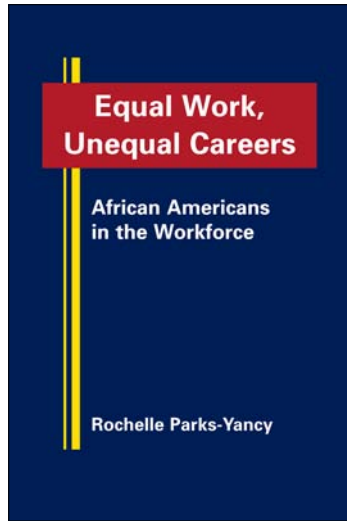


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Equal Work,  
Unequal Careers:  
African Americans  
in the Workforce

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# Contents

<i>List of Tables</i>	<i>vii</i>
<i>Acknowledgments</i>	<i>ix</i>
1 Careers and Social Capital	1
2 Social Class, Education, and Finding Work	13
3 Surviving Layoffs	37
4 Race, Gender, and Accumulating Career (Dis)Advantages	55
5 Social Program Interventions	77
6 Strategies for Improving Access	101
<i>Appendices</i>	<i>125</i>
<i>Bibliography</i>	<i>141</i>
<i>Index</i>	<i>149</i>

# 1

## Careers and Social Capital

“It’s not what you know, it’s who you know.” This popular phrase refers to the widespread belief that obtaining jobs, promotions, entrées to specialized training (for example, management development programs offered by organizations to select employees), salary increases, and other career rewards are not necessarily the result of getting an education or having specific work experiences, training, and skills. Rather, the phrase suggests that social networks also provide career rewards, even when individuals may not have the education and/or skills that warrant receiving such rewards. Many of us have used resources from our social networks for our careers and have observed, accurately or not, others receiving career rewards from their networks as well. My undergraduate students call it “getting the hookup,” though it is more formally known as social capital.

Social capital is the relationships among people in a social group (e.g., family, work group, or a group based on other forms of affiliation) in which resources are exchanged among members (Burt 1992; Portes 1998). These resources provide specific career benefits that include obtaining job information from social contacts, having social contacts that can influence employment decisions, and knowing individuals with the direct authority to make hiring determinations, which is also called opportunity. Specifically, social capital resources help people get jobs (Granovetter 1973; Elliott 1999; Smith, S. 2005), obtain work-related training opportunities (Tilly & Tilly 1994), get better-paying and/or more prestigious jobs than they already have (Torres & Huffman 2004; Westphal & Stern 2007), and receive promotions at work (Burt 1998). Social capital also includes access to financial resources from social relationships (Coleman 1988). For example, people inherit money, receive monetary gifts from family/friends, live rent- or mortgage-free in relatives’ and/or friends’ homes, and have parents or other family members who provide free childcare and will loan them money, interest-free. People receive these

resources on the basis of their social relationships with the giver of the resources. Usually, receiving these resources does not necessitate monetary payback, and, therefore, represents a significant cost savings for the recipients. This kind of access to financial resources can also be very helpful to people's career trajectories. For example, it includes being able to get a job that requires a college degree because the degree was paid for by one's parents, as well as being able to keep a job because one's parents provide free childcare. In short, these kinds of cost savings from social relationships are very important to the amount of education that people are able to attain, as well as the kinds of career opportunities they can pursue.

Studies estimate that 80 percent of all jobs are found through social capital (Granovetter 1973), indicating that many of us use it for employment. However, social capital provides career advantages precisely because members of social groups hoard their access to information, influence, and opportunities for themselves (Coleman 1988). This leaves people who are not members of those groups at a disadvantage because they lack access to those resources. We have all either heard about or experienced a situation where someone else "had the hookup," and therefore, got the job, was promoted, received special training, or obtained other career rewards that we, or someone we know, wanted and did not get. Thus, if everyone is using social capital resources to get ahead, then by definition, some individuals and groups must also be falling behind. This "falling behind" can be attributed to resource deficiencies in their social networks, among other factors.

