



Use AI & Talent Intelligence to Improve OFCCP Compliance



Overview

Complying with OFCCP regulations is a complex topic—even for federal contractors. However, companies are becoming increasingly aware that actively pursuing a diverse workforce not only safeguards against OFCCP audits but also creates powerful benefits within an organization.

Talent Intelligence—the use of artificial intelligence technology to find and fairly evaluate job candidates—is the most powerful tool available to organizations that want to improve OFCCP compliance and harness the benefits of a robust, diverse workforce.

How Talent Intelligence Improves OFCCP Compliance

The Office of Federal Contract Compliance Programs (OFCCP) is the part of the U.S. Department of Labor that is responsible for ensuring employers doing business with the federal government do not discriminate based on race, color, sex, sexual orientation, gender identity, religion, national origin, disability or status as a protected veteran. The Internet Applicant Rule also requires companies to ensure that all online applicants are processed equally.

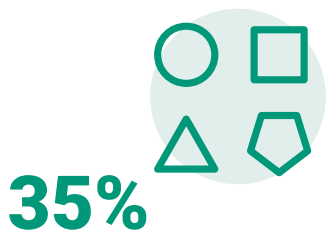
Talent acquisition and talent management are two areas that require regular documentation showing how contractors and their subcontractors are ensuring OFCCP compliance. By using talent intelligence software designed to both eliminate bias and find the best talent, companies can have an additional layer of protection while simultaneously improving their talent pool, company morale and revenue.

On the following pages, we will discuss how talent intelligence significantly improves OFCCP compliance by fairly evaluating all talent, eliminating unconscious affinity bias, expanding the talent pool to reach more diverse talent, and resurfacing previous applicants that may have been overlooked due to unconscious bias.



Benefits of OFCCP Compliance

Most companies only consider the cost of OFCCP implementation and noncompliance. Still, studies have shown that the increased diversity created by OFCCP compliance correlates with higher profits, more efficient teams, greater retention and an improved company image.



Ethnically diverse companies are 35% more likely to have a financial performance above the industry mean.¹



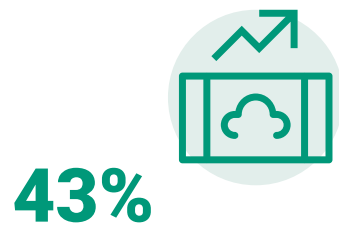
Diverse companies are 1.7 times more innovative.²



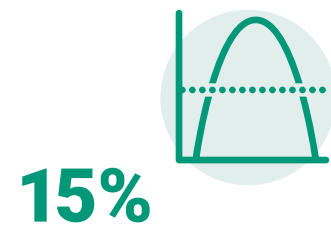
Diverse companies enjoy 2.3 times higher cash flow per employee.³



Companies with gender-diverse executive teams are 21% more likely to outperform on profitability.⁴



43% of companies with diverse boards noticed higher profits.⁵



U.S. public companies with diverse boards have a 95% higher return on equity than those with non-diverse boards.⁶

95%

Gender diverse companies are 15% more likely to have a financial performance above the industry mean.



Learn how you can create greater diversity in your talent pool by downloading our whitepaper *How to Instantly Triple your Talent Pool Diversity with Talent Intelligence*. Look for it at censia.com/resources.

Talent Intelligence Eliminates Unconscious Affinity Bias and Increases Diversity

Despite years of regulation, training, and policy, unconscious affinity bias—the tendency to hire people who look, act, and operate like the recruiter—still plagues the hiring process. Studies have shown that candidates with typical western names are 50% more likely to be called for an interview and that 88% of women in tech reported evidence of unconscious bias.

Talent intelligence addresses this issue through its use of holistic, multi-dimensional candidate models, which use predictive analysis to determine which candidates

are most likely will succeed in a role. It does this by creating clusters of skills, career trajectories, company information, and more, while not including factors related to OFCCP protected statuses.

Talent intelligence technology automates the modeling and sourcing of these candidates. It delivers a ranked slate of all talent. It removes the recruiter from the part of the recruiting process most vulnerable to bias while freeing their time to connect with candidates on a deeper level and pursue strategic recruiting goals.



Talent Intelligence Expands the Talent Pool

One of the central requirements of OFCCP compliance is to ensure that posted jobs are accessible to all eligible applicants. While most modern job boards are openly available to all candidates, there is ample research that shows that several of the OFCCP protected classes engage in less self promotion and are less aggressive when it comes to applying for jobs. This skews the talent pools and hiring ratios, which can be a red flag in OFCCP audits.

Using unbiased talent intelligence software to complete passive sourcing and screening not only saves an average of 20-30 hours per role, but also eliminates the burden of proof placed on companies by the OFCCP regulations.



Talent Intelligence Rediscovered Suitable Applicants

Studies have shown that unless an interview pool is at least 40% female, the woman's chance of being hired is reduced significantly. Other studies indicate that both women and candidates with non-Western sounding names receive far fewer interview invitations and promotions than their Caucasian, male colleagues.

