

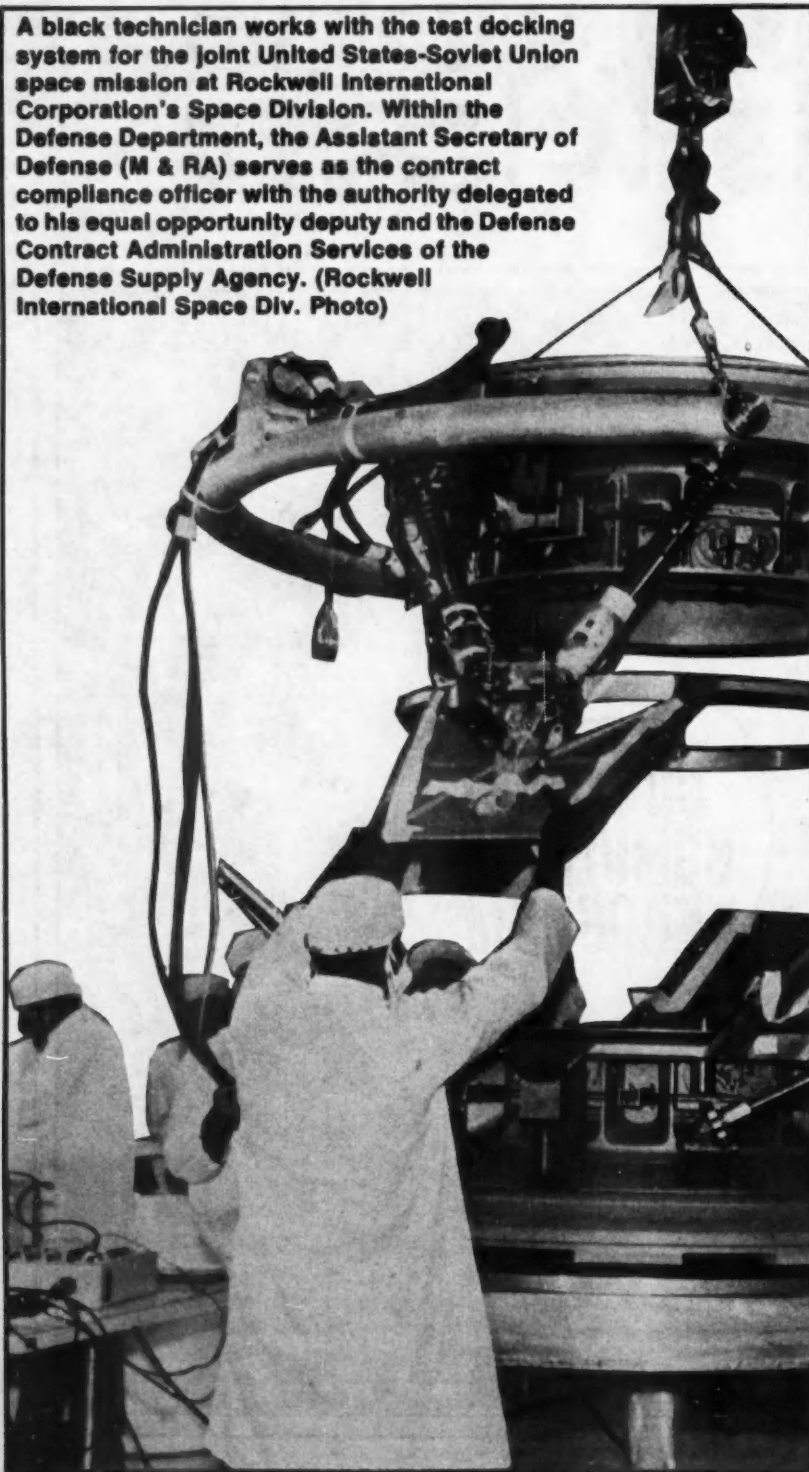


COMMANDERS' DIGEST



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A black technician works with the test docking system for the joint United States-Soviet Union space mission at Rockwell International Corporation's Space Division. Within the Defense Department, the Assistant Secretary of Defense (M & RA) serves as the contract compliance officer with the authority delegated to his equal opportunity deputy and the Defense Contract Administration Services of the Defense Supply Agency. (Rockwell International Space Div. Photo)



The Defense Contract Compliance Program is one of several essential Equal Opportunity Programs in the Department of Defense (DoD). The basis for all our Equal Opportunity Programs is the Department's Human Goals Statement to which the present Secretary of Defense, Deputy Secretary of Defense, Service Secretaries, Chairman of the Joint Chiefs, of Staff and the Military Chiefs as well as their predecessors, have subscribed.

