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AFFIRMATIVE ACTION AND INCREASED LABOR FORCE PARTICIPATION OF WOMEN

One of the major forces in shaping the outcomes in the management of human resources has been the dramatic increases in the labor force participation of women. The labor force participation rate reflects the percent of women in the total non-institutional population, 16 years of age and over who are either employed or seeking employment. At the present time nearly half (49.1 percent) of all women work, and women comprise approximately 42 percent of all workers. Between 1950 and 1977 the civilian labor force increased by 57 percent, and women accounted for more than three-fifths of the net additions to this labor force. The number of women workers in the civilian labor force was more than doubled during this period, increasing from 18.4 million to 39.9 million individuals. The increased propensity of women to work for pay is attributed mainly to the changed labor market force behavior of married women.

The influx into the labor market of young wives (under 35), many with small children, has introduced a number of changes in the rules of the workplace. Twenty-three million working wives (spouse present) account for almost three-fifths of all women workers as compared with only 36 percent in 1940. The labor force participation rate for wives with children was 50.2 percent in March 1978 compared with 18.4 percent in 1950. One incentive for such widespread labor force participation of wives may be the long term growth in real wages. As the monetary rewards for working outside of the home have increased, more women enter and remain in the paid labor force. Median family income in 1977 for husband-wife families with 2 or more earners was $21,064 as compared with $15,796 for such families with
the husband as the only worker. Nearly three-fifths of all husband-wife families had two or more earners in the family.

Although the labor force participation of married women has increased significantly, more divorced, separated, widowed, and never married women who head families are also working. In March 1977, nearly 1 out of every 7 families was headed by a woman, and 56 percent of these women were in the labor force. The median income in families headed by women was less than half that of husband-wife families ($7,211 as compared with $16,350) mainly due to the concentration of the former group in low-skill, low-paying occupations.

The women workers who have entered the labor market have been absorbed mostly into the rapidly expanding female jobs in the clerical and service categories where women were at least 80 percent of all employees in an occupation. "Three fourths of all women workers in 1973 were employed in 57 occupations in which at least 100,000 women were employed.---In 17 of these occupations, women accounted for 90 percent or more of all employees and in more than half of the occupations, women made up 75 percent or more of all employees." 

Although the occupational distribution of women during the past two decades has remained concentrated in a few traditionally female fields, the degree of concentration has been decreasing. More women have moved into non-traditional jobs for women such as the skilled trades, legal, medical, engineering, and managerial professions. This shift includes both upgrading in the female intensive industries as well as entry into the predominantly male industries. A recent survey of the corporate sector showed impressive changes in female employment in higher level occupations between 1970 and 1975.
Analysis of trends in fertility, divorce rates, educational attainment of women, and wage growth suggest that women workers, especially wives, will continue to be a sizeable portion of the workforce. According to labor force projections of the U. S. Department of Labor, from 11 to 11.4 million additional women will be added to the workforce between 1977 and 1990 as compared with an additional 5.1 to 10.8 million males. These projections indicate possible paths of growth with a labor force participation rate in 1990 for women of 60.4 percent, 57.1 percent, and 53.8 percent. A recent study cautions that even as the rate of labor force growth increases, shifts in the occupational distribution of women will be modest. This anticipation stems from the tendency of younger women to enter the predominantly "female" fields.

The changes in the composition and mix of workers have introduced changes in the rules of the workplace---i.e. growing interest in part-time jobs, flexible work schedules, maternity leave, pension plans, and other fringe benefits. Fifty-four percent of the 13 million persons working voluntarily on a part-time basis in 1977 were adult women. They represented one-fifth of all women wage and salary workers in the non agricultural sector, and were employed mainly in retail trade and the service industries. Nearly three-fourths of all the adult female part-timers were married.

Simultaneous with the changes in the labor supply of women workers, changes on the demand side of the market associated with the implementation of employment discrimination regulations and laws have expanded job opportunities for women. Anti-discrimination laws were enacted during the mid-1960's and included women as well as minorities as protected groups. Employers,
unions, and employment agencies were prohibited from discriminating on the basis of race, color, religion, sex, or national origin in terms of recruitment, hiring, discharge, compensation, training, promotion, terms and conditions or privileges of employment.  