Race also determines the extent of access to and career returns from social capital resources. African Americans, whether highly educated or lower class, face career challenges due to not having many useful contacts that can propel their careers upward, or not receiving many career benefits, even when they draw on social capital resources. This deficiency is particularly salient when compared to the higher quality of access to and career returns from social capital resources that, for example, Caucasians have (James 2000; Royster 2003; Parks-Yancy, DiTomaso, & Post 2005). When seeking a new position or promotion, blacks often have to develop social ties with whites, who typically have higher status positions and a wider range of career-related social contacts (Ibarra 1995). Obtaining favors from these relationships incurs an obligation and a tacit expectation of reciprocity on the part of the recipient to the sponsor, including performance expectations and expressions of gratitude and loyalty. Given the lower status of the recipient in this example, however, the ability to reciprocate may be unequal, because the favors the recipient could provide for the sponsor

are not likely to be equal to the favors the sponsor could provide to the recipient. Therefore, if whites do not view blacks as sources of career-related social capital resources, they are probably less likely to share their own resources with blacks, as opposed to with other whites.

In other cases, blacks do not always receive the beneficial career returns from using social contacts, or they have to work harder than other groups to obtain the same rewards (Pattillo-McCoy 1999). On the other hand, African Americans' social networks may not consist of many individuals who can help them get lucrative jobs, acquire businesses, or obtain other work-related outcomes (Smith, S. 2005).

Consequently, while social capital resources are critical for people's careers, African Americans either do not have much access to such resources, or they are unable to parlay their social capital into substantive career returns. This book explores the extent of African Americans' access to social capital resources and its impact on their career attainments. This study is important because social capital not only enables some groups to have more lucrative careers than others, but also represents a mechanism by which socioeconomic inequality is perpetuated and reproduced. For example, if Susan receives better paying, higher status jobs than Tina, who has similar education and work experience, because of the quality of the job leads from her social networks, she will probably also have more earning potential than Tina. Unless outside forces (e.g., a terrible economy, Susan becomes very ill or otherwise suffers a major career setback beyond her control) or Susan's own poor decisions interrupt this process, Susan is likely to have a cumulative career advantage over Tina that she can pass on to her children.

There are two ways that people incur social capital deficiencies. First, they can have capital deficits, which are not having many social ties from whom to gain job information, influence, or opportunity. Second, they can experience return deficits, which are not receiving desired career rewards (e.g., not getting promoted, not receiving the desired salary) even after using social capital to, for example, obtain a job. To some degree, African Americans suffer both kinds of deficits, but return deficits significantly contribute to them having lower level career trajectories than other racial groups. That is, they do not receive many lucrative career rewards, such as promotions or substantial salary increases, despite using social capital resources for employment.

Gender and class are also social characteristics that confer more or less social capital resource advantages. Therefore, a portion of this volume explores how these dynamics work for African Americans. For example, men typically receive a greater amount of job information than

women, primarily because men's social networks consist of more employed people. Family responsibilities generally connect women more to familial relationships than work relationships. This often inhibits women from having jobs that are high status, pay well and confer authority because they lack access to extensive job-related resources (Munch, McPherson, & Smith-Lovin 1997). In fact, obtaining valuable social capital resources may be more difficult for women than for men because they do not have a lot of resources to give, or they are perceived as not having resources to give. Therefore, they might not be viewed as worthy recipients of social capital resources because of their inability, or lesser ability, to reciprocate.

Class is an important social characteristic because it denotes the types of jobs and careers that individuals can attain. One key element of class categorization is the level of education that people have. However, the amount and type of education that individuals attain is closely related to the extent of information and influence embedded in their social networks (Lareau 2002). For example, working-class children often become working-class adults because their peers at school, the people in their neighborhoods, and their family members reinforce the perception that higher education is unattainable and, in some cases, unnecessary for stable employment. Even if these children want to attend college, thereby improving their class status, their social relations often cannot offer any useful information, such as how to complete college applications; influence, such as "putting in a good word" with college admissions personnel; or access to financial resources to make college a reality. This is generally not true for the middle class, for whom such resources are often readily accessible (Willis 1977). Thus, part of this book is devoted to examining how gender and class affect the social capital resources and its impact on African Americans' careers. However, since blacks, as a whole, have difficulty reaping career returns from social capital resources, the career effects of gender and class categorization may be negligible.

Additionally, while whites frequently have access to financial resources, such as inheritances, from their family members, blacks generally do not have such intergenerational wealth (Oliver & Shapiro 1997). In this regard, they have a financial capital deficit, relative to whites. This disparity has been attributed to historically racist wealth accumulation policies in which blacks were treated unfairly (e.g., in earlier parts of the twentieth century, financial institutions notoriously assessed homes in predominantly black neighborhoods at a lower value than homes in white neighborhoods), as well as blacks' disproportionately lower socioeconomic status. The lack of substantive

access to financial resources can negatively affect one's ability to go to college and obtain a job that pays relatively well, and lessen people's ability to have much of a financial cushion should they experience unexpected economic hardships. Certainly, it is more difficult to navigate through the economic difficulties of a job loss on one's own, than it is if one can borrow sizeable amounts of money from family members, without interest.

