

Ramona Schindelheim, WorkingNation editor-in-chief:

You're listening to Work In Progress. I'm Ramona Schindelheim, Editor-in-Chief of WorkingNation. Work In Progress explores the rapidly changing workplace through conversations with innovators, educators, and decision makers, people with solutions to today's workforce challenges.

Ramona Schindelheim, WorkingNation editor-in-chief:

More than 80 million Americans, one in three, have a criminal record, even when it includes only a misdemeanor arrest or conviction, that record poses a significant barrier to employment. The Second Chance Business Coalition was formed to increase the number of companies offering job opportunities to individuals with criminal records. Joining me today to discuss this ongoing mission is Stan Ball, Eaton's Vice President and Chief Litigation Counsel. Stan, thank you for joining me.

Stan Ball, Eaton VP and chief litigation counsel:

Ramona, it's so great to be here with you. I look forward to the discussion.

Ramona Schindelheim, WorkingNation editor-in-chief:

The Second Chance Business Coalition was founded by your CEO, Craig Arnold and JPMorgan Chase CEO, Jamie Dimon. Can you tell me what was the catalyst for this organization?

Stan Ball, Eaton VP and chief litigation counsel:

Sure. No happy to discuss it. I'm going to go kind of long and give you some of the long history on this, but you may recall the Business Roundtable made a decision to redefine the purpose of businesses and going back to business school, our kind of education on what was the purpose of a business, was to drive revenue for shareholders. And in recent years, they've decided that's not good enough. It's to actually, in addition to our shareholders, to improve the lives of our employees, our customers, and the communities in which we served. And so as a part of that, and the timing couldn't have worked better, following the murder of George Floyd and the increase and the emphasis on the general public, looking at corporations to take a stand on social issues. The Business Roundtable made a decision to form an Equitable Justice Subcommittee that would be focused on two things.

Stan Ball, Eaton VP and chief litigation counsel:

The first was police reform at the national level. And then the second issue, which is what we'll talk about today, is re-entry and finding ways from a policy perspective, to reduce barriers for justice-involved individuals, to find employment. As we went on that journey and working closely with our CEO, Craig Arnold, who was the chair of the Equitable Justice Subcommittee for the Business Roundtable, we put forth a set of policies that we supported and the CEOs of these companies, who are part of the BRT support it. And we put forth that policy perspective. We brought in legislators at the federal level to talk about areas in which we could improve.

Stan Ball, Eaton VP and chief litigation counsel:

But at some point we kind of stopped and said, "Wait a second. We're all members of the Business Roundtable. We all represent massive multinational organizations. And yes, there's a part in which Washington can play in this and from a policy perspective and reducing barriers. But at the same time, we've got to turn that mirror around and look at ourselves and say, 'Can we do better as employers to reduce barriers that we've put in place that are one, either arbitrary or outdated and inconsistent with

our stated values?" So as we kind of turned that mirror and looked at our organizations, not just JPMorgan and Eaton, but a number of companies, we decided let's form a coalition, let's share best practices. And instead of waiting on policies to change that are external or driven out of Washington, let's look at our own policies and make some changes.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, what do we pick from there? So at that time, what kind of barriers? And I know that probably many of them still exist, like say a job seeker comes in applying for a job. What kind of barriers does that criminal record create? Is it mental or is there a business case for it?

Stan Ball, Eaton VP and chief litigation counsel:

Sure. So, the barriers, and I'm going to speak from the angle of a justice-involved individual, who's submitting the application. What the statistics have shown is that if you do not ban the box and basically banning a box, is waiting to ask whether or not someone has a criminal history or waiting to conduct a background check, until you extend a formal offer of employment. So employers, when they do not ban the box, if you're asking for someone who's submitting just their first application, what the statistics have shown is that if someone checks that box and says, "Yes, I have a criminal history." There's a 50% chance that an individual is not going to get a callback without any further investigation into their qualifications, any individualized assessment on whether or not the criminal conduct has any relationship whatsoever to the job at hand. And so when we talk about barriers, that's number one, is that if you are not banning the box and waiting to get to know your applicants in some meaningful way, the biases and the stigma associated with a criminal history will take its toll right at the application process.

Ramona Schindelheim, WorkingNation editor-in-chief:

Is that legal in any way, shape or form to use that as a barrier?