Title VII of the Civil Rights Act of 1964 and Executive Order 11246 established the guidelines for anti-discrimination practices and procedures.  

Initially, the primary focus was on racial discrimination, and it was not until 1969 that the Equal Employment Opportunity Commission (EEOC) resolved the conflict between state protective laws and Title VII of the Civil Rights Act of 1964. These special laws protecting women workers against exploitation and hazard had been enacted before 1920. At first state protective laws were treated as bona fide occupational qualification (BFOQ) exceptions to Title VII—that is sex discrimination in employment could be permitted where it was reasonably necessary to the normal operation of a business.  

In August of 1969 the EEOC revoked a portion of its "Guidelines on Discrimination Because of Sex" and inserted a new section which stipulated that such (protective) laws and regulations conflict with and are superseded by Title VII of the Civil Rights Act of 1964. The guidelines stated that since such protective laws did not take into account capacities, preferences, and abilities of individual females, they tended to discriminate rather than protect.  

Shortly after the amendment of Title VII in 1972 (Equal Employment Opportunity Act of 1972) an even more stringent set of guidelines on sex discrimination were issued by EEOC. This report will examine the impact of
judicial decisions and administrative rulings of those sections of the 1972 guidelines that deal with (1) fringe benefits, (2) height and weight requirements (BFOQ exceptions), (3) pregnancy, (4) seniority systems, and (5) equal pay. The interpretations of the guidelines on sex discrimination have produced significant changes in the quality of labor force participation of women. It is not clear what the additional costs have been and who eventually will bear the brunt of the added costs—women workers, other members of the workforce, or consumers. 11/

1972 Guidelines On Discrimination Because of Sex

The pertinent provisions are:

BFOQ

§1604.2 Sex As a Bona Fide Occupational Qualification.

(a) The Commission believes that the bona fide occupational qualification exception as to sex should be interpreted narrowly. Labels—"Men's jobs" and "Women's jobs"—tend to deny employment opportunities unnecessarily to one sex or the other.

(1) The Commission will find that the following situations do not warrant the application of the bona fide occupational qualification exception:

(i) The refusal to hire a woman because of her sex based on assumptions of the comparative employment characteristics of women in general. For example, the assumption that the turnover rate among women is higher than among men.

(ii) The refusal to hire an individual based on stereotyped characterizations of the sexes. Such stereotypes include, for example, that men are less capable of assembling intricate equipment; that women are less capable of aggressive salesmanship. The principle of non-discrimination requires that individuals be considered on the basis of individual capacities and not on the basis of any characteristics generally attributed to the group.
(iii) The refusal to hire an individual because of the preferences of coworkers, the employer, clients or customers except as covered specifically in subparagraph (2) of this paragraph.

(2) Where it is necessary for the purpose of authenticity or genuineness, the Commission will consider sex to be a bona fide occupational qualification, e.g. an actor or actress.

§ 1604.3 Separate Lines of Progression And Seniority Systems.

(a) It is an unlawful employment practice to classify a job as "male" or "female" or to maintain separate lines of progression or separate seniority lists based on sex where this would adversely affect any employee unless sex is a bona fide occupational qualification for that job. Accordingly, employment practices are unlawful which arbitrarily classify jobs so that:

(1) A female is prohibited from applying for a job labeled "male," or for a job in a "male" line of progression; and vice versa.

(2) A male scheduled for layoff is prohibited from displacing a less senior female on a "female" seniority list; and vice versa.

(b) A Seniority system or line of progression which distinguishes between "light" and "heavy" jobs constitutes an unlawful employment practice if it operates as a disguised form of classification by sex, or creates unreasonable obstacles to the advancement by members of either sex into jobs which members of that sex would reasonably be expected to perform.
§ 1604.8 Relationship of Title VII to the Equal Pay Act.

