

AFFIRMATIVE ACTION UPDATE

APPLICANT TRACKING DISPOSITION CODES

MORE APPLICANT TRACKING DISPOSITION CODES? REALLY? ARE YOU SERIOUS?

It is with some trepidation that the following discussion is being presented. I can already hear the cries of “Is he out of his mind? Isn’t applicant tracking already complicated enough? Who does he think he is, suggesting that we need to consider making it more complicated?”

However, one of the biggest issues that we run into when preparing a client for an OFCCP compliance review is having accurate applicant flow records. Accurate applicant flow is critical because the OFCCP’s “bread and butter” case is entry-level hiring involving large numbers of applicants (see the final article in last month’s newsletter).

When helping clients prepare for a desk audit submittal in response to an OFCCP scheduling letter, we conduct an adverse impact analysis on the applicant flow and hiring data. If there is a showing of adverse impact, we then drill down into the data to see if we can either eliminate the showing, or at least explain it when the data is submitted to the Agency.

After some lengthy analysis of what most organizations are currently doing in terms of the use of disposition codes in their applicant tracking systems (whether electronic or manual) it has become evident there needs to be a better way of differentiating why individuals deemed applicants do not progress through the selection process. This is particularly true after an applicant is considered to have met the basic qualifications for the position, but is not selected due to not being the best qualified for the position.

For example, assume that someone is deemed to have met the basic qualifications, does not withdraw themselves from consideration, but does not get a job offer. Most current disposition codes in use by contractors provide basically two options for dispositioning this situation. They are:

- 1) Other candidate is more experienced/qualified
- 2) Other candidate is closer fit to stated requirements

The first option would be used where the candidate is qualified but someone else is better qualified (e.g. more experience, better experience, more relevant education, etc.). The second option would be used where the candidate is qualified, but the position calls for 3-5 years of experience and the candidate has 20+ years as a manager in their last position and this position is a non-managerial role.

What these codes do not explain is at what stage in the selection process the candidate fell out and why they fell out. Let's again assume that the selection process has six (6) steps that are applied to a pool of individuals who have expressed interest in a position. These steps are:

- 1) Expressions of interest are considered to determine who meets the basic qualifications.
- 2) Those possessing the basic qualifications are evaluated to determine who will receive a phone screen.
- 3) Those receiving a phone screen are evaluated to determine who is presented to the hiring manager for consideration.
- 4) Those presented to the hiring manager are evaluated to determine who will be invited to come in for an interview.
- 5) Those invited for an interview are evaluated to determine who will receive a job offer.
- 6) Those who receive and accept the job offer are hired.

At each of these steps, individuals may fall out of the selection process because of the evaluation of their education; experience (too little or too much); skill sets (type of); competency (communication, fit, teamwork); licensure; or performance on skill/competency testing.

In a recent compliance review, the OFCCP requested an applicant flow log that included the disposition of each candidate. The log created by the company had only two disposition codes: "Hired" and "Other candidate is more experienced/qualified." Obviously, this was not much help in determining why there was adverse impact for a protected group.

Subsequent to the receipt of the log, the OFCCP came back with the following request:

"Disposition, to include the following if applicable:

- Screen completed date
- HR Interview date
- Referred
- Client Interview date
- Offer accepted
- Hire date"

Having additional codes would give the contractor more detailed information to know "when" and "why" the candidates did not progress through the selection process. Instead, the contractor had to go back and manually review each applicant's file to determine when and why they fell out of the selection process. We usually find that when contractors conduct an in-depth review of applicants, they find candidates' dispositions are inaccurate, thus, changing the flow log number and adverse impact results.

Most current disposition codes do not allow for a step-analysis of the type that the OFCCP wants to conduct to determine at which step in the selection process an individual fell out. If using only a few codes as shown in the example, the contractor cannot rely on their applicant tracking system

(ATS) to provide that rationale. This may require the contractor to do an in-depth file dive to pull out the information (assuming it has been recorded somewhere) regarding when and why individuals fell out of the process. Accordingly, to allow for a step-analysis as well as to give the ATS the ability to determine why an individual fell out, we have developed the following additional disposition codes for consideration and use.

The new major codes are as follows where MBQ means “Meets Basic Qualifications:”

1. MBQ – No follow-up screen (phone screen, etc.)
2. MBQ – Follow-up screen – Not presented to Hiring Manager
3. MBQ – Hiring Manager Review – Not invited to Interview
4. MBQ – Interviewed – Not Offered
5. MBQ – Offered but Declined (already in use - see page 5 for 5A-H)

Then, within major codes, 1 thru 4, there is the option of using a subset to indicate the reason why the applicant did not advance to the next step in the process.

- A. Education – Lack thereof or relevancy
- B. Experience – Not as Extensive
- C. Experience – Overly Extensive
- D. Skill Set –Type of Experience
- E. Competency – Communications/Fit/Teamwork – (Specify in Notes)
- F. Licensure
- G. Assessment Results – Did not perform as well as others

The disposition codes could then range from a 1A-G up to 5A-H where a 3D would mean that the individual was reviewed by the hiring manager but not invited in for an interview as they were deemed to lack the specific experience required for the job as compared to the individual(s) who were invited in for an interview. Conversely, a 4E would require an explanation in the interview notes as to why the applicant was deemed to lack the necessary competencies.

