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BANK OF AMERICA EMPLOYMENT PRACTICES

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SECOND REPORT BY CALIFORNIA FEPC

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IN THE COURSE OF AN AFFIRMATIVE ACTION OF THE FAIR EMPLOYMENT PRACTICE COMMISSION

MARCH 1965

State of California, Edmund G. Brown, Governor
Department of Industrial Relations, Ernest B. Webb, Director
Division of Fair Employment Practices, Edward Howden, Chief

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Fair Employment Practice Commission

LOUIS GARCIA, Assigned Commissioner

March 1965

SAN DIEGO STATE UNIVERSITY 1897

STATE OF CALIFORNIA

FAIR EMPLOYMENT PRACTICE COMMISSION

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I. INTRODUCTION

On 1 June 1964, the Bank of America and the California Fair Employment Practice Commission executed a Memorandum of Understanding (See Appendix A), which spelled out the intent of the Bank to act affirmatively in seeking to expand employment opportunities for minority group individuals, and to provide data to the FEPC at specific intervals on the composition of the Bank's work force according to racial and/or ethnic breakdowns (Negro, Oriental, other non-white, Spanish surname). The agreement also provided for a breakdown by job classes, which range from Class 1, the normal in-hire or entry-level positions, through Class 4, managers of intermediate or larger branches, various department heads, and senior management. Data are also separated by location, new hires, and a tally of applicants.

The Memorandum also provided for an evaluation of various bank procedures relating to hiring, recruiting, advertising, and training. Provisions were included for public reporting of the data by the California Fair Employment Practice Commission.

The first public report by FEPC on the Bank of America was released in September, 1964.[1] This report covered personnel data submitted by the Bank as of the close of business on 31 July 1964. The report also included evaluation of the data, additional information obtained directly by FEPC staff, and conclusions based upon all information developed to that point.

In summary, the first report revealed that as of 31 July 1964 the Bank of America had the equivalent of 28,586.6 full-time employees throughout California. Of these, 3,839.5 (13.31 percent) were racial or ethnic minorities, distributed as follows: 2.86 percent Negro, 2.22 percent Oriental, 1.84 percent other non-white and 6.38 percent Spanish surname.

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[1] Available from Education Section, FEPC, P. O. Box 603, San Francisco, California

II. REPORT AS OF NOVEMBER 1964

This second report covers the four-month period between 1 August 1964 and 30 November 1964.

Significant in the analysis of this second period is that the Bank's overall minority employment increased in the face of a general decrease in total staff. The decrease in total bank employment apparently is due to a normal seasonal fluctuation. The increase in the number of minority hires appears to be the direct result of the Bank's positive recruitment efforts in this regard, as evidenced by the activities of its Human Relations Specialist, top officials, and a number of local branch managers.

Tables 1, 2 and 3 compare statistical data on Bank employment and applicants for the reporting periods of 31 July 1964 and 30 November 1964.

A. Branch Visits by FEPC

Spot-check visits were made by FEPC staff to Bank branches in a number of communities outside Los Angeles and San Francisco. These visits were planned to include areas which were predominantly Anglo-Caucasian, but which were adjacent to communities with large minority populations. Observations made by FEPC staff indicate that the Bank is making progress in minority hires in smaller communities as well as in the large metropolitan areas.

With the significant increase in minority employment, especially Negroes, Bank personnel were asked by FEPC to evaluate the performance of these employees. As might be expected under the concentrated recruitment efforts made by the Bank, some newly hired minority employees have not shown great aptitude for nor real interest in banking and are rated as poor employees. Others, however, are rated by their supervisors as the best or near-best employees in a branch or division. As bank recruitment patterns penetrate more fully and more normally into the minority communities, it may be expected that evaluations of these employees will more nearly resemble evaluations of other employees, clustering at neither extreme of the exceptionally good nor poor employee.

Some residual prejudiced attitudes towards the "faults" of minority groups appear to be disappearing as understanding grows concerning the causes for these "faults." In one instance, for example, a bank manager discovered that the "inappropriate" dress of a newly-hired, otherwise well qualified minority employee became more "appropriate" with the arrival of the first paycheck, enabling the employee in question to purchase suitable business dress for the first time.

Branch visits in this four-month period revealed that the Bank's enunciated policy is penetrating to the level of action in local branches. FEPC staff found more branch managers knowledgeable about and concerned with implementing the Bank's affirmative hiring program than in the first four-month period.

It was also apparent that a few branch managers were not doing much to make the program meaningful. For example, in the Imperial Valley, one branch had 77 percent Spanish-surname employees, while an immediately adjacent city had only 5 percent Spanish-surname employees. Apparently, the latter community would benefit from contact with community resources and the Bank's Human Relations Specialist.