(a) The employee coverage of the prohibitions against discrimination based on sex contained in Title VII is coextensive with that of the other prohibitions contained in Title VII and is not limited by section 703(h) to those employees covered by the Fair Labor Standards Act.

(b) By virtue of section 703(h), a defense based on the Equal Pay Act may be raised in a proceeding under Title VII.

(c) Where such a defense is raised the Commission will give appropriate consideration to the interpretations of the Administrator, Wage and Hour Division, Department of Labor, but will not be bound thereby.

§ 1604.9 Fringe Benefits.

(a) "Fringe benefits," as used herein, includes medical, hospital, accident, life insurance and retirement benefits; profit-sharing and bonus plans; leave; and other terms, conditions, and privileges of employment.

(b) It shall be an unlawful employment practice for an employer to discriminate between men and women with regard to fringe benefits.

(c) Where an employer conditions benefits available to employees and their spouses and families or whether the employee is the "head of the household" or "principal wage earner" in the family unit, the benefits tend to be available only to male employees and their families. Due to the fact that such conditioning discriminatorily affects the rights of women employees, and that "head of house-
hold" or "principal wage earner" status bears no relationship to job performance, benefits, which are so conditioned will be found a prima facie violation of the prohibitions against sex discrimination contained in the Act.

(d) It shall be an unlawful employment practice for an employer to make available benefits for the wives and families of male employees where the same benefits are not made available for the husbands and families of female employees; or to make available benefits to the husbands of female employees; which are not made available for male employees. An example of such an unlawful employment practice is a situation in which wives of male employees receive maternity benefits while female employees receive no such benefits.

(e) It shall not be a defense under Title VIII to a charge of sex discrimination in benefits that the cost of such benefits is greater with respect to one sex than the other.

(f) It shall be an unlawful employment practice for an employer to have a pension or retirement plan which establishes different optional or compulsory retirement ages based on sex, or which differentiates in benefits on the basis of sex. A statement of the General Counsel of September 13, 1968, providing for a phasing out of differentials with regard to optional retirement age for certain incumbent employees is hereby withdrawn.

§ 1604.10 Employment Policies Relating to Pregnancy and Childbirth.

(a) A written or unwritten employment policy or practice which excludes from employment applicants or employees because of pregnancy is in prima facie violation of Title VII.
(b) Disabilities caused or contributed to by pregnancy, miscarriage, abortion, childbirth, and recovery therefrom are, for all job-related purposes, temporary disabilities and should be treated as such under any health or temporary disability insurance or sick leave plan available in connection with employment. Written and unwritten employment policies and practices involving matters such as the commencement and duration of leave, the availability of extensions, the accrual of seniority and other benefits and privileges, reinstatement, and payment under any health or temporary disability insurance or sick leave plan, formal or informal, shall be applied to disability due to pregnancy or childbirth on the same terms and conditions as they are applied to other temporary disabilities.

(c) Where the termination of an employee who is temporarily disabled is caused by an employment policy under which insufficient or no leave is available, such a termination violates the Act if it has a disparate impact on employees of one sex and is not justified by business necessity.

FRINGE BENEFITS

The EEOC guidelines on sex discrimination define fringe benefits as medical, hospital, accident, life insurance and retirement benefits, profit sharing and bonus plans, leave and other terms and conditions and privileges of employment. An important type for women workers has been retirement benefits. Actuarial statistics used by insurance companies are based on average differences in life expectancies between men and women. The guidelines specified that monthly benefits for retirement plans must be equal for similarly situated men and women. The Supreme Court in Los Angeles vs. Manhart, April 25, 1978—12/ ruled that it is unlawful to require women employees to make a larger contribution to an employer operated pension fund than similarly situated men. The Court noted that any individual's life
expectancy was based on a number of factors of which sex is only one. Characteristics of a class may not be applied to individual members of that class.

