A Guide to Understanding Racism in the Workplace
With all the outrage and heightened awareness created by racial injustices in 2020, companies are feeling the pressure to take real action and make lasting, effective changes for racial equity. There’s a spotlight especially on major brand and worldwide corporations and their workplaces, and people are speaking up and speaking out about racism at work.

Glassdoor’s 2019 Diversity and Inclusion Study revealed that 42 percent, or three in five U.S. employees experienced or witnessed racism at work. Discrimination based on age, gender, and sexual orientation are reported in close to the same numbers, and the U.S. has higher rates of discrimination in all areas than other countries surveyed. Racism affects people of color severely in countless ways, but it especially impacts health and wellbeing. The American Bar Association reports that African American women experiencing racism experience stress and more likely to have hypertension, increasing rates of infant mortality and pre-term births, and increased rates of disease and disability due to lack of access to healthcare stemming from poverty due to structural racism.

While many businesses have diversity and inclusion initiatives, Laura Morgan Roberts and Ella F. Washington of Harvard Business Review say they just aren’t enough for the awareness highlighted by the events in the first half of 2020. They explain that this is not the time to stay silent, become defensive, make sweeping generalizations, or do nothing. People worldwide are watching businesses and business leaders and looking for meaningful action, acknowledgement and understanding of the harms of racism, and affirmation of how it’s affecting people.
Racism in the Workplace - Challenges Employees Face

Sarah Vieux of JUST Capital, an independent nonprofit that ranks America’s corporations on their good corporate citizenship, explains that Black Americans don’t feel truly safe anywhere at work, in their neighborhoods, or at home, because of systemic racism. But in the workplace, Vieux points to distinct and negative racial stereotypes of Black people that suffuse their work life, particularly the perception of them as angry, threatening, or aggressive.

Vieux says Black workers often feel out of place in the dominant culture at work, and that they can’t be themselves authentically because of this. She cites a guide by Catalyst, Inc., a global nonprofit consulting service, that says women of color report difficult barriers at work because of racism, including exclusion from informal networks, questioning of their authority and credibility, excess visibility and scrutiny, and lack of institutional support. She further explains that Black people face barriers to advancement, being promoted only half as much as their non-Black counterparts, and are at a disadvantage in the job market in many ways, including because they are arrested more than any other U.S. racial group.

The Center for American Progress reports that Black workers have a worse experience in the job market than other ethnicities because of racism. They face higher unemployment, jobs with fewer benefits and stability, and lower pay because of systemic barriers to good jobs, including racial discrimination and occupational segregation (getting considered for and hired into lower paid jobs than whites).

Racism in the Workplace - Challenges Business Owners Face

Writing about business for Reuters, Ross Kerber, Helen Coster, and Arriana McLymore discuss the challenges business owners and leaders face in 2020 due to racism in the workplace. It’s no longer okay to remain silent and do nothing since the shocking video coverage of George Floyd’s death. Corporate statements and huge monetary pledges to promote racial justice and equity followed, and are being closely watched.
Equitable outcomes and inclusion for everyone are the tall orders that companies large and small are staring at in 2020. Achieving those two ideals requires dedication to expanding external talent pools and changing internal company cultures, according to Google spokesperson Jennifer Rodstrom. Management consultant Monica Hawkins says business leaders need to expand their networks to meet more minorities and be open to minority referrals to build diversity in senior management.

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Groups including the ACLU, social justice organization Color of Change, and technology training firm General Assembly are calling out companies like Amazon and Disney to do more than donate money. They are looking at their workforce demographics and calling for real changes to combat racial inequities within their companies, including things like not selling facial recognition technology that falsely matches people of color at higher rates, and hiring Black senior executives to better match the broader population.

Arlene Hirsch, writing about racism in the workplace for The Society for Human Resource Management (SHRM), quotes Jonathan Kanter, director for the Center for the Science of Connection when he describes microaggression as the “the modern form of racism.” The subtle indirect discriminatory acts include things like avoidance, stereotyping, and making assumptions from racial bias. Examples are asking a Hispanic colleague where they are from or making incorrect and biased assumptions about criminality or bad intentions of a person of color. To disrupt microaggression and racial bias, employers are implementing racial bias training, encouraging open discussions of racism in safe spaces, and making small changes in business systems to interrupt or eliminate the effects of unconscious bias in the workplace.
Implications for HR

Racism in the workplace negatively affects every aspect of business, including staff productivity and commitment, recruiting, retention, and employee development, and legal liability. Diversity and inclusion reduce or eliminate the negative effects of racism and enhance business outcomes in all areas.

