

# Diversity Recruitment - A Changing Workforce, A Changing Regulatory Environment

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# About Us

- **Jacquelyn Peterson**, an OFCCP and Project Management Consultant with MilwaukeeJobs.com, has extensive experience helping employers with all aspects of recruiting and offers OFCCP government compliance solutions for small companies with limited budgets to complex organizations with multi-state locations.
- **Bill Osterndorf**, President of HR Analytical Services, has more than 25 years of experience in helping companies handle Federal affirmative action complexities and complying with the laws enforced by OFCCP. HR Analytical Services is a consulting company providing a range of affirmative action services nationwide. HR Analytical Services has a solid reputation of closely tracking trends and new developments at OFCCP to provide sound and practical solutions before and during regulatory reviews.



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# Agenda

## Understanding diversity

- Diversity, equal employment opportunity (EEO), and affirmative action (AA)
- Recruiters and compliance specialists

## Business case for diversity

- Changing demographics in the workforce
- Building a business case for diversity

## Changing regulatory environment

- New initiatives from the Office of Federal Contract Compliance Programs (OFCCP)
- Building the regulatory case for diversity
- How diversity impacts compliance reviews

## Meeting diversity objectives

- Roles of recruiters and hiring managers
- Finding and using effective recruitment resources
- Measuring diversity efforts and presenting information to management



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# Audience Poll

1. Define your current role:
  1. I am a recruiter
  2. I am a compliance specialist
  3. I am responsible for recruitment and compliance
2. Have you experienced or do you believe there is a disconnect between the operations of the recruiting department and the compliance department?
  1. Yes
  2. No
  3. Sometimes



# Workplace Diversity

- As a business initiative
  - Focuses on different talents, interests, and skills needed to serve internal and external customers
  - Recognizes the value of employees, customers, and suppliers of diverse backgrounds
- Related concepts
  - Equal employment opportunity (EEO) laws prohibit discrimination
  - Affirmative action (AA) requires proactive measures to meet regulatory objectives
- Diversity, EEO, and AA are different
  - EEO and AA: legal concept with possible reviews by governmental agencies
  - Diversity: internal business decision
    - May be broader in scope (more than race, gender, disability, etc.)



# Who May Be Interested in Diversity?

- Companies seeking to change workforce demographics to:
  - Promote inclusiveness
  - Contribute to staff retention and productivity
  - Prevent “group think” and enhance idea generation
  - Reflect and connect to the population they serve
- Organizations subject to affirmative action requirements
  - Federal contractors and subcontractors
  - Organizations contracting with state and local governments



# Recruiters and Compliance Specialists

- Recruiters and compliance specialists have different objectives

## Recruiter metrics:

- Time to fill
- Cost of hire

## Compliance specialist metrics:

- Placement goals met
- Limited disparities in applicant-to-hire ratios
- Successful affirmative action reviews

- Conflicting objectives

- Recruiters

- Meet deadlines, reduce time and costs

- Compliance specialists

- Expand pools of candidates, document steps, monitor processes



# Collaborate to Meet Common Diversity Objectives

- Recruiters seek diverse candidates to meet business initiatives
- Compliance specialists seek diverse candidates to meet affirmative action requirements
- Both want to:
  - Increase the pool of viable candidates
  - Find the best person
  - Limit the number of potential issues faced by the company
    - Reduce lawsuits
    - Simplify regulatory reviews