Until recently, the guideline on fringe benefits from the EEOC and U. S. Department of Labor differed. The Labor Department in both its Wage and Hour Administration (Equal Pay Act) and Office of Federal Contract Compliance Programs, permitted employers to choose between either a retirement plan providing equal employer contributions toward the purchase of an annuity or a retirement plan providing equal periodic benefits for women and men. Proposed changes would require equal in/equal out provisions---for similarly situated men and women, equal employer contributions and equal periodic benefits.\(^{13}\)

The U. S. Court of Appeals for the First Circuit ruled in December 1978 that unequal annuity benefits for male and female retirees violated section 703(a) of Title VII of the Civil Rights Act of 1964. The court reinstated a suit filed by EEOC against Colby College in Waterville, Maine.\(^{14}\) Colby participated in the Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF) which provides retired teachers with pension annuities and life insurance. The circuit court cited the Supreme Court decision in City of Los Angeles vs. Manhart which it stated had outlawed the use of sex-based actuarial tables to determine the size of benefits.
HEIGHT AND WEIGHT REQUIREMENTS

As early as 1969 in the Weeks vs. Southern Bell Telephone and Telegraph Company the court invalidated a company imposed weight lifting limit of 30 pounds for females. It held that in order to rely on the BFOQ exception an employer had to prove "that all or substantially all women would be unable to perform safely and efficiently the duties of the job involved." In later cases (Bowe vs. Colgate-Palmolive Company (1969) and Rosenfeld vs. Southern Pacific Company (1971) emphasis was placed on the need to evaluate the individual ability to perform. In 1977 the Supreme Court found that Alabama's statutory minimum height and weight requirements for a position of correctional counselor (prison guard) violated Title VII, (Dothard vs. Rawlinson). A 5' 2" height requirement would exclude 33.3% of the women in the U. S. between the ages of 18-79 while excluding only 1.3% of men between the same ages. The 120 pound weight restriction would exclude 22.3% of the women and 2.4% of the men. When the height and weight restrictions were combined, Alabama's statutory standards would have excluded 41.1% of the female population while excluding less than one percent of the male population. However, the majority concluded that the use of women as "guards" in "contact" positions in Alabama's maximum security male penitentiaries would pose a substantial security problem directly linked to the sex of the prison guard. Therefore, being a male was a bona fide occupational qualification (BFOQ) for the job.

PREGNANCY

Employment issues associated with pregnancy have been maternity leave policies (mandatory and voluntary) and benefits. In General Electric vs. Gilbert (December 1976) a divided Court held that it was not a violation
of Title VII for an employer to exclude pregnancy disability from coverage on its general disability benefits plan. As a part of its total compensation package, General Electric had provided non-occupational sickness and accident benefits to all employees under its Weekly Sickness and Accident Insurance Plan in an amount equal to 60 percent of an employees normal straight time weekly earnings. Plaintiffs in the suit were senior hourly paid female production employees at General Electric's plant in Salem, Virginia, the International Union of Electrical Workers, and its Local 161. Each of the employees had been pregnant during 1971 or 1972, and had their claims for disability benefits to cover absence from work as a result of pregnancy denied by the company. They had sought from the lower Court damages as well as an injunction directing General Electric to include pregnancy disabilities within the plan on the same terms and conditions as other non-occupational disabilities.

The Supreme Court reversed the conclusion of the lower Courts that the company had unlawfully discriminated on the basis of sex in the operation of its disability program. The majority opinion stated that "gender-based discrimination does not result simply because an employer's disability benefits plan is less than all—inclusive.---" The plan does not "exclude anyone from benefit eligibility because of gender, but merely removes one physical condition, pregnancy, from the list of compensable disabilities." Justice Rehnquist found that the issue was governed by the 1974 decision in Geduldig vs. Aiello17/ in which the Court held that disparity in treatment between pregnancy-related and other disabilities was not sex discrimination under the Equal Protection Clause of the Fourteenth Amendment.18/
AMENDMENT OF TITLE VII ON PREGNANCY ISSUES

A bill that was passed in October 1978 amended Title VII of the Civil Rights Act of 1964, by prohibiting employment discrimination because of pregnancy, childbirth, or related medical conditions. The impetus for the amendment was the Supreme Court's 1976 ruling in General Electric Company v. Gilbert that disability benefit plans that exclude pregnancy do not discriminate on the basis of sex in violation of Title VII. The Court's decision conflicted with EEOC guidelines and holdings of six federal appeals courts and 18 federal district courts.