Stan Ball, Eaton VP and chief litigation counsel:

It is in some states. What we have seen in recent years is that legislation both at the federal level and in certain states around the country, have adopted ban the box practices. And that they've embedded that in law. There are still some states that have not done that. And so to your question, it's just a state-by-state analysis on whether or not that practice of asking for someone to self-disclose at the time of application is still legal or not.

Ramona Schindelheim, WorkingNation editor-in-chief:

So again, this is a stigma that is attached to someone with a criminal record, without even investigating whether or not that was a misdemeanor or a felony, anything at all. It's just, you check the box and then you don't get that callback. Can you put into words more of what that stigma is? And I can kind of figure it out on my own, but what would you say, because you've done all the research.

Stan Ball, Eaton VP and chief litigation counsel:

I'd hate to put it this way, but I think most experts in this field and I'm certainly not. I'm learning as I go. So, let me not say that at all, that I'm an expert, but I think, based on my discussions and what I've read, is it's the equivalent of a life sentence. That's what that is. If we believe in our justice system with all of its faults, when someone is convicted and they are given a sentence, with the time that time is served, it

should be done. It should be over with. That should be the end of it. But if our practices, in terms of looking at potential employees is to say, "Well, you've got this on your record. We really don't care whether or not you've paid your debt to society or not. We're still going to attach the stigma to you." That's the equivalent of a life sentence when it comes to finding meaningful employment.

Ramona Schindelheim, WorkingNation editor-in-chief:

So what are you doing at the coalition to try to shift that mindset?

Stan Ball, Eaton VP and chief litigation counsel:

There's three things that I think are important that we're trying to accomplish with the coalition. The first thing is to actually talk about this issue. And I know that's kind of like a weird thing to say that you have all these corporations that could come up with all types of different initiatives and things, but your first kind of core goal is to talk about this issue. And the reason why that's important is to send a market signal to the employee base, that may not feel welcome to apply to some of these jobs, to legislators and to the general public, to acknowledge that this is a major issue. And how you started off this conversation in your intro, just noting that there's 80 million people who are justice-involved. When you say that to people, they don't even realize. Like it's such a massive number that they can't even comprehend it.

Stan Ball, Eaton VP and chief litigation counsel:

So, one of our first core goals of the three that I've talked about in many areas, is to send a market signal and identify this issue and let the general public know that the corporations who are part of the Second Chance Business Coalition are willing to engage in this space. And more importantly, want to create environments where people who are justice-involved have a place where they're welcome and that their talents are recognized. The second core mission of the coalition is to be a convener. And what I mean by that is as you kind of wade into this space, I'm sure you've seen this in your research. There are so many community-based organizations spread across the US who are interested in re-entry and providing wraparound services for individuals who are returning. What we are attempting to do and what's unique to the size of most of these organizations are, is that most companies, the 42 companies that are part of the coalition have a presence all over the US.

Stan Ball, Eaton VP and chief litigation counsel:

And so what we can do at through the coalition is to connect the local community-based organizations, operating in jurisdictions where a local facility, a local retail store for our members are located. So we want to make sure that we're a convener in bringing people together. The last thing that I think is critically important is to be transparent amongst our membership when it comes to tools, best practices, and most importantly, lessons learned. As you can imagine, a lot of the companies, what their major concern in the past has been, how do we talk about this in a safe space? How do we kind of scale this and discuss some of the barriers that we're having internally about changing people's minds and perceptions? Where can we do that in a space where we're not going to get judged? And the coalition provides that opportunity for all of its coalition members to have an opportunity to get together, talk about these challenges and actually create change within their organization.

Ramona Schindelheim, WorkingNation editor-in-chief:

Have you seen any examples of change in maybe a company that hadn't really given this much thought, until you guys brought them into the coalition?

Stan Ball, Eaton VP and chief litigation counsel:

Yeah, I'll talk about my own, because I always want to be respectful of other companies and what they're doing. So I'll talk about Eaton and our journey and where we are. And let me be clear, we're not done. We're in the middle of our journey and learnings. So we have adopted the Ban the Box principles years ago. We've been doing that for a long period of time. And just by virtue of us doing that, for the end of 2018 through 2021, to try to do kind of a three year look-back period, 10% of our new hires are justice-involved individuals. And that's just through banning the box and creating a process by which, when there is someone who has a criminal history and it shows up on a background check, there is a separate team that's different than the hiring manager, who's assessing what's popping up on their criminal history and trying to make an individualized assessment of their criminal history.