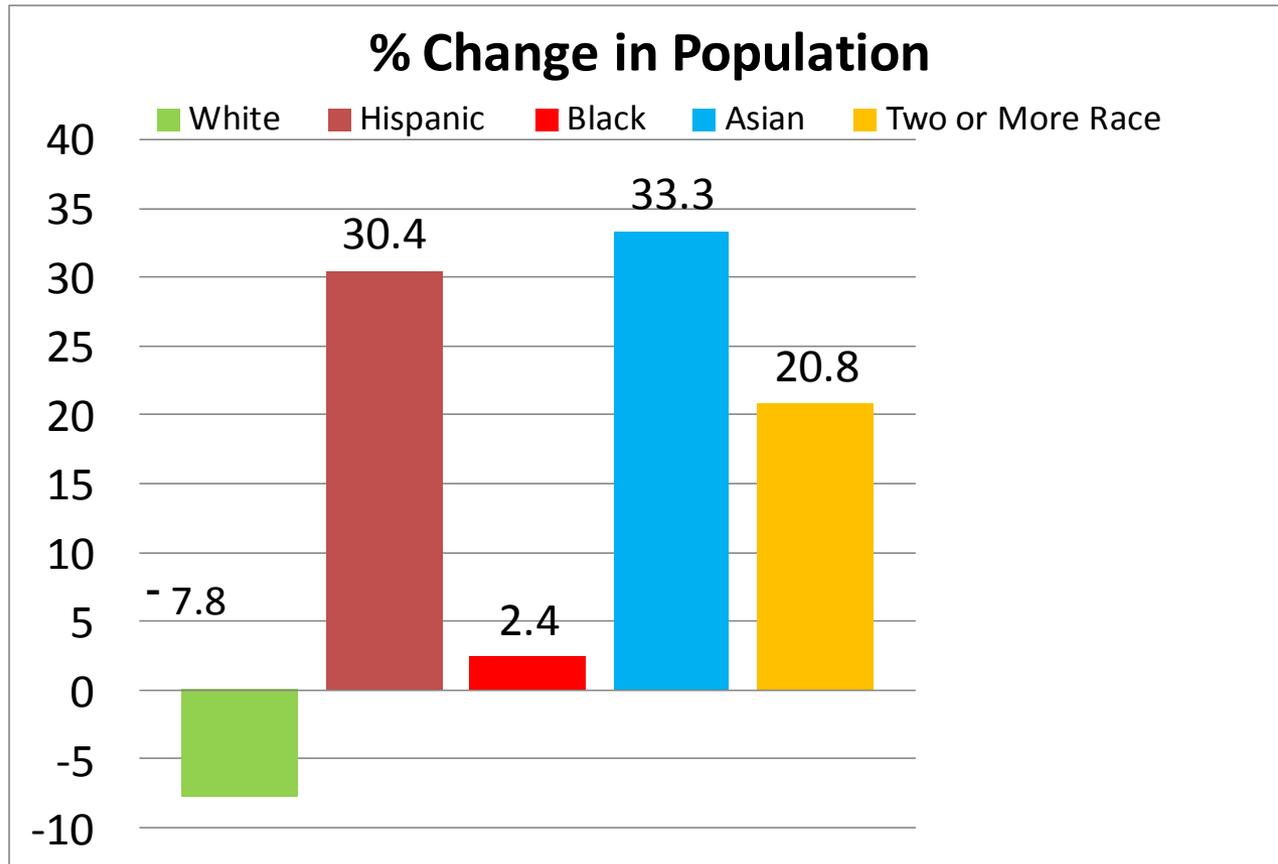


# Diversity as a Business Initiative

- Why diversity?
  - Recognizes the demographics in the United States are changing and the workplace is changing
- What is a diverse workforce?
  - A workforce that reflects a changed society
- What groups are covered by diversity initiatives?
  - All groups; recognizes all demographics
  - Includes persons of different races, ages, genders, ethnicity, sexual orientation, mental and physical abilities



# Changing Race/Ethnicity Demographics United States-2000 to 2010



Source: U.S. Census Bureau



# Demographic Changes Affecting the Workforce

- In 2004, 1 of every 2.5 Americans was a person of color and 1 of every 1.5 children under 9-years-old was a person of color (U.S. Census Bureau)
- Hispanic population is expected to triple from 2010 to 2050 (Pew Research Center)
- By 2050, nearly half of the U.S. population will be non-whites (WorkforceDiversityNetwork.com)
- Non-whites are the majority in a significant portion of the largest 100 cities in the United States (WorkforceDiversityNetwork.com)



# Demographic Changes Affecting the Workforce (cont'd)

- There may be up to five generations of employees in the workplace (Society for Human Resource Management)
- In 2011, 52% of U.S. employers reported challenges in filling critical positions (Manpower)
  - Up from 38% of U.S. employers in 2010
- 2.3 million veterans will have served in Iraq or Afghanistan (Iraq and Afghanistan Veterans of America, IAVA)
  - Unemployment rates for veterans are significantly higher than for other groups (IAVA and U.S. Department of Labor)



# Business Case for Diversity

- Recognize and embrace the changing marketplace
  - More non-whites, more retirees, and more veterans
  - Increased purchasing power among non-traditional groups
- Ability to recruit broadly
  - Acknowledge skills gap
  - Find employees who are connected to the changing marketplace
- Retain effective employees
  - Create a workplace that is inclusive and hospitable to all employees
- Develop new and creative solutions
  - Diverse workforce offers diverse perspectives

Scott, K. (2012). Ryerson University, *The Diverse Organization*.