B. Human Relations Specialist

The Bank of America has embarked upon a positive program for the implementation of its merit employment program. Included in this program are contacts with the minority communities, as well as with branch personnel. While a number of top Bank officials are deeply involved in implementing the program, the Human Relations Specialist is a key figure in this work.

Effective communication with the nearly 900 branches throughout the State is difficult as in most large organizations. While written memoranda over the signature of a top Bank official have some impact on action, personal follow-through by the Human Relations Specialist or other high officer has more impact. The sense of priority attaching to the affirmative employment policy must be communicated strongly. In our observation, the Human Relations Specialist has approached this large task with resolve and vigor. He has been visiting branches and talking with Bank personnel

about his recruitment experiences as well as the performance records of minority personnel currently in Bank employ. Where he had been able to make these visits, understanding had increased and results were demonstrable at the time of this report. The very extent of the Bank's branch operation, however, makes it virtually impossible for any one individual to provide this personal contact with all branches.

The Bank's internal communication problem is formidable, but its problem with external communication to the minority communities is even greater. The minority communities did not readily believe that the Bank intended to implement fully its newly emphasized merit employment program. In order to dispel these doubts, the Human Relations Specialist has been meeting with minority leaders individually, at luncheons and private conferences, and with various organizations, in an effort to spell out the Bank's interest in this program. Contacts have been made with church groups, ministers, the Urban League, NAACP branches, and special groups such as Plan of Action for Challenging Times (PACT) in the San Francisco Bay Area.

Spokesmen attempt to convey to these groups the Bank's commitment to equal opportunity. They stress the view that both the Bank and the total community will benefit by efforts on behalf of this goal. Organizations are urged to refer applicants. The Bank makes clear its recognition that as more minorities become visible in Bank employment, recruitment will become easier. These actions, it is understood, speak louder than any words and provide tangible evidence of a program of equal opportunity.

In dealing with the general community the Human Relations Specialist, as well as other top officers of the Bank, have accepted speaking engagements before business organizations and interested citizen groups in most parts of the State. In speaking to these groups, the Bank personnel has been observed by FEPC staff to present a straightforward approach to the merit employment problem and to urge other businesses to do the same.

The Human Relations Specialist is also adding to his understanding of the overall problem by attending seminars and lectures on various college campuses on the subject of human relations. He has also attended meetings sponsored by the President's Committee on Equal Employment Opportunity.

The role of the Human Relations Specialist is important to this affirmative action program. We note, however, that while his full-time efforts

are devoted to this task of implementing the program, he can hardly be expected to do the job alone. The Bank's branches in the southern part of the State have not been in as close touch with the Human Relations Specialist, we feel, as they should be, and this appears also to be a problem with the branches in the far northern part of the State.

In assessing the attitudes of Bank personnel toward the Human Relations Specialist -- through our observations during field visits -- we find that he has been accorded respect as an officer doing a job that the Bank wants done. His advice and counsel have been sought out, and the branch management personnel have been eager to discuss their experiences with him.

C. Training Programs

Statistics in both this report and the September 1964 report point up the small number of minority group personnel in upper levels of Bank employment. The Bank's training programs are designed to develop future supervisory and management personnel. For this reason, the inclusion of minorities in these training programs is essential.

The Bank of America conducts ongoing training programs, designed to develop a continuous supply of qualified personnel to move into the various levels of positions above the entry level. There are three principal programs, designated "A", "C", and "M". The "A" program is for applicants who have attended junior college or who have equivalent work experience. The "C" program is for applicants who are college graduates with good scholastic records. The "M" program is for applicants who have attended college or who have related work experience which can be utilized in banking.

Recruitment personnel for the Bank make regular visits to colleges and universities throughout the United States seeking candidates for inclusion in the training program. It is of particular significance to note that among the institutions visited are four whose student bodies are almost entirely Negro. These institutions are Howard University, Washington, D. C.; Morgan State College, Baltimore, Maryland; Fisk University, Nashville, Tennessee; and Clark College, Atlanta, Georgia.

Statistics relating to the training programs for the period of this report revealed that minority persons of each category were represented in the

"A" program, and that in the "C" and "M" programs Negroes and Spanish-surname individuals were represented. In each of the programs Negroes were present in substantially greater proportions than their representation in the overall work force. This will eventually strengthen the representation of Negroes in upper levels of employment. Minorities comprise 9.5 percent of all "A" trainees, and 11.3 percent of "C" and "M" trainees.

Representation of the several other minorities in the Bank's training programs was smaller than that of Negroes. One possible explanation is that there are not colleges and universities providing concentrations of other minorities comparable to the aforementioned schools, which are principally Negro in their enrollment, thus providing an easy, direct recruitment source.

Assuming that minority group participants in the training programs are successful to the same degree that other participants are, an increase in minority representation in upper levels of employment should become apparent within the next few years.

The degree to which minorities have been included in training programs is encouraging. It is an important dimension of a well-planned, forward-moving affirmative employment program.

