**

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