Companies trying to increase their diversity can use talent intelligence technology to instantly compare current applicants, internal talent, passive talent, and previous applicants for any given role, potentially resurfacing diverse talent previously passed over for consideration. This instant comparison not only saves time but costs, as previous applicants and internal talent are, on average, less expensive to employ and more likely to deliver better results.

Explore the Censia Talent Intelligence Platform

The Censia Talent Intelligence Platform **integrates AI into existing recruiting processes and HR platforms** to make talent decisions more data-driven and less subjective, cut hiring time in half, remove bias from the search and deliver the most qualified talent at scale.



Ideal Candidate Modeling

Censia's talent intelligence solution uses AI and data science to build deep similarity scoring across multiple aspects of a candidate's professional profile (career and industry experience, trajectory, education, skills etc.).



Intelligent Passive Sourcing

Censia delivers immediate access to the most qualified passive talent that isn't applying, creating significant savings on agencies, professional network costs and recruiting time.



ATS Talent Rediscovery

Censia resurfaces qualified candidates that applied, were added or interviewed in the past and matches them to open jobs. This accelerates the hiring process by giving talent teams access to a pool of highly-engaged candidates.



Complete Talent Profiles

In addition to a candidate's profile information, Censia includes intelligence on their career trajectory, performance capability, loyalty, diversity, education, skills and more. Talent teams receive instant, unbiased, and up-to-date insight into candidates from all sources.



Instant Applicant Ranking

Censia's talent intelligence ranks inbound applicants across all open roles to fairly and efficiently filter hundreds of candidates and surface the best—all directly within a company's ATS.



Internal Mobility Matching

Censia reveals which candidates are eligible for promotion and upskilling, improving retention and reducing flight risk. It also enriches employee profiles to give management a complete understanding of their company's talent assets as they evolve.



Censia + Your ATS

Censia's talent intelligence solution can be used on its own or easily integrated into industry leading ATS platforms, including SAP SuccessFactors, Recruiter.com, Jobvite, iCims, Bullhorn, Greenhouse and more. Custom integrations are available, and Censia's customer success team will guide your team through the whole process.

FAQ

Who needs to be OFCCP Compliant?

Unless specifically exempted, federal contractors with contracts of more than \$10,000 are required to meet basic nondiscrimination and equal employment opportunity requirements. Contractors with at least 50 employees that have contracts of \$50,000 or more are required to develop written Affirmative Action Programs (AAP) for Equal Opportunity 11246 and Section 503. Contractors with at least 50 employees that have contracts of \$150,000 or more are required to develop a written AAP for VEVRAA.

Does the software have to be OFCCP Compliant?

At the time of this whitepaper, technology providers are not considered subcontractors and therefore are not required to be certified as OFCCP compliant.

Can AI learn bias from its human users?

There are many stories about how AI-powered recruiting solutions “learned” human bias and had to be scrapped because they overwhelmingly favored male candidates. In her analysis of AI and recruiting, “Can AI Solve the Diversity Problem?” Katherine Houser addressed this problem and showed that these instances were created by an inappropriate input of materials, such as using primarily male resumés to develop the model. When engineers incorporated strategies such as “boosting” (duplicating resumés from the smaller population) and “reducing” (lessening the number of resumés from the more crowded group), it produced much fairer outcomes and the results became much less biased.

The Censia Talent Intelligence Platform was specifically designed to reduce the chances of this happening, and therefore relies heavily on machine learning and predictive analysis before allowing filtering and human input. The initial lists generated are therefore as unbiased as possible.

Where can I get further help?

To discuss how implementing talent intelligence into your talent acquisition and talent management workflow improves OFCCP compliance, please contact us at info@censia.com.

Federal contractors can obtain compliance support directly from the OFCCP in several ways:

- › By calling 1-800-397-6251
- › Attending webinars and using the online training library located at <https://www.dol.gov/ofccp/>
- › Downloading factsheets and brochures
- › Using OFCCP-prepared samples and templates
- › Referring to the list of “Frequently Asked Questions”
- › Attending national and regional compliance assistance events
- › It is important to note that OFCCP never schedules contractors for compliance evaluations because they sought compliance assistance



Endnotes

- 1 <https://www.forbes.com/sites/ruchikatulshyan/2015/01/30/racially-diverse-companies-outperform-industry-norms-by-30/>
- 2 <http://joshbersin.com/2015/12/why-diversity-and-inclusion-will-be-a-top-priority-for-2016/>
- 3 <http://joshbersin.com/2015/12/why-diversity-and-inclusion-will-be-a-top-priority-for-2016/>
- 4 https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Organization/Our%20Insights/Delivering%20through%20diversity/Delivering-through-diversity_full-report.ashx
- 5 https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Organization/Our%20Insights/Delivering%20through%20diversity/Delivering-through-diversity_full-report.ashx
- 6 <https://www.mckinsey.com/business-functions/organization/our-insights/is-there-a-payoff-from-top-team-diversity>