The Human Goals Statement emphasizes the dignity and worth of the individual. Building on this essential emphasis, the statement pledges the Department "to hold those who do business with the Department of Defense to full compliance with the policy of equal employment opportunity." Thus, the Department of Defense's Contract Compliance Program provides a real potential to expand employment opportunity for the Nation's racial minorities and women.

HOW EQUAL OPPORTUNITY EFFECTS DEFENSE CONTRACTS

By H. MINTON FRANCIS
DEPUTY ASSISTANT SECRETARY OF DEFENSE,
(EQUAL OPPORTUNITY)

*Presented before the House of Representatives Subcommittee on Fiscal Policy,
Joint Economic Committee, September 12, 1974*

We have two basic objectives in the program:

- To increase the general employment of minorities and women in the work forces of all the firms who hold Federal contracts.

- To insure these workers are provided opportunity for upward mobility in each of the firms.

Our program managers, therefore, focus their full attention and energies on achievement of these goals as rapidly as possible. The program is designed to encourage Federal contractors to recruit minorities and women actively. If we can provide meaningful employment to this group of citizens, we can of course increase their economic and social well-being. I believe the Department's Contract Compliance Program can be an effective tool to insure equal employment opportunity performance by Federal contractors. As we execute and enforce the program, we see the

Department of Defense serving as a nucleus in a broad mission to create an environment in our society wherein all citizens regardless of race, creed, color or sex can use and develop their skills and rise to their highest level of individual employment potential.

The Assistant Secretary of Defense (Manpower and Reserve Affairs) is the Contract Compliance Officer for the Department of Defense. As his Deputy for Equal Opportunity, I have been delegated the authority to make policy for the Defense Department in the Contract Compliance Program. The general officer who directs the Defense Supply Agency is the Deputy Contract Compliance Officer charged with operating the program through his Defense Contract Administration Services (DCAS). The Defense Contract Administration Services employs 11 regional headquarters to monitor and execute the program. Chart 4 shows the Contract Compliance Organization and chart 1 provides



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He is a native of Washington, D.C., where he was graduated from Paul Lawrence Dunbar high school. Prior to joining the Department of Defense he was vice president and general manager of AVCO Printing and Publishing Division of AVCO Corporation in Boston, Massachusetts.

Francis is married to the former Doris E. Hall, also of Washington, D.C. They have five children.

COVER PHOTO

Rockwell International technicians work on the interior of the nozzle of the Space Shuttle Main Engine being built for the National Aeronautics and Space Administration. Civilian companies holding Federal contracts are encouraged to recruit minorities and women actively. Within the Department of Defense a Contract Compliance Program has been set to ensure contractor compliance. (Rockwell International Space Div. Photo)

DEFENSE CONTRACT ADMINISTRATION SERVICES REGIONS



Chart 1

the geographical distribution of the DCAS Regions. Approximately 600 people are authorized to operate the program, and at the present time we have 560 people assigned to this task. The DCAS personnel statistics are available on chart 2.

We have recognized the need to devise realistic measurements for determining how effective the program is in achieving the two objectives previously stated. We have established a Management Information System to record the levels of employment for minorities and women, and to insure that these data are both timely and relative. We believe this system allows us to analyze the performance of Federal contractors in terms of our stated objectives.

Since 1969, Federal contractors in general have reduced their work forces. In the face of these reductions there has nevertheless been a slow, steady rise in jobs for minorities and women in all the

employment categories. It is important to note that increases have been more pronounced at the higher levels of officials and managers, professionals and technicians. We have provided a list of minority and female employment levels for the period 1969 through 1973 in chart 3. These statistics are limited to those contractors on whom we have conducted compliance reviews during calendar year 1973 because our total universe of nonconstruction contractor facilities is extensive, numbering approximately 36,000.

Because of the size of our contractor universe, we have been forced to establish an order of priority among contractors to be inspected for compliance. We give first priority to those contractors under consideration for awards over \$1 million. When the responsible contract awarding officer notifies us of such potential awards, regional staffs determine the potential





Although Federal contractors in general have reduced their work forces since 1969, there has been a steady rise in jobs for minorities and women in all the employment categories. The most pronounced increases have been at the higher levels of officials and managers, professionals and technicians. (IBM Photo)

contractor's eligibility at the facility concerned. If the facility has not been inspected for compliance within the past six months, a complete compliance review may be required. If we determine the contractor is in compliance with the rules and regulations of the Office of Federal Contract Compliance, the regional staff will so notify the contract awarding officer. If our determination is that the facility is not in compliance, the contract cannot be awarded on the scheduled date.