# Achieving Management Buy-in for Diversity Initiatives

- Focus on business metrics
  - Greater diversity leads to greater profitability
- Develop internal metrics
  - Cost of turnover for non-traditional employees
- Provide solutions
  - Increased outreach in recruitment efforts
- Show case studies
  - Increased profitability for competitor following diversity initiatives



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# Changing Regulatory Environment

- Certain organizations must meet affirmative action obligations
  - Overseen at the federal level by the OFCCP
  - Only federal contractors and subcontractors must comply with OFCCP regulations
  - OFCCP reviews affirmative action practices of federal contractors and subcontractors regarding four protected groups
    - Minorities, women, veterans, and persons with disabilities
- Many OFCCP changes since 2009
  - Increased emphasis on outreach
  - New focus on minority subgroups
  - Willingness to review issues involving whites and males
  - New focus on veterans and persons with disabilities
- Affirmative action is no longer measured by good faith efforts
  - OFCCP expects results



# Proposals from OFCCP

- April 2011 – Proposed regulations regarding veterans require:
  - Extensive additional outreach efforts
  - Establishment of hiring benchmarks
  - Additional training and data collection
- December 2011 – Proposed regulations regarding persons with disabilities require:
  - Extensive additional outreach efforts
  - 7% target for all job categories
  - Survey of applicants for disability status
- Other proposals
  - Changes to letter opening affirmative action reviews
  - New compensation guidelines forthcoming



# OFCCP's Expectations During Compliance Reviews

OFCCP's expectations have changed dramatically and include:

- Outreach
  - Veterans and persons with disabilities
  - Outreach required for all positions
- Proof of outreach
  - Copies of emails, screenshots of cross-postings, confirmation of letters, record of meetings
  - Documentation must be for specific positions
- Contacts are made to state employment service offices and documented
- Results
  - Affirmative action plan placement goals met
  - Record of hiring veterans and persons with disabilities
  - Lack of results requires new and different approaches



# Possible Results of an OFCCP Review

- Letter of Compliance is given to contractors who pass a compliance review (audit)
- Conciliation Agreement is given to contractors when there are issues found during a compliance review
  - If discrimination is found, OFCCP may take action on behalf of the alleged victims
    - Discrimination actions may result in back pay awards
      - Size of award depends on number of “victims”
      - Settlements have reached more than \$1 million
  - If problems with recordkeeping are evident, new policies or procedures may be imposed
    - Specific outreach sources
    - Additional recordkeeping on candidates considered
- Contracts may be stopped with contractors who fail an audit due to major issues



# Achieving Management Buy-in for Affirmative Action Initiatives

- Focus on issues associated with problematic reviews
  - Contracts may be stopped
  - OFCCP may start discrimination complaints on behalf of applicants or employees
  - OFCCP may require changes to hiring and other practices
  - Press releases from OFCCP announcing findings
- Provide solutions
  - Improve outreach through use of new resources or third parties
  - Change selection processes to more effectively consider candidates



# Does OFCCP Require Diversity?

- OFCCP demands compliance
  - Sanctions exist for non-compliance
  - Federal regulations have paperwork requirements
  - Typical diversity initiatives focus on results
- OFCCP's version of a diverse workforce
  - Workforce includes more minorities, women, veterans, and persons with disabilities
  - Typical diversity initiatives are broader in scope
- Regulatory requirements can “jump start” diversity initiatives
  - OFCCP is monitoring for increased outreach and expects results



# Meeting Diversity Objectives

- Establish and maintain relationships with [community based partners](#)
  - Notification of job openings
  - Personal contacts (face-to-face, phone conversations, etc.)
  - Invitation for facility tours, open houses, and company events
  - Build relationships even when not hiring
  - Tie-in to charitable giving
- Attend job fairs that target diverse candidates
- Recruit from student organizations that serve target groups at educational institutions
- Track referrals and evaluate outreach efforts
- Expand outreach endeavors



# Meeting Diversity Objectives (cont'd)

Use an activity log to track contacts

Good Faith Efforts Log					AAP Plan Year: 2011			
Date	Organization	Address	City, State, Zip	Phone	E-mail	Contact Person	Position(s)	Brief description of activity
#####	ABC Community Partner	1234 Any Street	Washington, DC 20036	(202)224-1111	<a href="mailto:joe.smith@anystreet.com">joe.smith@anystreet.com</a>	Joe Smith	Electrician apprentice	Called Joe to discuss our apprenticeship program. He has 3 clients available for this type of work and we scheduled a tour for 7/18.