In addition to requiring employers to treat pregnancy and childbirth the same as other causes of disability under fringe benefits, the new law prohibits terminating or refusing to hire or promote a woman solely because she is pregnant and bars mandatory leaves for pregnant women arbitrarily set at a certain time in their pregnancy and not based on their inability to work.

The amendment also protects reinstatement rights of women on leave for pregnancy-related reasons, including credit for previous service and accrued retirement benefits, and accumulated seniority. The only exception to the new law that women affected by pregnancy, childbirth, or related medical conditions will have to be treated the same as other individuals covered by disability or health programs, is that employers are not required to pay for health insurance benefits for abortion, except where the life of the mother would be endangered if the fetus were carried to term or where medical complications have arisen from an abortion. Strong arguments will continue to be made that since disability benefits are a form of compensation, the effect of the new law "will be to confound the social and economic picture for employee benefits."
SENIORITY AND TRANSFER

In the American industrial setting usually two types of seniority operate. Benefit seniority computed on a plant or company wide basis determines an employee's rights to retirement, vacation pay, sick leave, and fringe benefits. Competitive-status seniority computed on a job classification or departmental basis determines lay-offs, recalls, rights, promotion and transfer opportunities. The competitive-status seniority has been the focal point of employment discrimination cases. Many seniority systems impacted adversely on female employees because of past compliance of employers with state protective laws.

Although the 1965 guidelines on sex discrimination stated that employment practices were unlawful if jobs were classified as "male" or "female" or if separate lines of progression were maintained or separate seniority lists were based on sex, few remedies for sex-segregated lines of progression were designed. In 1977 the Supreme Court determined that bona fide seniority systems (established with no intent to discriminate) are immune from the prohibitions of Title VII.\(^{21}\)

In the *Tippett vs. Liggett and Myers Tobacco Company* case, a district court ruled in 1975 that female employees reassigned to jobs with lower permanent wage rates when they were recalled from layoff had no right to their higher-paying pre-layoff jobs.\(^{22}\) Bargaining unit jobs at the company's Durham facility prior to 1965 were divided among three locals along racial lines and within each local were further divided between males and females. Within the six seniority units, females could not transfer to jobs in the male unit and males could not transfer to jobs in the female unit. These
seniority classifications were abolished under a new seniority system that was negotiated by all parties under the auspices of the Federal Government. As of June 1, 1967, all employees were eligible for all jobs, were assigned a permanent rate, and a single list based on a plant wide employment date seniority went into effect. Employees could advance under the new system in accordance with plant wide seniority within three lines of progression (making machines, packing machines, and non-operational).

A district court ruled in 1975 that female employees were not discriminated against by being reassigned after recall from layoff to a permanent rate that was lower ($2.16) than rates assigned to white males with less seniority. The court used the business necessity defense; "whether there exists an overriding legitimate business purpose such that the practice is necessary to the safe and efficient operation of the business." In the new seniority system the women were in non-operating departments where promotion in lines of progression to permanent vacancies were based on plant-wide seniority and white males were in machine lines of progression where promotion was a step by step promotion process so that machine operating skills could be systematically learned and applied as employees progressed to increasingly complex machines.

Closely allied with the business necessity doctrine in this case was the concept of "rightful place." This doctrine articulated earlier in racial discrimination cases (Local 189, U. S. Papermakers and Paperworkers v. U. S.) construed Title VII "to prohibit the future awarding of vacant jobs on the basis of a seniority system that locks in prior racial classification."
White incumbent workers should not be bumped out of their present positions by Negroes with greater plant seniority; plant seniority should be asserted only with respect to new job openings.\(^{23}/\)

**EQUAL PAY**

The Equal Pay Act of 1963 was passed as an amendment to the Fair Labor Standards Act of 1938. The Equal Pay Act requires employers to pay members of both sexes the same wages for equivalent work except when the differential is based on one of the following exceptions: (1) seniority system; (2) merit system; (3) a system which measures earnings by quantity or quality of production; (4) a differential based on any factor other than sex. Shortly before the enactment of Title VII in 1964, Senator Bennett proposed an amendment providing that a compensation differential based on sex would not be unlawful if it was authorized by the Equal Pay Act. (See Section 703(h) of Title VII).