• **Productivity and Commitment** – Deloitte research shows that companies dedicated to diversity and inclusion are better at meeting financial targets, more likely to be high performing, are more innovative and agile, and get better business outcomes. Companies with inclusive leadership experience increases in team performance and collaboration and create an atmosphere of inclusion that increases workers’ feelings of value, belonging, safety, and respect.

• **Recruiting, Retention, and Employee Development** – Bias affects all aspects of the employment life cycle research has shown. Audit, consulting, advisory, and tax firm Deloitte cites studies that show that companies that work to eliminate racism and bias from recruitment and employee and leadership development are up to 30 percent more profitable than the competition.

Deloitte acknowledges that training is important in eliminating racism in recruiting processes and building a culture of diversity and inclusion, but explains that embedding diversity means measuring talent processes, removing practices that entrench bias, giving managers a way to talk about racism, and holding them accountable. Lloyd’s Banking Group is taking this innovative approach of embedding diversity and inclusion with a variety of practices to improve recruiting outcomes that includes specialized managerial training and requiring the shortlist for senior roles to include females.

• **Legal Liability** – There are many forms of racism in the workplace - overt, subtle, and implicit bias. They all expose the employer to legal liability that can be costly. Title VII is enforced by the U.S. Equal Employment Opportunity Commission (EEOC) which has been adjudicating discrimination cases since 1964.
Recent cases the EEOC has settled include:

- **EEOC vs Laquila Group, Inc** – Brooklyn-based construction company Laquila Group was charged with systemic discrimination against Black employees, race bias, and retaliation against black employees for racial harassment and firing a Black employee for reporting the harassment. Cost: $625,000 class settlement fund paid in December 2017.

- **EEOC vs Rosebud Restaurants** – Chicago area restaurant chain Rosebud Restaurants was charged with management who used racial slurs referring to African Americans and refusing to hire African American applicants. Cost: $1.9 million paid in May 2017 to African Americans who were refused employment.

- **EEOC vs Sealy of Minnesota** – Minnesota mattress and box spring manufacturer Sealy of Minnesota was charged with severe racial harassment of its Black and Hispanic employees as well as discriminating against them in career advancement. Cost: $175,000 paid in April 2017.
Best Practices

The EEOC has been working for 56 years enforcing Title VII and keeping employers compliant with federal law. Their list of best practices for employers to prevent race and color discrimination in general business, recruitment, hiring, and promotion, conditions of employment, and harassment starts with training on equal employment opportunity laws and implementing a strong EEO policy with full support from top leadership and management.

In recruitment, hiring, and promotion, best practices include monitoring employment practices for EEO compliance, making sure that job openings and promotion criteria are transparent and communicated to all eligible colleagues. Additionally, ensure that no recruitment search efforts focus on candidates of a select race or color, and hold outside vendors to the same.

The EEOC recommends monitoring compensation and performance appraisals for discriminatory practices, providing training, development, and mentoring fairly and equitably to all workers, and consistently providing protection against retaliation.

Another best practice recommended by the EEOC is to implement, train on, follow, and enforce a strong anti-harassment policy. This should include clearly explained prohibited conduct, protection against retaliation for those who report complaints, and a clearly outlined complaint process that includes investigation and timely corrective action if necessary.
Hope for the Future
The first half of 2020 has been marked by pandemic and racial upheaval and awareness. There are many calls for actionable change, and people across the country and across the world are standing up and speaking out for an end to racism. Racism in the workplace will not disappear overnight, but with sincere effort and dedication, businesses large and small can make it happen.

Harvard Business School senior lecturer Mark R. Kramer says corporations must commit to taking actions to implement anti-racism policies and racial equity training, pay equity and paying a living wage, lobbying for good including criminal justice reform and national health care, paid parental and sick leave, and full health care coverage for all employees. He says employers must commit to employee emergency relief funds or low-cost loan programs and democratize entry to employment by eliminating requirements that disproportionately affect people of color in employment, as well as support and mentor Black youth without high school diplomas.

Kramer says that while these are actions won’t change structural racism, they are necessary to make a real difference, both for employers and people of color.
About Axcet HR Solutions

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