Document outreach efforts

## Community Outreach & Diversity Report

Job Title	Current Job Location	Date Emailed	Community Organization Recipient
<a href="#">401(k) District Manager Job</a>	Milwaukee, WI	<a href="#">2/27/2012</a>	Disabled American Veterans - Milwaukee
<a href="#">401(k) Sales Hunter - ADP Major Accounts...</a>	Minneapolis, MN	<a href="#">2/27/2012</a>	Asian Women United of Minnesota
<a href="#">401k Sales Hunter - Major Accounts Job</a>	Washington DC	<a href="#">2/27/2012</a>	Greater Washington Urban League
<a href="#">Account Executive/ Outside Sales Job</a>	Buffalo, NY	<a href="#">2/27/2012</a>	Buffalo One Stop Center
<a href="#">Account Manager (Advocate) Job</a>	Seattle, WA	<a href="#">2/27/2012</a>	Dress for Success - Seattle
<a href="#">Administrative Assistant III Job</a>	Coraopolis, PA	<a href="#">2/27/2012</a>	Division of Rehabilitation Services - Weirton
<a href="#">Administrative Assistant III Job</a>	Coraopolis, PA	<a href="#">2/27/2012</a>	ESGR - Employer Support of the Guard and I
<a href="#">Administrative Assistant III Job</a>	Coraopolis, PA	<a href="#">2/27/2012</a>	Mercer County Veterans Affairs
<a href="#">Advanced Tech Support Specialist I Job</a>	Augusta, GA	<a href="#">2/27/2012</a>	Atlanta Gay and Lesbian Center



# Central Role of Recruiters

Recruiters need to:

- Avoid relying on what has been done in the past to mitigate potential compliance review issues
- Consider how to build pools with diverse candidates
  - What recruitment sources should be contacted?
  - How can the company use passive recruiting and other techniques to find non-traditional candidates?
- Monitor the selection process
  - Where and why do candidates drop-out?
  - Where and why do diverse candidates drop-out?
- Document processes and actions to ensure OFCCP compliance
  - Record resume database searches
  - Use strategic disposition codes



# Disposition Codes

## Problematic Disposition Codes

Other applicant selected

Considered

New applicant

Didn't fit corporate culture

Not approved by manager

## Strategic Disposition Codes

Never considered – timing (too far in process)

Does not meet Basic Qualifications – degree

Salary requirement too high

Not willing to work required hours

Not willing to work required shift



# Role of Hiring Managers

- Recruiters and compliance specialists should educate hiring managers
  - Hiring managers need to understand how the selection process works
- Hiring managers should:
  - Develop specific requirements for open positions before recruitment begins
  - Understand and practice diversity objectives
  - Expand pools of interviewees to include non-traditional candidates
- Recruiters and compliance specialists should provide hiring managers with metrics on candidate pools after selections are made



# Recruitment Resources to Develop Workforce Diversity

- Find [MilwaukeeJobs.com](https://www.milwaukeejobs.com) partners to help develop diverse pools of candidates
- Recruitment sources exist for minority subgroups
  - [iHispano.com](https://www.iHispano.com), [National Society of Black Engineers](https://www.nationalblackengineers.org), etc.
- Veteran resources can be found through the [National Resource Directory](https://www.nationalresourcedirectory.org)
  - Find your Local Veterans' Employment Representative ([LVER](https://www.lver.org))
  - Find your local Disabled Veterans' Outreach Program ([DVOP](https://www.dvop.org))
- Persons with disabilities can be found through [state vocational rehabilitation agencies](#)
- Companies can attend job fairs for non-traditional candidates
- Federal contractors and subcontractors must use the [state employment service](#)
- Search for Federal contractors at [USAspending.gov](https://www.usaspending.gov)



# Make Recruitment Resources Effective

- Tailor outreach efforts to specific positions and their requirements
- Use local and national resources
- Develop personal relationships with recruitment sources
  - Help representatives understand your company and its needs
- Tailor employment advertising to non-traditional candidates
- Stop using recruitment sources that are unable to provide viable candidates



# Develop Internal Measurements

- Ensure that applicant tracking systems (talent management systems) provide effective data
  - Demographics
  - Opening or requisition
  - Sources that referred candidates
  - Ability to create disposition codes
- Monitor the number and type of candidates made available by recruitment sources
- Compare applicant pools to hires
  - Focus on individual pools, not collections of pools or overall hiring
- Compare hires to affirmative action placement goals and other pre-established metrics
- Monitor retention rates for diverse employees



# Present Information to Management

- Reaffirm reasons for diversity efforts
- Provide data on effectiveness of outreach efforts
- Provide data on quality of hires
- Provide data on retention rates
  - Compare to costs for filling open positions
- Provide data on departments and units that have increasingly diverse populations
- Celebrate successes; recognize challenges



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# Wrap-Up

- Thank you for attending our presentation
- Q & A



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