

Restructuring Work: How Have Women and Minority Managers Fared?

Have the employment opportunities of women and minorities been negatively impacted as a result of corporate and industrial restructuring? A new Institute for Women's Policy Research (IWPR) study, *Impact of the Glass Ceiling and Structural Change on Minorities and Women*, examines how changes in the workplace in the 1970s and 1980s affected women and minority men.

The need for corporate restructuring to compete in the new global marketplace is a much discussed topic. Factors leading to corporate restructuring include an increase in global competition, new technologies, and shifts in the level of demand for specific goods and services. These factors, along with changes in the political and economic climate, contributed to two types of structural changes during the 1970s and 1980s: 1) corporate restructuring, in which companies reorganized the workplace to reduce costs; and 2) industrial restructuring, in which the economy shifted away from manufacturing to the service sector.

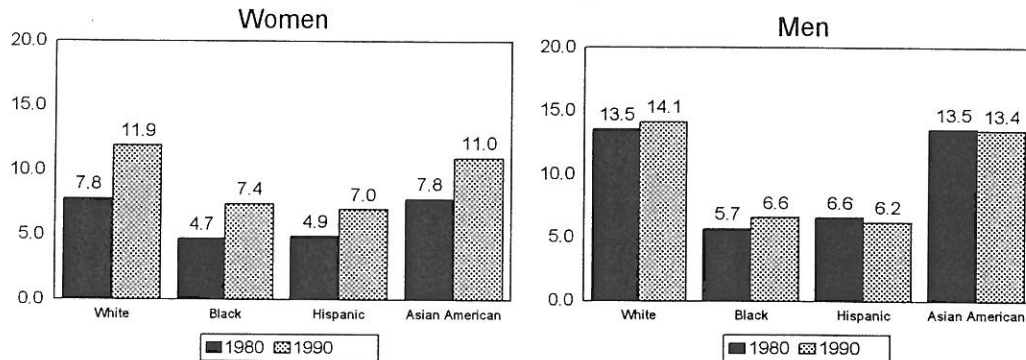
Corporate Restructuring. Companies have responded in a variety of ways to the institutional and market changes of the last twenty years, including reducing labor costs through pay reductions or moving operations to low-wage countries and abandoning whole product lines as unprofitable. Reorganization has often involved an attempt to increase flexibility in order to take advantage of new technologies and to respond more quickly to changes in demand. Flexibility may require workers who are highly trained so they can perform a variety of tasks. Or it might entail more use of temporary and contract labor or of sub-contracts to other firms that provide specific products and services. In some cases, downsizing of the firm's labor force may be so extensive as to jeopardize long-term growth capacity for short-term gains.

Industrial Restructuring. The percentage of workers employed in manufacturing jobs has been declining since World War II and the significance of this

shift has been the subject of considerable debate. One view is that the shift reflects a "natural" shift attendant on the maturing of an industrial economy. Bolstering this view is the fact that the percentage of workers employed in manufacturing has declined in all industrial countries in the past 20 years. A more pessimistic view is that the shift to services is due in part to failures on the part of management and government to strengthen the manufacturing sector.

The Impact of the Changing Business Environment and Restructuring on Minorities and Women in Management. Many problems for minorities and women might arise out of restructuring, including: the loss of supervisory and low-level management positions, often held by women and minority men, that were formerly routes into management; career ladders that are less well-defined and may require impressing upper management with one's "star status," which may be particularly difficult for minorities and women; the

Figure 1.
Managers as a Percentage of the Labor Force
by Race/Ethnicity and Sex



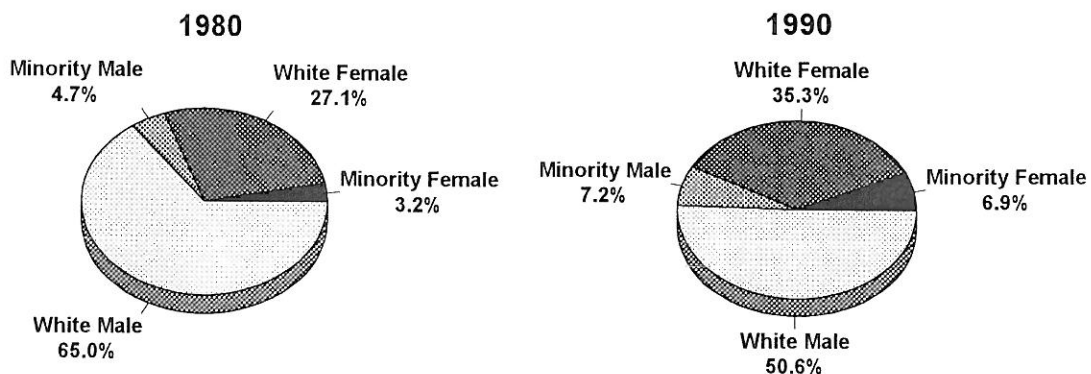
Source: IWPR calculations based on the U.S. Bureau of the Census, Census of Population, 1980 and 1990.

hiring of temporary workers, or independent contractors, supplanting permanent staff; the increased demands on managers due to downsizing, making it more difficult to combine careers with family life; and the increased emphasis on geographic mobility, including foreign experience for operating in the global marketplace, can be impeded by family responsibilities.

The data show, however, that minorities and women did make gains at the managerial level despite the problems that restructuring may entail. The overall representation of women and minority men in management improved during the 1980s. Not only did women and minority men make up a bigger percentage of the labor force in 1990 than in 1980, managers grew as a proportion of the labor force, and women and minority men generally increased their representation in these growing occupations.

