

THE SOCIAL AND ECONOMIC JUSTICE DIALOGUE

Number 3 in a Series

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Published for the Old Steeple Community Church Community
Aquebogue, New York 11931

July 4, 2004

WAL-MART AND ITS FEMALE EMPLOYEES TO FACE-OFF IN A COURT OF LAW CALVERT FUNDS WOMENS' PRINCIPLES TOP 10 CORPORATIONS FOR DIVERSITY

This week a class action lawsuit brought against the nation's largest retailer — **Wal-Mart** — by six current and former employees was certified as a class action. Under a ruling by a federal judge in California, as many as 1.6 million current and former employees – all hired after December 1998 – may eventually be included in the case. Plaintiffs charge that the nation's largest retailer systematically discriminated against female employees. Wal-Mart has annual sales of \$250 billion+, earned \$8 billion in profits last year, operates 3,566 stores and has 1.2 million (current) employees – two-thirds of them women.

The female plaintiffs charge that: Wal-Mart pays women less than male employees; the salary gap gets wider over time; women take longer to reach managerial positions; and, the higher up one looks in the organization, the fewer females will be found in managerial positions.

Federal Justice **Martin Jenkins** said that this case could be “historic in nature,” and one of the largest civil rights cases of our time. Some lawyers say that in this, the 50th anniversary of the Brown vs. Board of Education case – which began the difficult effort of attempting to dismantle systematic, segregated public education in the United States – 1.6 million workers facing off against Wal-Mart could be a titanic battle. There could be long-lasting outcomes not just for the retailer, but also for other businesses in the United States. And, with presumed positive outcomes over the long-term for the civil rights of all females in the corporate world.

The plaintiffs are represented by public interest non-profit groups: **Public Justice Center**, **Impact Fund**, and **Equal Rights Advocates**; and, by three prominent law firms.

As the decision was announced, the **Reverend Jesse Jackson** was conducting a **Rainbow/PUSH Coalition** conference in Chicago – “The Wal-Mart Factor: Dumbing Down the American Economy.” Reverend Jackson said his issue was not with Wal-Mart as a business organization, but with the company's ideology. (Such as, he cited, corporate leaders who believe that women can't manage men; aren't interested

in careers; and don't support families. These echo the claims of the plaintiffs.)

Wal-Mart on its part denies claims of systematic discrimination, pointing to “local management” decision-making regarding human resources. Individual store managers – such as the manager in the Riverhead unit – are responsible for hiring, firing and promotion choices, Wal-Mart asserts.

CALVERT WOMEN'S PRINCIPLES

The **Calvert Group** (family) of socially responsible investing mutual funds was launching “**The Calvert Women's Principles**,” a comprehensive code of conduct focused on gender equality and women's empowerment in Corporate America as the Wal-Mart suit was getting underway.

The Code has seven pillars that encompass:

- Wages and Benefit issues
- Health, Safety and Violence in the Workplace
- Discrimination in the Workplace
- Corporate Civic and Community Engagement
- Corporate Management and Corporate Governance
- Hiring, Promotion and Professional Development
- Business and Supply-chain Practices (Purchasing, etc.)
- Monitoring and Reporting

Calvert Funds researchers and managers will use these principles to rate corporate performance to help determine *which companies* the mutual fund provider will offer to consumers (current and prospective investors). (Calvert does not invest in Wal-Mart stock, citing allegations of gender discrimination and other issues surrounding labor and human rights issues that have surfaced.)

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Development of the Women's Principles for internal investment guidance is a first step, Calvert managers say; next will be development of a "tool kit" to help corporations understand and implement the principles...if corporate managers and boards of directors wish to.

The comments of **Barbara Krumsiek** (CEO of Calvert Funds) sum up the actions of the investment company / fund advisor, and perhaps the views of the women suing Wal-Mart: "As a result of gender inequities, women remain an untapped economic resource and an underutilized economic asset. There is a strong business case and a strong economic case to be made for gender equality. The Calvert Women's Principles recognize that women are economic actors and productive [corporate] assets, and that empowering women is a key to sustainable development around the globe."

YOU CAN LEARN MORE AT:

www.diversity.com
(Diversity, Inc., publishers)

www.calvertgroup.com
(for the Calvert Group mutual funds)

This information is provided by
Old Steeple Community Church of Aquebogue, New York
(11931), United Church of Christ, founded 1750 and
today serving a farming and semi-suburban community
on Long Island's North Fork.

The dialogue is intended to help further understanding
of current events and trends in social and economic justice,
and in corporate social responsibility.

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SALUTING TOP 10 COMPANIES FOR DIVERSITY

Diversity, Inc. – the magazine and Web site publishers – singled out its choices for the "Top 10 Companies" for encouraging workplace diversity recently. These are:

- #1 **Pitney Bowes** (for minority recruitment and retention, especially Latinos)
- #2 **Citigroup** (Citibank) (for recruitment of Latinos and women to executive positions)
- #3 **Ford Motor Company** (for encouraging supplier diversity, and for work-life benefits)
- #4 **Verizon Communications** (for supplier and employee diversity efforts)
- #5 **Pepsico** (Pepsi Cola) (for recruitment of African-Americans and Latinos)
- #6 **Coca Cola Co.** (Coke) (for recruitment and retention, especially for its efforts to recruit African-Americans over the past year, which showed marked improvement over 2002)
- #7 **Abbott Laboratories** (for attracting people of color to the workforce)
- #8 **SBC Communications** (this telephone company is tops for supplier and workforce diversity, and the promotion of women to management positions)
- #9 **Kraft Foods** (for multicultural marketing, linking compensation and bonuses for managers to their efforts in diversity hiring and promotion)
- #10 **Xerox** (for hiring programs for Asian-Americans)

Diversity Inc. observed that most of the Top 10 had chief executive officers who believed in and aggressively promoted diversity within their companies' ranks. Other companies named in the Top 50 include: **Colgate-Palmolive, Hewlett-Packard, Allstate Insurance, General Mills, HSBC Bank, Marriott Hotels, Prudential, New York Times Co, IBM, General Motors, American Express, and Shell Oil** – most familiar brand names to us as consumers.