Disparities in social capital result in career inequalities, in terms of substantial differences in income, occupational prestige, and overall standard of living. However, more research is needed on the role that social capital plays in shaping African Americans' career trajectories. How does either not having access to social capital resources, or, more likely, not receiving high career returns from social capital resources impact African Americans' socioeconomically? What are the long-term career effects of these social capital resource deficiencies, and how do they affect blacks' overall standard of living? What can individuals do to increase the career benefits they obtain from their social capital resources? How can African Americans acquire useful social capital resources from a diversity of sources? These are the questions that motivate this book and serve as the basis for studying how career disadvantages accumulate for African Americans.

This book is important to both academics and non-academics for several reasons. First, using social networks to obtain rewards is a fairly universal behavior. It is a tacit part of social group membership, such that exchanges of social capital resources are part of regular social interactions (Putnam 2000). Since these exchanges are part of everyday behaviors, they include some and exclude others from educational and career opportunities. For example, many jobs are never publicly advertised because social capital acts as both the job advertisement (i.e., potential applicants must know someone who will tell them that the job is open) and the initial screening process (i.e., applicants must be recommended by other employees to be considered for the job) (Waldinger 1997). Some may think that this process only works for "good jobs" (e.g., jobs that pay well, offer upward mobility, and are prestigious, such as CEO positions in major firms), but it includes "bad jobs," too (e.g., low-status and low paying jobs, such as fast-food) (Newman 1999). Therefore, exploring how social capital works for racial groups is key to understanding how some groups fare better than others in their career pathways.

Second, insufficient attention has been given to the long-term career effects of differences in access to social capital resources (Granovetter 1973), particularly for historically disadvantaged groups.

To understand how social capital works, we must determine not only its immediate impact (e.g., getting a job today), but also how it affects careers in the long term (e.g., how did getting a job today through social capital resources lead to career rewards five years later?). Therefore, this book investigates how having limited access to social capital or having poor returns from it can hinder careers over time.

Finally, what can be done to improve African Americans' access to social capital resources for their career mobility? I conclude the book with recommendations of ways that diverse groups can improve their access to social capital resources to enhance their careers. This book provides research evidence for scholars interested in the mechanisms of social inequality and practical solutions to practitioners and students seeking to improve their career trajectories.

### **Study Methods**

I am indebted to the 117 African American subjects who agreed to be interviewed about their life histories. During 2000-2008, these individuals allowed my African American research assistants and me to digitally record their explanations of how they obtained their education and jobs up to the time of their interviews. Beginning with high school, the respondents described where they were reared, their parents' occupations and educational levels, why they did or did not go to college, how they paid for their education, how they obtained every job they had had from high school up to their interviews, and the reasons why they changed jobs. They also discussed if they had ever received financial assistance from their families or any other social relationships, as well as their perceptions of their current socioeconomic circumstances. These interviews are the source of the qualitative analysis of the interviewees' access to social capital resources and its impact on their careers.

Toward the latter part of the data collection period, I became interested in the impact of losing work-related social networks on African Americans' careers. Therefore, in addition to the questions posed above, 57 percent of the respondents were also asked how downsizing at their jobs affected their access to social capital resources and their career plans. These interviews took even longer than the average of one and a half hours for the other 50 interviews.

As noted in Table 1.1, the respondents were almost equally divided by gender (49 percent men, 51 percent women), but less so by class (81 percent middle class, 19 percent working class). Their ages ranged from 25-55 years old and most of them had completed their



formal education, but were not yet retired. I chose this age range because the respondents were likely to be actively involved in their careers. Most of them were employed full time when they were interviewed.

