

Cisco accused of bias in hiring

TECH GIANT DEFENDS RECORD ON DIVERSITY

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Cisco Systems, one of Silicon Valley's biggest employers, has been accused by a federal agency of discriminating against minority job candidates.

The U.S. Equal Employment Opportunity Commission has determined after reviewing five separate 2005 job-applicant complaints that Cisco "demonstrated an ongoing pattern and practice of not hiring qualified minority candidates based on their race, color and national origin," according to EEOC letters released to the Mercury News.

None of the applicants is from the Bay Area; four are from Texas, and the fifth is from Tennessee. Four are African-American and one is Asian-American.

Wednesday, the San Jose company denied the allegations - particularly the assertion about an ongoing pattern of discrimination.

According to the commission, about 5 percent of the roughly 80,000 complaints it receives annually advance to the letter-of-determination stage, which means the commission investigated the case and found merit to the complaint. Between 300 and 400 cases annually result in the commission filing a suit against an employer.

In an e-mailed response to the Mercury News, Cisco said more than 43 percent of its U.S. workers identify themselves as members of minority groups. Moreover, Cisco said it is "committed to maintaining and growing a diverse talent pipeline that we believe is required to compete successfully in the technology industry."

Cisco spokesman John Noh said this is the first time the company has received such a letter from the commission about accusations of an ongoing pattern of discrimination. Noh said Cisco attorneys are talking with the EEOC to prove the allegations are baseless, and Cisco hopes to get the letters rescinded. But it is rare for the commission to change its mind.

The EEOC does not comment on ongoing cases, but said companies that receive letters are invited to enter into discussions with regulators. Often the companies will agree to provide financial relief for the victims and review internal practices. If an employer fails to cooperate, the commission could sue the company. Negotiations between the EEOC and Cisco could take months.

Meanwhile, Cisco is on a hiring spree. The networking-equipment maker, which sells more of the routers and switches used to build the Internet than any other company worldwide, has been hiring to meet a rising demand for its products.

During a conference call with analysts Tuesday, Cisco reported that its global workforce has increased 4 percent, or 2,227 employees, to 56,790 during the most recent quarter. Most of the new workers were added in sales, engineering and at a manufacturing plant in Mexico.

The company had 28,501 employees in the United States last year; of that, 12,230 or 43 percent were members of minority groups - a 7 percent increase from the previous year, according to data provided Wednesday by Cisco. In 2006, the company employed 78 Native American/Native Alaskan workers, up 5.4 percent from the previous year; 1,242 Hispanics, up 8 percent from the previous year; 10,152 of Asian ancestry, up 6 percent from the previous year; and 758 African-Americans, up 12 percent from the previous year.

Clair Brown, an expert in workplace discrimination and the director for the Center for Work, Technology and Society at the University of California-Berkeley, said that regardless of how many minority employees the company has now, the commission's letters are certain to have an immediate and "huge impact" on how Cisco operates.

"Cisco has quite a good reputation as an employer and this is a black mark, and it's an especially black mark in the African-American and Asian community," said Brown, who was surprised the company was accused of discrimination by the commission.

Companies like Cisco that have contracts with the federal government are required to file annual diversity reports with regulators. The reports, which carefully detail a company's employee numbers by rank and race, are often used by companies to ensure they're in compliance with employment law, she said. So Cisco, Brown theorized, would have been aware if there was an appearance of discrimination in its hiring practices.

"Why would they put themselves open to this kind of charge?" Brown asked. "There are some really stupid employers, but Cisco is not one of them."

According to the commission's letters of determination, the five separate job applicants charge that Cisco failed to hire them for jobs because of their race.

They are: Albert Crews, an African-American from Germantown, Tenn.; Craig Oliver, an African-American from San Antonio; Sandra Hill, an African-American from Plano, Texas; Jeyakumar Nagarathinam, a South Asian-American from Plano, Texas; and Tony Morris, an African-American from Lewisville, Texas. Separately, all but Morris also filed a joint lawsuit in U.S. District Court in San Francisco against Cisco, saying they applied for sales jobs numerous times, were told they were good candidates, but weren't hired. They also noted that all or a majority of those who interviewed them were white.

In the lawsuit, Crews, Oliver and Nagarathinam say they applied for a variety of jobs in Texas, the Midwest, Southeast and Northeast.

The plaintiffs also charge that less than 3 percent of Cisco's employees are African-American and that Cisco employs "more than 30 times the number of whites and 10 times the number of Asian-Americans than the number of African-American persons it employs in its sales/technical workforce."

Brad Yamauchi, a San Francisco attorney representing the four parties, said the data was anecdotal. Data Cisco provided to the Mercury News showed about 2.7 percent of the company's U.S. workforce is African-American. The company did not provide a breakdown of employee ethnicity by job title.

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