



Black Caucus Groups at Xerox Corporation (B)

Kearns and the black leaders reached a general agreement at the Toronto meeting (see *Black Caucus Groups at Xerox Corporation (A)* for background information). There would be no national caucus meeting and no attempt to organize a national group. Instead, Xerox would pay travel and hotel expenses for up to 20 people so that the leadership could all regularly attend each regional caucus conference. The leadership group would be the national integrating mechanism for the local caucuses. A follow-up meeting was scheduled to approve a detailed official plan that would be worked out by Kearns's Human Resource staff.

The black leaders were especially satisfied with this agreement because they had never done more than consider the idea of a national organization in the first place. The comment by Kent Amos that had triggered management's alarm had been an idle remark with no special significance beyond exactly what he said, that the Chicago caucus leaders were considering encouraging black Xerox employees from throughout the United States, not just those from the Midwest, to attend the conference. At that time, even their own status as a leadership group was only informal. Xerox had misinterpreted the situation.

Although the Toronto meeting ended amicably, tension arose three months later in Chicago, when Kearns's staff presented the official plan they had constructed. The presentation described new management training programs for blacks, but made no mention of the travel agreement that had been reached at the last meeting. Kearns was at the presentation but did not speak. The atmosphere grew increasingly tense and angry, until finally Bill Hamilton stood up, said that Xerox was breaking an agreement it had made in good faith, and left the conference room. The rest of the black leaders were right behind him. Because they had no other place to go, the group ended up sitting in the hotel stairwell talking and trying to understand what had changed between the two meetings. The situation was a disaster. The group felt that the company had reneged on its promises, and they would all surely be fired after walking out on the president of ISG.

Fifteen minutes later, Kearns came by alone and sat down in the stairwell with the group. Bill Hamilton remembered it this way:

Research Associate Caitlin Deinard wrote this case under the supervision of Professor Raymond A. Friedman as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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Kearns came into the stairwell and, for the first time, got back on the point and said, okay, we'll do this, we won't do that, and so on. He was speaking for the first time during that meeting and doing what his staff definitely didn't want him to do—speaking without them, in private with us, making hard commitments. When Dave speaks he has a great trust level, so we knew what he had committed to in the stairwell was golden and that's what made the whole thing work.

After talking with the caucus leaders, Kearns reaffirmed the original agreement they had made in Toronto.

Xerox's financial support and formal recognition of their role enhanced the leaders' credibility with local groups. Because of their traveling, the caucus leadership became known as the "Road Show." The caucus groups quickly expanded, and, by 1975, there was a strong group in every region, including the deep South. Growth continued steadily at the grassroots level, and more local groups were established within each region. By 1976, there were six black district managers (out of 100 districts,) five of whom were among the top performers in the country. From 1975 to 1983, the number-one branch manager nationally was black. By 1980, there were 22 black vice presidents at Xerox, and, in 1987, Rand became the president of Xerox's Information Systems Group (now renamed the U.S. Marketing Group).

As blacks moved up the corporate ladder, they became increasingly responsible for hiring decisions and consequently played active roles in promoting other black employees. Cy Wright, a younger caucus leader and, by 1990, Vice President and regional manager for U.S. Marketing Group's Eastern Region, explained that he made certain to keep qualified blacks in mind for jobs:

Sometimes, our mere presence at the decision-making table is in fact mentoring. If I am knowledgeable about people of color who are capably doing certain jobs, and I'm at a meeting where opportunities are being discussed and those peoples' names are not mentioned, then I will make damned sure that I bring those names to the table.

In addition, he had to strive to be the leader for a broad range of employees:

As my role changed, my constituency broadened. In addition to my responsibility to minority groups, I have a business responsibility for a region of people made up of everybody. So while I remain loyal to the group that helped me, I must project fairness to my entire organization. It doesn't say I am any less committed; it says that the support comes in a different fashion, because I'm at a different level within the company.

Over time, as he worked with the caucus groups, Kearns discovered that they were a valuable resource for him. The meetings produced information about what was happening at all levels of the company, not just the problems that black employees were facing. The meetings with the black leaders bypassed the middle management hierarchy, which always had its own agenda to promote.

I found the caucus groups helpful. It was really in a lot of ways the beginning of employee involvement at Xerox. I found out a ton about what was going on in the business that didn't have a damn thing to do with diversity or affirmative action. These were people who were all spread out in different parts of the business . . . the

initial group was [made up of] marketing-oriented, sales-oriented people who were skillful communicators.

In addition, Kearns found that the caucus groups helped solve managerial problems: "Most of the concerns they brought up were concerns that white employees also had, and they acknowledged that. But they believed that the problems were exacerbated in the minority community. I think their view was probably accurate."

Similarly, when the caucus groups complained about individual managers, it was discovered that most problems were due to generic bad management. In many instances, when a black employee was having a problem with a manager, it was found that all employees were having trouble. If a manager judged a black sales representative by race instead of sales performance, then the manager probably judged other sales representatives by equally arbitrary standards. The problem was simply magnified for black employees.

The success of the black caucus groups acted as a catalyst: in the 1980s, caucus groups for Hispanics, Asians, and women emerged within Xerox. The black leadership did not help organize these groups, but they did provide advice and aid once the caucuses were formed. At the same time, black employees in other companies like AT&T and American Airlines were using the Xerox model to form their own black caucus groups.

In 1990, 16 years after the Toronto meeting, the first truly national conference for all black caucus groups was held in Chicago, with Xerox's full approval. Approximately 850 black Xerox employees from around the country attended. Barry Rand gave the keynote speech, and Kearns, who was retiring as CEO (although he would remain chairman of the board), was recognized with a glowing tribute. Most importantly, Paul Allaire, the new CEO of Xerox, made a speech that signaled that he and Xerox would continue to support the caucus groups as Kearns moved on.