Implementation of the above codes at the highest level of detail would essentially add 28 new options as far as dispositioning the applicant flow log. However, in actuality, it adds only 4 new major codes and 7 sub codes under each, for a total of 11 new codes that the individuals responsible for coding the applicant flow logs would have to be familiar. Use of these new codes would allow an employer to quickly sort their flow data and determine exactly when and why an individual meeting the basic qualifications fell out of the selection process. A sample of the additional disposition codes is shown on page five.

What we are suggesting is to do away with the “Other candidate more qualified” and “Other candidate better fit” (e.g. applicant is over-qualified) and replacing them with the new matrix of disposition codes discussed above (see Suggested Disposition Codes).

Whether or not a contractor chooses to implement these codes is up to them. That being said, the more detail in the disposition codes, the less the probability that a contractor would have to perform a detailed file dive to respond to OFCCP inquiries. Their use also allows for the more precise determination as to what stage of the selection process there is adverse impact, an indicator of

discrimination and why the indicator exists. This also allows for an earlier and more efficient problem identification and resolution.

Would this be more work? Yes. Will it be worth it? We believe that it will. Given the OFCCP's ever increasing quest to find indicators of discrimination, performing the additional work up front will likely pay off down the road.

Suggested Disposition Codes

Disposition Code		Include only "Yes" on Summary of Personnel Activity Form
Selected		
1	Hired	Yes
Company Not Interested		
3	Offer - Failed pre-employment screen (backgrd ck, drug scrn, etc.)	Yes
4	Other candidate is more experienced/qualified	Yes
5	Other candidate closer fit to stated requirements	Yes
6	"Company" does not wish to pay relocation-after advertising for position	Yes
7	"Company" does not wish to pay search firm fees-after advertising for position	Yes
8	Does not meet basic requirements	No
9	Not considered due to late application	No
10	Not considered due to position eliminated/on hold	No
11	Considered - falsified info on application/resume	No
12	"Company" does not wish to sponsor work visa	No
13	Compensation/salary requirements outside range for position	No
14	"Company" does not wish to pay relocation-before advertising for position	No
15	"Company" does not wish to pay search firm fees-before advertising for position	No
24	Not Considered - Data Management Technique	No

Disposition Code		Include only "Yes" on Summary of Personnel Activity Form
Candidate Not Interested		
2	Offer Declined	Yes
16	Accepted another position within the company	No
17	Accepted position with another company	No
18	Candidate applied for wrong position or no longer interested	No
19	Compensation/salary range unacceptable	No
20	Position does not meet career objectives	No
21	Location unacceptable	No
22	No response from candidate when attempting to contact	No
23	No response or No Show for Interview or required Testing	No

Additional Disposition Codes

- | | |
|---|--|
| <p>(1) MBQ - Not Phone Screened</p> <p>1A - Education</p> <p>1B - Experience - Not as Extensive</p> <p>1C - Experience - Overly Extensive</p> <p>1D - Skill Set - Type/Extent of Experience</p> <p>1E - Competency (Communications,Fit, Teamwork, etc.)</p> <p>1F - Licensure</p> <p>1G - Failed Skills/Compency Assessment</p> | <p>(4) MBQ - Interviewed - Not Offered</p> <p>4A - Education</p> <p>4B - Experience - Not as Extensive</p> <p>4C - Experience - Overly Extensive</p> <p>4D - Skill Set - Type/Extent of Experience</p> <p>4E - Competency (Communications,Fit, Teamwork, etc.)</p> <p>4F - Licensure</p> <p>4G - Failed Skills/Compency Assessment</p> |
| <p>(2) MBQ - Phone Screened - Not Presented to Hiring Manager</p> <p>2A - Education</p> <p>2B - Experience - Not as Extensive</p> <p>2C - Experience - Overly Extensive</p> <p>2D - Skill Set - Type/Extent of Experience</p> <p>2E - Competency (Communications,Fit, Teamwork, etc.)</p> <p>2F - Licensure</p> <p>2G - Failed Skills/Compency Assessment</p> | <p>(5) MBQ - Offered - Declined</p> <p>5A - Salary</p> <p>5B - Location</p> <p>5C - Duties</p> <p>5D - Opportunity - Growth</p> <p>5E - Better Offer</p> <p>5F - Hours</p> <p>5G - Other</p> <p>5H - Rescinded Offer - Failed Drug Test or Background Check</p> |
| <p>(3) MBQ - Presented to Hiring Manager - Not Interviewed</p> <p>3A - Education</p> <p>3B - Experience - Not as Extensive</p> <p>3C - Experience - Overly Extensive</p> <p>3D - Skill Set - Type/Extent of Experience</p> <p>3E - Competency (Communications,Fit, Teamwork, etc.)</p> <p>3F - Licensure</p> <p>3G - Failed Skills/Compency Assessment</p> | |

Douglas B. Brown & Associates, LLC - August 2014

NEW “CSAL” LETTERS MAILED

OFCCP closed over 400 compliance reviews in June 2014; over 230 in July 2014; and over 260 in August 2014. New Corporate Scheduling Announcement Letters (CSAL) notifications were sent out on July 16th to over 1,500 establishments. For contractors on fiscal plans that became effective after March 24, 2014, are you in compliance with the VEVRAA and Section 503 regulations? Contractors who prepare calendar year plans are now more than six months into the plan year and will have to submit year-to-date personnel activity and adverse impact analyses. Are you prepared?

If there are any questions or comments concerning anything contained above, they can be directed to this office by calling us at 440-564-7987 or sending an email to dbb@dbbrown.com. The discussion of this matter is for the clients and friends of Douglas B. Brown & Associates, LLC and does not represent nor is intended as a substitute for professional legal advice.