Stan Ball, Eaton VP and chief litigation counsel:

Since being part of the coalition and doing a deeper dive and a learning on some of these barriers and issues. What we've attempted to do are two things. One, a large number of our population that works in our workforce are contingent workers. And so we have a responsibility to tell the temp agencies, that bring us potential employees, to give them directions that are consistent with how we think about hiring our own. So making sure to be explicit with them and tell them that we are comfortable with you bringing justice-involved individuals as potential applicants or temporary workers, or a part of our workforce. That's a big change that we've made.

Stan Ball, Eaton VP and chief litigation counsel:

The second thing that's big is when we put out our requisitions for positions that are open in our organization, we've said explicit, right there on their requisition, that your justice-involvement will not preclude you from getting a fair opportunity to apply for this position, for us to make an individualized assessment of your skill set. It's not a prima facie barrier to you being considered for a position. And on the back end of that, how we've instructed our background check third party provider, is to narrow the look-back period for specific misdemeanors, nonviolent offenses, driving charges, that clearly would have nothing to do with, or no relationship whatsoever to do with your day-to-day responsibilities as a part of our organization.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, in the business world, as we talk about the fact that there is a shortage of people with skills, broadening the job applicant pool seems to be a bright idea for any company, a good business case. And I also know that studies that show that people who are justice-involved, people with criminal records, perform just as well as anyone else. And I think there's a stigma attached that maybe this person would not be a good employee. What have you seen in the stuff that you've been reading and the research you've done for the role you're playing?

Stan Ball, Eaton VP and chief litigation counsel:

Two quick things in response to that, SHRM has done a phenomenal job of tracking this and not just once every blue moon coming out with a report, but consistently updating the data and information. And so, to your remarks, not only have they noted that managers of people have said that justice-involved individuals, from a performance perspective, perform at the same level or higher than non justice-involved individuals, but from a retention perspective, which is just as important as hiring, but from a retention perspective, they stay at the organization longer, which is huge. That's a big deal.

Stan Ball, Eaton VP and chief litigation counsel:

The other thing that I think is critically important and you noted, we look at the unemployment rate today and I think it hovers around 3.5% today. The last report from July, who represent 5.7 million people who are unemployed today, when you think about the height of the pandemic, just for recent memory, in April 2020, the unemployment rate was somewhere around 14, 15%, right? Here's what I think, what blows people's mind is that the normal, the normal unemployment rate for justice-involved individuals is 27%, 27%.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's an amazing number. I mean, I'm blown away and I look at the numbers all the time.

Stan Ball, Eaton VP and chief litigation counsel:

It's staggering. And what's even more disheartening when you get little deeper into that number and start bifurcating out based on race and gender, the story gets even worse. So Ramona, to your point, it's unfortunate that in America we have gotten into this culture of sidelining talent in massive numbers. And this is a great time for us in our history to pivot, to pull people off the sidelines and get them back in the game.

Ramona Schindelheim, WorkingNation editor-in-chief:

So you brought up at the beginning, part of the impetus for this coalition. It came after the murder of George Floyd, and there is a push for more equity in bringing underrepresented groups into the workforce. We saw a lot of the fissures, we saw in a workforce. We saw people who were more vulnerable and a lot of the justice-involved individuals are black. And so this is also a racial equity issue.

Stan Ball, Eaton VP and chief litigation counsel:

It is. I mean, it kind of has to be, especially when you look at the statistics we were just talking about and trying to engage that population. You have no choice, but to kind of consider it as a part of your portfolio of work to make your environments more diverse and inclusive. As a part of that effort, the one thing that always needs to be kept in mind, and it's irrespective of whether the talent is justice-involved, whether it's based on gender, sexual orientation, gender expression, et cetera, our philosophy is, talent is talent, period. Talent is talent. And so when we are out in the market, trying to find individuals, we're trying to find the most qualified folks. And the reality is they're not concentrated in one place. You've got to be active in all types of spaces. In this space, this particular untapped pool of talent is just a place where we know we can play better. We know we can play bigger and we can establish greater, better relationships.