Equal work was defined as jobs, the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions. The legislative history of the Act indicates that the concept of equality embraces job content as well as skill, effort, responsibility, and working conditions. Case law has established that a *prima facie* case for wage discrimination based on sex under Title VII may be made only if the equal work performance has been proved.\(^{24}/\)

During the legislative debate of the Equal Pay Act, Representative Frelinghuysen noted that [T]he jobs in dispute must be the same in *work content*, (italics added), effort, skill, and responsibility requirements,
and in working conditions. "[The Act] is not intended to compare unrelated jobs or jobs that have historically, or normally been considered by the industry to be different." Representative Goodell, the sponsor of the Equal Pay Act bill later substituted the term "equal work" for "comparable work," an approach that had been used by the War Labor Board during World War II. Goodell stated "Last year when the House changed the word 'comparable' to 'equal' the clear intention was to narrow the whole concept. We went from 'comparable' to 'equal' meaning that jobs involved should be virtually identical---." The rationale behind the criteria of equal work rather than comparable work appears to limit job reevaluation efforts by the Secretary of Labor and subsequently the courts.

The courts have also held that the concept of equality under the Act embraces job content as well as skill, effort, responsibility, and working conditions. A recent and far-reaching decision is Angelo v. Bacharach Instrument which held that jobs to be equated for determining the applicability of the Equal Pay Act must have substantially equal content. Such jobs may not be equated merely on the ground that their performance requires equal skill, effort and responsibility; "nor is showing of comparability sufficient to infer that those positions are 'equal' within the meaning of the Act. Also the requirements of equal skill, effort, and responsibility cannot be aggregated to establish job equality.

**IMPLICATIONS FOR MANAGEMENT OF HUMAN RESOURCES**

With the increased participation of women in the labor force, employers should anticipate modifications in personnel procedures and practices. Even if the largest proportion of the additional women workers enter the traditional
female occupations, their attitudes and expectations of wages and salaries, fringe benefits, promotions and flexible working hours will accord with court rulings and administrative regulations of anti-discrimination agencies. Unlike women workers of earlier decades most of these women will be committed to remaining in the labor market for a long time. As more women are hired into non-traditional professional and managerial jobs, such issues as dual career marriages, mentoring, training and development programs, and supervisory behavior may require more innovative treatment.

In addition to these direct effects on organizations, there may be such unanticipated consequences as the decrease of labor force participation of males as wives contribute more to family income. As the two earner family becomes the labor market norm, major institutions must be prepared to accommodate these changes. The application of an array of new techniques in the better utilization of women will eventually benefit all of the workers in an organization. This is the challenge of the 1980's.
NOTES


6. The high growth scenario assumes a continuation of the pace of the 1970's and low growth scenario assumes a slowdown in participation of women of child bearing age.


10. Executive Order 11246 as amended, deals with federal contractors and federally assisted construction projects. For more than a decade the Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP) in the U. S. Department of Labor, the agency with responsibility for implementing the Executive Order, had dual sets of guidelines. Since June 1978 the equal employment activities of the Federal government have been restructured, and the EEOC has the primary responsibility. However, the functions of the OFCCP will not be transferred to the EEOC before 1981. Only the guidelines of the EEOC are examined in this report.


14. EEOC v. Colby College Teachers Insurance and Annuity Associations and College Retirement Equities Fund, FEP Cases 656.

15. 1 FEP Cases 656.


22. 11 FEP Cases 1294 (1975).


27. Ibid., 14 FEP Cases 1778 (1977).