

Affirmative Action Plans: What You Need to Know



Ziggy Kaluzny/Stone

A professionally drawn plan ensures that federal requirements are met to everyone's satisfaction.

FOR NEARLY FOUR DECADES, federal government contractors with 50 or more employees and government contracts of \$50,000 or more have been required to develop written Affirmative Action Plans (AAPs) for each of their establishments with 50 or more employees. And while debate on the merits of Affirmative Action continues in state legislatures, written Affirmative Action Plans are nonetheless still a requirement of federal contractors and will continue to be a requirement for the foreseeable future. This article will provide insight into the plan-development process as well as tips to increase the likelihood of prevailing unscathed (or at least within tolerances in the event of a government audit.

Plan Development: Streamlining the Process

Depending on the size and complexity of an organization, AAPs may require tens or hundreds of hours development time to ensure they meet their exacting requirements. And while the outsourcing and software options available today reduce the Herculean task to manageable proportions, there is nothing that will completely eliminate the task of plan development from your employee workload. With that being said, there are several effective strategies that can help reduce the effort required each year.

■ Develop your outsource plan.

Outsourcing agencies have dropped their prices to the point where it has become a viable option for most organizations. Having professionals develop your plan will: 1) reduce exposure, 2) ensure compliance with ever-changing regulations, 3) ensure the plans display your organization in the best light, and 4) free your workforce to do what they were originally hired to do. It may even save your organization money if you factor in the amount of time your employees

will spend on the project and/or the potential for negative audit results due to a lack of regulatory knowledge and defense strategies.

■ Use software if outsourcing is not an option. For those organizations without the means to outsource their plans, or who would rather complete them in house, software is an absolute necessity. And while software is no panacea (all AAP software systems require data preparation and a knowledge of AAP principles), Biddle Consulting Group's AutoAAP® system (www.biddle.com) has proven to be a robust program supported by a team of high-quality experts.

■ Stick with it.

AAPs require nearly twice as much time to develop in the first year as in subsequent years. Data protocols are established in the first year and narrative modifications can take time. In subsequent years, only minor modifications are necessary to the narrative and, ideally, data is easier to create having completed the task in the previous year.

■ Continuously update your data.

AAPs require collecting and analyzing transaction data (i.e., hires, promotions, terminations, and yes, applicants). In order to minimize the task of collecting this data in subsequent years it is recommended that protocols be established to either collect this information as it occurs (i.e., in spreadsheets) or track it in some type of HRIS system. The time spent now will return ten-fold when it comes time to again collect the necessary data.

Audit Tips for the Savvy Contractor

The Office of Federal Contract Compliance Programs (OFCCP) has increased the number of audits it conducts by implementing shorter (sometimes as short as 15-20 minutes) audits called "desk audits." If everything is satisfactory in a desk audit the proceedings do not grow into a potentially more costly and time-consuming on-site or off-site audit. The goal of any organization is to

provide the OFCCP with enough satisfactory information to get a representative to leave after the desk audit. To this end the following tips have been provided:

■ Prepare a professional/professional-looking plan. Although this may seem superficial, the number one way to increase your organization's odds of ending the audit with the desk audit is to provide the OFCCP with a professional, and professional-looking, AAP. It shows the auditor that your organization takes its responsibilities seriously. It also helps if the plan itself is dust-free and appears to have been "used."

■ Analyze your data prior to the OFCCP.

Much like regularly scheduled check ups can help to protect against disease, regular evaluations of your organization's hiring, promotional, termination, and compensation practices can help to avoid costly litigation and/or conciliation agreements. These types of analyses become even more important in tougher economic times when large class-action lawsuits proliferate due to lay-offs.

■ Prepare an action plan for any/all audits.

If your organization has prepared a professional plan, ensured its data is accurate, and analyzed the data to know in advance what the OFCCP will see, then all that's left is to develop an audit strategy. Should your organization adopt a hard stance? If the OFCCP presses a conciliation agreement, should your organization fight or would it be cheaper and easier to concede? What precedent is set if your organization concedes? These and many other considerations should be discussed prior to the audit. ●

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