III. SUMMARY

As indicated by the statistics, overall Bank employment declined between July and November, as did the total number of job applicants.

Bank officials indicate that both declines stemmed from normal seasonal factors, largely attributable to people leaving the Bank's employ to enter or re-enter school in the fall.

Intensive recruitment efforts in the minority communities undoubtedly contributed to the increase in the number of Negro and Spanish-surname employees in the period of this report. The slight decrease in Oriental employees is attributed to the same seasonal fluctuations which affect the overall work force.

An examination of the data by geographic location indicates, as might be expected, that the principal source of minority applications continues

to be the large metropolitan areas. It is encouraging to note, however, that progress is continuing in the distribution of minority workers throughout the State, even in some suburban communities where a negligible number of minority persons reside.

Work of the Human Relations Specialist has been effective, but additional assistance is required to penetrate outlying areas of Bank operations.

Contact must be extended and maintained with the minority communities to dispel distrust and suspicion and secure sources of recruitment.

Stepped-up recruitment activities have resulted in more minority personnel in management training programs. With special attention to upgrading policies, this should provide greater minority representation in upper levels of bank employment in the future.

Based on the trends exhibited in these first two reports, it is our present expectation that detailed statistical analysis of the Bank's employment will be requested on an annual basis, rather than quarterly.

However, FEPC staff will continue its direct affirmative contacts in the interim in order to evaluate the effectiveness of the Bank's dissemination and implementation of its fair employment policy.

Table 1. BANK STAFF: STATEWIDE TOTALS BY PRINCIPAL RACIAL AND ETHNIC GROUPS

31 July 1964							30 November 1964						
TOTAL STAFF	Negro	Oriental	Other Nonwhite	Spanish Surname	Other White	TOTAL MINORITIES	TOTAL STAFF	Negro	Oriental	Other Nonwhite	Spanish Surname	Other White	TOTAL MINORITIES
28,856.6	826.1	640.5	531.6	1,841.3	25,017.1	3,839.5	28,619.0	864.5	608.6	540.0	1,854.5	24,751.4	3,867.6
100%	2.86%	2.22%	1.84%	6.38%	86.69%	13.31%	100%	3.02%	2.13%	1.89%	6.48%	86.48%	13.52%

Table 2. BANK STAFF: STATEWIDE DISTRIBUTION BY JOB CLASS

31 July 1964							30 November 1964						
	Negro	Oriental	Other Nonwhite	Spanish Surname	Other White	TOTAL		Negro	Oriental	Other Nonwhite	Spanish Surname	Other White	TOTAL
Class 1	653.9	364.7	367.3	1,322.6	12,522.2	15,230.9	Class 1	678.3	325.2	367.0	1,308.6	12,100.5	14,779.6
Class 2	162.7	243.8	135.3	425.7	6,883.8	7,851.2	Class 2	170.7	245.4	137.0	450.8	6,977.6	7,981.5
Class 3	7.0	29.0	29.0	78.0	3,842.1	3,985.0	Class 3	13.0	35.0	36.0	81.0	3,862.8	4,027.8
Class 4	2.5	3.0		15.0	1,769.0	1,789.5	Class 4	2.5	3.0		14.1	1,810.5	1,830.1
TOTAL	826.1	640.5	531.6	1,841.3	25,017.1	28,856.6	TOTAL	864.5	608.6	540.0	1,854.5	24,751.4	28,619.0
Class 1A	233.7	101.9	75.8	295.4	5,141.1	5,847.9	Class 1A	231.1	85.8	73.9	299.7	5,125.4	5,815.9
Class 2A	116.9	132.4	63.3	220.8	3,491.0	4,024.4	Class 2A	116.0	135.1	66.8	245.4	3,533.6	4,096.9

Table 3. TALLY OF APPLICANTS FOR BANK EMPLOYMENT, AT POINT OF FIRST INTERVIEW, CENTRAL EMPLOYMENT OFFICES

Four one-week periods, 1964

LOS ANGELES							LOS ANGELES						
	Negro	Oriental	Other Nonwhite	Spanish Surname	Other White	TOTAL		Negro	Oriental	Other Nonwhite	Spanish Surname	Other White	TOTAL
June 22-26	85	10	13	108	165	381	Oct. 5-9	31	8	3	47	88	177
July 27-31	56	5	5	40	91	197	Nov. 16-20	42	13	5	31	124	215
TOTAL	141	15	18	148	256	578	TOTAL	73	21	8	78	212	392
SAN FRANCISCO							SAN FRANCISCO						
June 22-26	55	12	19	20	163	269	Oct. 5-9	27	6	8	8	121	170
July 27-31	40	6	5	14	98	163	Nov. 16-20	19	11	5	22	57	114
TOTAL	95	18	24	34	261	432	TOTAL	46	17	13	30	178	284