The subjects were interviewed in Houston, Texas and in northern New Jersey. The interviews generally took place in their homes or in coffee shops, as well as in my office. I selected those states due to their large populations of African Americans and their proximity to my workplaces. The 15 New Jersey interviewees were casual contacts, who responded to the requests to be interviewed. In this case, several individuals were asked if they knew potentially eligible subjects who would be willing to be interviewed, of which 15 participated. However, 35 of the participants from Houston were selected randomly. This process involved selecting two zip codes from the Houston, Texas area from which addresses and phone numbers were randomly chosen (Lamont 2000). I used the zip codes to assist with targeting different socioeconomic areas. The potential participants were sent a letter explaining that the purpose of the research was to examine how people develop their life goals, in terms of their education and careers. Each person was contacted by telephone to determine the interviewee's interest in and eligibility for the study. Of the people who were contacted by phone, approximately 26 percent of the respondents in each zip code agreed to participate in the study. I obtained the last 67 Houston respondents by requesting that members of a predominantly African American professional association participate in the study. These differences in how the interview samples were obtained were primarily due to financial constraints on data purchases and the need to conserve funds for the interview transcriptions, which were a considerable expense.

I considered the interviewees as having accessed social capital resources if they received job or school information from social relationships, received schooling or employment influence from such relationships, or had contacts with people who had hiring authority. The latter type of contact is also an opportunity. Financial resources included the respondents receiving cash gifts, inheritances, interest-free loans, free childcare, free cars, and having schooling paid for by social relationships. All of these represent social capital resources because they can help individuals get ahead in their careers, and, most importantly, they are not available to everyone.

In this regard, social capital resources differ from publicly available resources because one must know someone in order to have access to them, unlike resources that are widely known about and

accessible to anyone, irrespective of whom they know. For example, if CNN announces that Google is hiring, this does not represent the social capital resource that is information because CNN is a publicly available medium with whom one does not have to have a personal relationship in order to obtain such information. However, if Google never announced that they were hiring, as many organizations do not, and I learned that they were from a friend who worked there, this is a social capital resource because I may not have otherwise received such information if I did not have a personal relationship with someone who worked at Google. As such, individuals have access to social capital resources only because they have friends, family members, and/or acquaintances who possess them, and who are willing to share the resources with select others.

Likewise, access to various kinds of financial resources that can help one's career generally stems from social relationships, too, particularly relationships with family members. For example, most parents who have the means will save money for their children's college education. Having social networks with these kinds of financial resources obviously offers educational advantages over individuals who may also wish to attend college, but neither they nor their families are able to pay for it.

The 117 interviews yielded detailed life histories that demonstrated how middle- and working-class respondents accessed social capital resources, and allowed me to explore the cumulative effects of social capital resources on their careers. Many discussed how a friend, coworker, and/or family member offered informational help with getting a job and/or furthering their education. But, few discussed knowing people who had the direct authority to hire them. While most of the respondents used social capital resources at least once to obtain schooling and/or a job, using the resources did not often result in receiving high status, high paying employment. Also, unlike studies of white subjects (Parks-Yancy, DiTomaso, & Post 2006), even the middle-class respondents did not receive substantially larger amounts of financial resources from their families, proportionally, when compared to the working class. Further, when faced with losing work-related social networks due to downsizing, most of them did not have additional social ties from which to obtain social capital resources. They perceived this deficiency as negatively affecting their promotional and other career aspirations.

One may wonder why these individuals agreed to share their life histories without compensation. The respondents appeared to appreciate the opportunity to discuss their careers and were interested in

knowing how their stories would contribute to my research on career trajectories. In fact, many seemed to enjoy being interviewed. Interestingly, although they were assured that their real names would never be used in any publications from the data, some volunteered to allow me to use their identifying information. Of course, I politely declined those unsolicited offers to abandon anonymity, but clearly some respondents saw the interviews as a way for the larger society to understand their lives.

While interview studies provide extensive detail and contextual information, the size of the samples are relatively small, given the time constraints and expense of interviewing hundreds or thousands of people. Thus, the findings may not necessarily reflect the population at large. In short, the interview data, by itself, does not allow me to definitively apply the findings to the general population of African Americans in the U.S., nor to compare the social capital resources and career attainments between African Americans and whites. Therefore, I combined the qualitative analysis of the interviews with quantitative data from the National Longitudinal Survey of Youth, a nationally representative and longitudinal dataset consisting of over 10,000 racially diverse respondents. The findings from these data are applicable to the average population of blacks in the U.S. because the data were collected to specifically represent African Americans, as well as other racial groups, across the country. My analysis demonstrates whites'—especially white men's—cumulative career advantages, in terms of reaping greater rewards over time from using social capital resources than blacks.

This book provides qualitative and quantitative assessment of how “the hookup” works for African Americans’ careers. The book is divided into six chapters that explore mechanisms of how social capital works, explain the methods that determine the book’s findings, and discuss the significance of the findings for theoretical and practical solutions to career inequality.