Ramona Schindelheim, WorkingNation editor-in-chief:

Before we get kind of wrapping up, I want to ask you for those who don't know Eaton, what kind of work do you guys do? I can Google you. I can look it up, but I don't think it's one of those names that's out there as commonly as say, JPMorgan Chase.

Stan Ball, Eaton VP and chief litigation counsel:

Yeah, no, I love that. I love that question. I guess we should have lead with that, because people are like, what is that? They've probably been googling the whole time. What is an Eaton? What does it do? So Eaton is a global manufacturer. We've been in business for over a hundred years. We service customers

in 175 countries, have 85,000 employees spread around the world and we operate in two principal sectors. The first sector is our industrial sector where we are focused on creating component parts for airplanes, consumer vehicles, commercial vehicles. I'm really excited about our e-mobility business as we're focusing on the electrification vehicles themselves. Participating in that space, but more importantly, the infrastructure that will support electric vehicles. And so one of my favorite products that we make are electric vehicle charging stations. And that's something that we're really focused on. On the other side of the house is which is really kind of our bread and butter, is our electrical sector, where we make everything from circuit breakers to transformers.

Stan Ball, Eaton VP and chief litigation counsel:

If you open up the wall in your house or any commercial building, there's probably an Eaton product somewhere there, making sure that power is safely flowing through your house. The last thing I'll say, and shame on me, because it's one of our most popular businesses, but people don't realize that it's something that we do, because we're so focused on industrial and electrical component parts and services, is Golf Pride. So most of the golf grips that are used by professional golfers and those who think they're professional golfers, who are actually terrible, are Eaton golf grips. And so it's a business that I'm really fond of. And I always like talking about it, because most people don't realize that we make all these components, but we also make golf grips.

Ramona Schindelheim, WorkingNation editor-in-chief:

Okay. That was out of nowhere in my mind, I would never expected that to be part of your remit for your company. So let me wrap up our conversation. I talked to you just a few minutes before we recorded and I asked you, "Did you know anybody who was justice-involved, was this a passion of yours." But it comes out of something different. It comes out of your curiosity, it seemed. So, what does it mean to you to be able to be an advocate for this change in your workforce and just our society in general?

Stan Ball, Eaton VP and chief litigation counsel:

I'm going to sound like a politician in a minute here, but trust me that I actually do mean this and this is personal to me. My father was a union electrician, worked for IBEW Local 38 here in Greater Cleveland. And there's a part of our downtown area that sits right on the river. It's got the Rock & Roll Hall of Fame, the Great Lakes Science Center's right next to it. And then what we call the Factory of Sadness, which is Browns Stadium, sitting right there, all kind of right there on the Lake Erie there. And my father, he worked on those projects and I was there with him when I was a kid, on opening day for many of them as they opened up. I've got the privilege now of serving on the board of trustees for the science center, one of those three buildings.

Stan Ball, Eaton VP and chief litigation counsel:

And we were having a meeting a couple of months ago, kind of ironing out our 25th year celebration. And I was sitting in that room and it never had dawned on me before, that in one generation you can have someone who is working to construct a building, as an electrician. And then in one generation, their son is an executive at the electrical company that was providing parts for my father to install in that building. And then also has a privilege of helping direct the future of that organization.

Stan Ball, Eaton VP and chief litigation counsel:

That is the American dream right there. That's it. That's what we're trying to preserve. But it's not preserved on its natural terms. It's preserved because people and organizations step in and say, "We have to create opportunities. We have to keep doors open. We got to bust through some windows to make sure that everybody who's a part of our society and culture has that exact same opportunity to advance for themselves and for their families." So yes, this is a passion project for me, just because you get into the data and you can't help but become passionate. But more than that, as an American, we've got to get better at making sure that we give everybody a chance.

Ramona Schindelheim, WorkingNation editor-in-chief:

Very well said. I am so glad that I had a chance to talk to you about this. This is a very, very important mission.

Stan Ball, Eaton VP and chief litigation counsel:

It's been a pleasure talking with Ramona.

Ramona Schindelheim, WorkingNation editor-in-chief:

Stan Ball, Eaton's Vice President and Chief Litigation Counsel, talking about the Second Chance Business Coalition. I'm Ramona Schindelheim, Editor-in-chief of WorkingNation. Thank you very much for listening.