

American Council of Engineering Companies of Missouri (ACEC-Missouri)
Diversity Committee Position Paper on
Establishing Uniform, Useful and Fair Procedures for Workforce and Firm Utilization Goals
March 17, 2014

ACEC Missouri has established a Diversity Committee whose mission is to foster diversity within our member companies; to help our member firms encourage minority and woman employment while meeting legal and risk management requirements; and to assist in the development of an educational and support infrastructure to encourage minority and woman careers in STEM fields. ACEC Missouri fully supports efforts to increase diversity in the design and construction industries, and is actively working to assist those efforts.

The Diversity Committee has observed a growing number of agencies and organizations undertaking disparity studies to address inclusion, and have seen these diversity studies conducted in differing manners, producing differing results. The Diversity Committee is now publishing this position paper to assist engineering firms and the agencies that retain their services, establish more uniform, useful and fair procedures to promote diversity. Following are the proposed discussion items:

1) The design community must be separated from the construction community for any goals, standards or measurements that may be set for workforce diversity and/or for M/W/DBE firm participation.

When an agency sets participation goals, either for workforce or M/W/DBE participation, the goal must be measured for and applied to the design community and the construction community separately. When studying/measuring the number of available minority and woman-owned firms and individual work force availability, the numbers are usually not the same for design/professional services versus construction roles – e.g. the number of women available in the workforce for construction work may be much lower than women available for design/professional services work; the number of M/W/DBE firms available for construction work may be much lower than the M/W/DBE firms available for design/professional services.

If goals are not applied separately to construction and professional services areas, strong diversity participation in design/professional services can allow lower participation in construction while still meeting the overall agency goal. Because of the higher dollars involved in construction vs. design, it is usually the design/professional services community that suffers when goals are not applied separately. The application of identical and/or combined design and construction workforce and firm diversity participation goals can adversely affect the overall outcomes.

2) “Diverse” work force must be clearly defined by the agency, and preferably should follow the Federal definitions pertaining to which persons are considered to be part of a disadvantaged group.

In order to comply with the reporting requirements of the agencies, firms must keep records of employee diversity. In order to collect that data accurately, the definition of “diverse” must be clear; and must be uniform for all agencies. The Federal government has defined disadvantaged groups, providing a template that firms must use to request ethnic and gender information from their staff after that staff has been hired.

3) Measuring workforce is a good way to keep our industry focused on diversity and to benchmark the data to measure progress. When measuring workforce diversity, the overall office personnel statistics should be considered and not only the personnel assigned to the project. Similarly if an agency requires the workforce statistics/goals be reported for a “local office”, the “local office” term must be clearly defined.

Development of a diverse workforce has many advantages and is a goal that is fostered and embraced by successful organizations. Consulting engineering firms hire very specialized staff with most having completed bachelor and/or master of science level degrees. The turnover of staff is generally low in the engineering business and hiring is done with long-term focus and rarely for a particular project. Thus, when an agency or client entity wants to measure workforce diversity, it must be based on company-wide workforce statistics and not only the individuals assigned to the project. This will provide a representation of how diverse the company/office is while “boots on the ground” only encourages companies to put diverse workforce on the project even if those persons are not best qualified to perform the work.

Considering the entire staff in the office gives the best representation of how the company treats diversity. Are minority candidates being given promotion opportunities in the company; are woman candidates getting opportunities for new positions; and how is the diversity of the workforce evolving over time? Those are metrics that demonstrate the company commitment to diversity. Looking only at personnel assigned to a project is an inaccurate representation of the company and/or local office. The management and commitment of the company can best be measured by considering their company-wide workforce diversity. This will eliminate perverse incentives that result from measuring only those staff assigned to a particular project.

4) Affirmative Action Plans (AAPs) that are recognized by the Federal government are based on U.S. Census data for the availability of minority and woman staff by identified job description, and by region/county/municipality/zip code. Companies then measure their utilization of women and minorities using the specific job categories that fit their company staff, as compared with the U.S. Census data showing demographic availability for those job categories. This process must be uniformly applied, so that our member companies can focus on a common methodology that is judged to be fair, and is in use throughout the country.

The engineering community and the region both find value in recruiting and hiring locally for jobs funded with local agency dollars. While acquiring a diverse workforce by hiring persons from other regions can also be appropriate, the region benefits more from community, agency and industry-sponsored efforts that encourage local technical and engineering training/education through outreach and internship programs and through local recruitment and hiring. Training and hiring local workers often leads to greater retention and stronger community benefits from an agency’s contracting/procurement program.

Local governments and agencies have been authorizing their own disparity studies to compare how firms measure up when comparing their work force demographics to the available local work force by job category. Many ACEC member firms have commissioned Affirmative Action Plans (AAPs) that utilize the methodology recognized by the federal government in evaluating their companies’ standings in this regard. ACEC Missouri would like to establish meaningful dialogue with local/state agencies to develop and use a standard method of preparing AAPs throughout the State of Missouri – with standards for selecting the geographic region and with standards for the census job descriptions that best fit our engineering companies’ staff.

The AAPs draw from a wide variety of job descriptions as published in each U.S. Census when reporting available workforce demographics. Workforce goals that are intended to reflect the workforce availability in the region must be set by specific job descriptions that reflect individual construction trades, professionals that require specific education, and technicians that require specific training. The federal standards for setting employment goals provide rigorous tools that can produce defensible numerical goals for hiring based on census data of availability. These job descriptions may not be as well-defined for the engineering professional services firms, compared to the construction industry job descriptions. We recommend that for the engineering design profession, our ACEC member companies develop guidelines for matching job descriptions to our industry, based on broad consensus. It will be a more accurate and consistent means of completing the AAPs, and would serve as the basis for any workplace diversity goals.

5) When conducting availability studies, the dollars contracted to M/W/DBE firms ready willing and available to perform work that is relevant to the context of the study must be compared to the overall dollars that the agency contracts for that same relevant type of work; and must not be limited to the dollars that the agency spends on sub-contractor work only. The intent of M/W/DBE programs is to create the same opportunity for companies owned by individuals who have experienced a disadvantage in procuring work within a particular industry. When M/W/DBE availability is only measured against the sub-contracted dollars, the study is not considering these firms to be capable of securing prime contracts; and does not represent the ratio of M/W/DBE availability to total contracted dollars.