

EVANGELICAL LUTHERAN CHURCH IN AMERICA

Corporate Social Responsibility Issue Paper

Freed in Christ: Nondiscrimination in Business Activities

Background

Historically the Lutheran church—the ELCA and its predecessor church bodies—have been committed to the support of human rights and the struggle against injustice. The ELCA—in the social statement “For Peace in God’s World” (pg. 14)—and the predecessor church bodies—in “Peace, Justice, and Human Rights” (ALC, 1972) and “Human Rights: Doing Justice in God’s World” (LCA, 1978)—support the United Nations Declaration of Human Rights,¹ calling for respect and dignity for each person, assurance of opportunity, and provision for participation in society.

Situations and obstacles detracting from this commitment to human rights are apparent in U.S. society. Discrimination occurs in many forms, including but not limited to, gender, race, ethnicity, age, sexual orientation or gender identity and disability. For example, gender discrimination issues exist in the labor force. During the 1950s, women comprised 37% of the labor force. In 2012, wage gap research indicates women comprise some 47% of the labor force, but continue to earn less². The wage gap is decreasing, but women still earn \$0.77 for every dollar that men earn in comparable work situations.³ A report done by the Department of Labor in the mid-1990s describes the situation where equal access to executive level positions does not occur in the U.S. corporate sector for women and minorities. This phenomenon is called the “glass ceiling.”⁴ This continues to exist for women in the workplace today.⁵

In addition to the gender discrimination of the glass ceiling and other gender-related employment issues, racial and ethnic discrimination can occur in many places, from access to housing in certain neighborhoods to service in a restaurant. Disability discrimination issues pertain to employment, accommodation, and customer service, among others.

Workplace discrimination is not only an obstacle to be faced, but also results in significant shareholder burden due to the high cost of litigation and potential loss of contracts. For example: gender issues brought about a \$47 million settlement at Rent a Center⁶ and a \$31 million settlement at American Express.⁷ Racial and ethnic issues can bring about boycotts and major public relations concerns such as in the Denny’s case, which resulted in a consent decree based on patterns of racial discrimination.⁸ In 2002, Coca-Cola agreed to pay \$4.2 million to women and minorities at its corporate headquarters and to make additional salary adjustments at its businesses in North America.⁹

Despite laws to counter the problem, discrimination of all kinds still exists in the workforce. With current immigration patterns, the American work force continues to become more diverse, thus increasing the urgency that the injustices be addressed.

¹ <http://www.un.org/rights/50/decla.htm>

² http://www.census.gov/newsroom/releases/archives/employment_occupations/cb12-225.html

³ <http://www.iwpr.org/initiatives/pay-equity-and-discrimination>

⁴ <http://www.dol.gov/oasam/programs/history/reich/reports/ceiling2.pdf>

⁵ <http://www.atlanticphilanthropies.org/news/%E2%80%98glass-ceiling-still-exists%E2%80%99-women-workplace>

⁶ <http://www.eeoc.gov/press/10-4-02.html>

⁷ <http://www.bizjournals.com/twincities/stories/2002/06/17/daily5.html>

⁸ <http://www.usdoj.gov/crt/housing/documents/dennysettle2.htm>

⁹ <http://www.dol.gov/opa/media/press/opa/OPA2002313.htm>

ELCA Social Policy

The first social statement of the ELCA, “The Church in Society: A Lutheran Perspective”¹⁰ (1991), set forth affirmations and commitments to guide this church’s participation in society. This document develops the church’s role to participate in social structures critically, to minister to human need with compassion and imagination, and to be a prophetic presence. In addition to advocating for justice and mercy in situations of brokenness, the church commits itself to remove obstacles of discrimination and indifference. The social statement “Freed in Christ: Race, Ethnicity, and Culture” (ELCA, 1993)¹¹ further develops the role of the church and commits the church to “support legislation, ordinances, and resolutions that guarantee to all persons equally... opportunity for employment with fair compensation and possibilities for job training and education, apprenticeship, promotion, and union membership [as well as the] opportunity for business ownership [and] access to . . . insurance services . . .” (pg. 7). The ELCA Church Council action “Harassment, Assault, and Discrimination Due to Sexual Orientation” (1993)¹² reaffirms the church’s historical position prohibiting discrimination in housing, employment, and services due to sexual orientation.