Managers as a Proportion of the Labor Force. Between 1980 and 1990 employment in managerial occupations increased from 10.4 to 11.8 percent of total employment, indicating a more rapid growth in management than in the labor force as a whole. The percentage of workers who were managers increased more rapidly for women than for men in all racial/ethnic categories (see Figure 1). By 1990, the percentage of white women workers who were managers had increased to 11.9 percent from 7.8 percent, while the percentage of Asian American women in management increased from the same starting point to 11.0 percent. For these two groups, by 1990 their proportion in management was about equal to the proportion of the labor force as a whole in management (11.8 percent). Although their representation in management improved during the 1980s, black and Hispanic women continued to be under-represented, with only 7.4 and 7.0 percent (respectively) in management by 1990.

Figure 2.
Distribution of Managers by Race/Ethnicity and Sex



Source: IWPR calculations based on the U.S. Bureau of the Census, Census of the Population, 1980 and 1990.

Among men, whites and Asian Americans were somewhat over-represented in managerial occupations in both 1980 and 1990, while black and Hispanic men remained under-represented. Among men, growth in the proportion working as managers was either small or negative, depending on the racial/ethnic group (see Figure 1).

The Demographic Composition of Management. Figure 2 shows that, as a result of the more rapid growth of black men and women of all racial/ethnic groups in management jobs, the demographic composition of the managerial workforce had changed substantially by 1990. White women's representation in the managerial labor force jumped from 27 to 35 percent, while minority women increased from 3 to 7 percent and minority men increased from 5 to 7 percent. White men's share of all management jobs fell from 65 percent to 51 percent over the same period. As noted above, however, white men are still over-represented as managers (relative to their share of the total labor force) and their numbers still grew during the 1980s. But other groups entered managerial jobs faster.

Managers in Top-Earning Jobs. Table 1 shows that among all managers, representation in the top earnings groups is highly unequal by gender and race/eth-

nicity. If all groups had equal access to the high-earnings jobs, then 10 percent of each gender/racial group would be in the top decile (10 percent) of jobs by earnings. But, as Table 1 shows, only 1.4 percent of all white women managers were in the top decile of earners in 1982 and by 1992 only 2.4 percent were. The change for white women in the top quintile (20 percent) was similar. Although their representation nearly doubled from 1982 to 1992, white women still fell far short of equal representation (20 percent). Women of color did not double their representation in the top quintile of earnings, though they did experience some increase. Minority men who were in management moved into the top-earnings jobs more rapidly than women did. Although minority men have difficulty entering management positions, where like minority women they continue to be under-represented, once minority men become managers, their chances of achieving high-paying jobs are more favorable. Minority male managers are only slightly under-represented in both the top 10 and the top 20 percent of salaried managers. Minority men more than doubled their representation among top-earnings groups between 1982 and 1992 (see Table 1).

Conclusions. Because restructuring appears to present both problems and opportunities for minorities and

women in management, policymakers in business and government should monitor on-going changes and consider the following policy issues:

- ✓ continuing attention to enforcement of equal opportunity legislation and regulations, especially to improve the access of minority women and men to management positions and the access of women to top-earnings positions;
- ✓ improving access to higher education for disadvantaged Americans;
- ✓ monitoring the increased use of temporary and contingent workers, including independent contractors, for impact on long-term capacity and profitability as well as for impact on women and minorities; and
- ✓ adopting new "family friendly" workplace policies that apply equally to upper-level managers.

Table 1.
Percentage of Managers with Earnings in the Top Decile and Quintile by Race/Ethnicity and Sex

	TOP DECILE		TOP QUINTILE	
	1982	1992	1982	1992
WOMEN				
White	1.4	2.4	3.2	6.3
Minority Total (a)	(b)	(b)	2.8	3.6
MEN				
White	14.4	15.7	28.4	30.5
Minority Total	4.8	10.1	11.0	21.2
Black	(b)	9.8	8.2	18.4
Hispanic	(b)	8.0	9.8	16.3
Other	(b)	12.6	16.7	30.1

(a) = Number of minority women in specific racial and ethnic groups too small to tabulate separately.

(b) = Numbers too small to provide reliable information.

Source: IWPR calculations based on unpublished data from the March 1983 and March 1993 Current Population Surveys.

*The full report, **The Impact of the Glass Ceiling and Structural Change on Women and Minorities**, by Lois B. Shaw, Dell P. Champlin, Heidi I. Hartmann, and Roberta M. Spalter-Roth, is available from the Institute for Women's Policy Research for \$10.00. The research on which this report is based was funded by the U.S. Department of Labor, Glass Ceiling Commission. Opinions stated in this document or the report do not necessarily represent the official position or policy of the U.S. Department of Labor. This Research-in-Brief was prepared by Jill Braunstein, Heidi Hartmann, and Lois Shaw and was published in January 1995.*

The Institute for Women's Policy Research is an independent, nonprofit, scientific research organization founded in 1987 to meet the need for women-centered, policy-oriented research. IWPR focuses on the issues that affect women's lives, including family/work policies, employment and job training, pay equity and the glass ceiling, poverty and welfare reform, and access to health care. The IWPR Information Network plays a vital role in our mission to create and disseminate women-centered, policy-oriented research. Members of the Institute's Information Network receive regular mailings including fact sheets such as this. Individual memberships begin at \$40 annually. Contact IWPR for further information.

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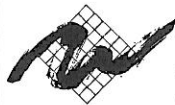
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