## **Chapter Contents**

Chapter Two, “Social Class, Education, and Finding Work”, explains how class affects access to social capital resources that facilitate educational attainments and career trajectories. The chapter draws from the work of numerous researchers that explain how different kinds of social relationships provide different kinds of social capital resources. These differences in social capital resources generally lead to better or worse career attainments. Using the 117 interviews, this chapter

explores how the class groups used social capital resources from different types of social ties to obtain education and jobs. Generally, the strong ties (i.e., people with whom one has a close emotional bond and/or interacts frequently) of the middle-class blacks provided college information, while the working class did not have such help. The working-class respondents relied primarily on strong tie relationships for job-related social capital resources, which did not usually help them get better jobs than they already had. While both class groups had social ties that provided information about jobs, neither group knew many people who could actually hire them. Thus, while the middle-class respondents had greater proportional access to social capital resources, their advantages over the working-class blacks were not as large as one might expect, given their class divisions. Furthermore, the middle class' access to social capital resources did not yield the significantly larger career returns that one would expect, either. This finding is particularly striking, given that studies of white class groups tend to show significant class differences in the career returns to social capital resources.

Chapter Three, "Surviving Layoffs", describes how layoffs negatively impact African American survivors' access to social capital resources, to the extent that their career aspirations suffer as well. Drawing from the layoff survivor research, this chapter reports the effect of layoffs on the 67 interviewees who survived them. The chapter also addresses gender differences with regard to the extent that access to social capital resources and career plans were altered as a result of the layoffs. Most of the respondents lost well-connected contacts, which they perceived as being detrimental to their advancement. Women believed the layoffs had a more negative effect on their careers than the men did, particularly in terms of competing with coworkers for desired positions. However, neither gender group had additional social ties from which they could obtain additional social capital resources. I concluded the chapter by discussing implications of surviving layoffs for the advancement of historically disadvantaged groups.

Chapter Four, "Race, Gender, and Accumulating Career (Dis)Advantages", reports the results from the quantitative data source, the National Longitudinal Survey of Youth. Using regression analyses, this chapter explores racial and gender differences concerning access to social capital resources, measured as using social ties to find jobs, as opposed to institutional methods (e.g., newspapers, job fairs, web sites, completing job applications). As studies have found that using social ties to find work generally results in obtaining better jobs in a faster time period than using institutional methods, it is an important measure of individuals' access to social capital. I also examined the effects of race,

gender, and access to social capital resources on two important career outcomes, income and promotions, over several years. Generally, African Americans, particularly black women, suffer a social capital deficit relative to whites. It takes them longer to get a job, and the jobs they receive are not as good, in terms of pay and status, relative to the jobs obtained by whites. In terms of career returns to social capital resources, whites' career advantages accumulated over time, while blacks' disadvantages accumulated. The career results were mixed between black women and black men, where the former was more likely to be promoted, but the latter earned more money over time. Thus, race, gender, and social capital resources contribute to unequal career trajectories, and these results generalize to the population of whites and blacks in the U.S.

Chapter Five, "Social Program Interventions", returns to the full 117 interviews. The chapter explores how social programs, academic programs, and efforts by corporations contributed to the career mobility of the respondents. These programs provided resources to the interviewees in the absence of their having social capital resources from their own families and neighborhoods. Many respondents received help from various programs and corporate efforts that were specifically designed to provide opportunities to disadvantaged groups. This help, in many cases, contributed to their upward mobility. Thus, while social capital resources may offer some career assistance, the findings suggest that social programs and other kinds of organizational efforts are still needed for disadvantaged groups to get ahead.

Chapter Six, "Strategies for Improving Access", discusses several major conclusions from the data: (1) Although many individuals and groups use social capital resources to advance their careers, there are pervasive differences between racial groups concerning access to the resources, and, most noticeably, how the resources impact career trajectories. That is, when compared to their white counterparts, African Americans' return deficits to social capital resources are even more prevalent than their capital deficits; (2) While class matters for African Americans' career trajectories, the class differences in access to social capital resources and the corresponding career rewards are not as large as one might expect; (3) The racial and, less so, gender differences in social capital resources and career trajectories result in the accumulation of career advantages for whites, particularly white men, and the accumulation of career disadvantages for African Americans, irrespective of gender, which are obviously difficult to overcome; and (4) Individual efforts, organizational efforts, and social programs are needed for African Americans to improve their careers and, thus, their

overall quality of life. I provide recommendations as to how these needs can be addressed and conclude with additional questions and topics for future research.