In 1999, the ELCA social statement “Sufficient, Sustainable Livelihood for All”¹³ continued this call by committing the church to hire without discrimination and further calls for similar practices for secular employers. In addition, the 1989 Churchwide Assembly declared racism a sin and called on the church’s members to address the destructive results of racism in all aspects of its life and work. In 2013, in response to a number of synodical memorials, the Churchwide Assembly adopted a memorial addressing workplace discrimination based on categories of sexual identity and gender identity. The assembly re-committed this church “to principles of non-discrimination in employment and to call for other employers to engage in similar practices,” and affirmed ongoing support of employment non-discrimination legislation and opposition to workplace discrimination (CA13.03.07a).¹⁴ Disability issues also have been addressed by the church in a Churchwide Assembly action calling for awareness education.¹⁵

Corporate Response

Legislation in this country has been passed to address many areas of discrimination. The Equal Employment Opportunity Commission has addressed many individual employee concerns in this area. The Federal Glass Ceiling Commission Report recommended that both the public and private sectors work toward increased disclosure of diversity data. Most corporations have developed policies and programs to encourage diversity. Some reporting is occurring, mainly through Equal Employment Opportunity (EEO1) reports. Although still a minority, a quarter of the corporations in the U.S. are willing to release such data.¹⁶ The legal system is addressing complaints in this area¹⁷. At the global level the United Nations General Assembly in 2011 endorsed the Women’s Empowerment Principles. These were developed through a partnership initiative of UN Women and the UN Global Compact Office¹⁸ and call for the advancement of equality between men and women across the globe. At the corporate level movement has been

¹⁰ http://download.elca.org/ELCA%20Resource%20Repository/Church_SocietySS.pdf

¹¹ <http://download.elca.org/ELCA%20Resource%20Repository/RaceSS.pdf>

¹² http://download.elca.org/ELCA%20Resource%20Repository/Harassment_Sexual_OrientationSPR93.pdf

¹³ http://download.elca.org/ELCA%20Resource%20Repository/Economic_LifeSS.pdf

¹⁴ http://download.elca.org/ELCA%20Resource%20Repository/Gender_Identity_Discrimination_SPR13.pdf

¹⁵ <http://archive.elca.org/socialpolicyresolutions/resolution.asp?id=28&ref=hys>

¹⁶ <http://www.hreonline.com/HRE/print.jhtml?id=4990009>

¹⁷ <http://www.eeoc.gov/eeoc/initiatives/e-race/caselist.cfm>

¹⁸ http://www.unwomen.org/wp-content/uploads/2011/10/Women-s-Empowerment-Principles_en.pdf

seen in endorsing principles such as those above, changing governance charters to move toward board diversity and report on diversity in sustainability reports. Research has begun to show that attention to diversity is important to a company's success.¹⁹

Resolution Guidelines for ELCA

1. We support requests of corporations to report on progress concerning the Federal Glass Ceiling Commission's business recommendations.
2. We support requests of corporations to prepare a report on diversity and plans to increase diversity.
3. We support requests to disclose a corporation's EEO1 report.
4. We support requests that the Board of Directors appoint a committee to review and report on the overall EEO1 diversity policies and practices.
5. We support requests for the company to expand diversity on the Board of Directors through:
 - a) Specific efforts to search for women and minority candidates;
 - b) Issuance of a public statement on board inclusiveness; and
 - c) Reports on efforts to encourage diversified representation on the board; and
 - d) Nomination committee charters revised to reflect diversity assessments and efforts
6. We support requests for a corporation to implement the U.S. Department of Labor's voluntary pay equity audit and to report on such audit.
7. We support requests for a corporation's EEO policy to be amended explicitly to bar discrimination based on sexual orientation and/or gender identity discrimination.
8. We support requests for a corporation to identify with and disassociate from any form of offensive imagery to ethnic specific communities in products, advertising, endorsements, sponsorships, and promotions.
9. We support requests for reports on policies concerning accommodation for persons with disabilities.
10. We support requests for reports on accessibility guidelines for persons with disabilities.
11. We support reports on gender equality across the supply chain.
12. We support reports on affirmative action policies and programs to improve performance where diversity is undervalued.

Resolution guidelines for ELCA – General

13. We support practices of good governance, specifically:
 - A company having an independent chair or independent lead director;
 - Reports on policies and transparency of procedures for political contributions and expenditures (both direct and indirect made with corporate funds);
 - Reports on any portion of any dues or similar payments made to any tax exempt organization or trade association that is used for an expenditure or contribution which might be deemed political; and
 - Guidelines or policies governing the company's political contributions and expenditures.

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¹⁹ http://www.txsws.com/pdf/board_brief.pdf ;

<http://dca.org.au/files/file/gender%20documents/Business%20Case%20for%20Women%20Mckinsey%20sept08.pdf>

*Approved by Church Council, November 2008 [CC08.11.57a]
Approved by Church Council, November 2013 [CC13.11.69y]*