The Department of Defense receives all class action complaints from the Office of Federal Contract Compliance. As soon as such a complaint is received, we begin an investigation. In order to make certain the complaint has validity we conduct a compliance review of the facility as a first step. In Fiscal Year 1974, we conducted 63 such compliance reviews to determine

Contract Compliance Program

HEADQUARTERS

JOB CATEGORY	GS GRADE	TOTAL	CAUCASIAN		MINORITY	FEMALE
			MALE			
MANAGERS	14-16	7	4		3	0
SENIOR PROFESSIONALS	13	6	2		2	2
PROFESSIONALS	9-12	7	3		3	2
SENIOR CLERICAL	6-8	4	0		1	4
CLERICAL	3-5	3	0		1	3
TOTAL HEADQUARTERS		27	9		10	11

REGIONAL OFFICES (11)

MANAGERS	14-15	23	14		9	0
SENIOR PROFESSIONALS	13	119	64		52	9
PROFESSIONALS	9-12	211	68		106	65
TRAINEES	5-7	55	10		22	36
SENIOR CLERICAL	6-7	14	0		4	14
CLERICAL	2-5	111	0		49	111
TOTAL REGIONAL OFFICES		533	156		242	235
TOTAL PERSONNEL		560	165		252	246

Chart 2

Minority and Female Employment In Industry Facilities Reviewed in CY 73

EEO-1 CATEGORY	TOTAL EMPLOYMENT (IN THOUSANDS)			MINORITY				FEMALE			
	1969	1973	CHANGE	% MINORITY		CHANGE (1969-73)		% FEMALE		CHANGE (1969-73)	
				1969	1973	%	NUMBER	1969	1973	%	NUMBER
OFFICIALS AND MANAGERS	400.8	411.0	+10.2	2.4	3.8	+1.4	+6,083	2.3	3.2	+0.9	+4,130
PROFESSIONALS	511.2	479.7	-31.5	3.9	5.0	+1.1	+4,160	4.1	5.3	+2.2	+4,491
TECHNICIANS	268.5	251.9	-16.6	5.8	7.7	+1.9	+3,909	8.2	9.2	+1.0	+1,146
SALES WORKERS	67.3	63.1	-4.2	3.0	4.8	+1.8	+1,016	20.1	18.9	-1.2	-1,614
OFFICE AND CLERICAL	559.8	475.5	-84.3	6.9	9.8	+2.9	+7,771	64.0	67.1	+3.1	-39,182
CRAFTSMEN	805.8	756.0	-49.8	8.0	9.7	+1.7	+8,791	4.7	5.2	+0.5	+1,104
OPERATIVES	1,587.5	1,564.1	-23.4	20.1	22.7	+2.6	+35,956	31.3	31.4	+0.1	-6,571
LABORERS	308.8	270.2	-38.6	25.6	30.0	+4.4	-3,464	26.8	29.2	+2.4	-3,812
SERVICE WORKERS	107.9	105.1	-2.8	24.1	25.9	+1.8	+1,180	11.5	11.8	+0.3	-26
TOTAL	4,617.7	4,376.8	-240.9	12.4	14.6	+2.2	+65,402	22.8	23.2	+0.4	-39,334

Chart 3

the validity of complaints. Findings of such reviews are furnished to both the complainant and the Office of Federal Contract Compliance.

Although we earnestly desire that our program be credible to the public, including Federal contractors, minority and female workers, and all interested community and national organizations, we have found over the past two years an increasing degree of skepticism by these groups. Community groups have pointed to what they perceive to be a limited actual goal achievement of Executive Order 11246, as amended.

We have begun to improve our credibility by disseminating our policy of full and aggressive implementation of Executive Order 11246, as amended, so that more minorities and women are hired. It is not our policy to merely debar contractors who are found deficient but, in the interests of both national security and principles of equal employment opportunity, to establish a cooperative but firm relationship with Defense contractors.

Honest disagreements occur from time to time between contractors and the Contract Compliance staffs. This is inevitable in a program requiring good judgment in areas where specific quantitative measurements of progress are not yet mutually accepted. During the last several years, the program has become more sophisticated and our compliance people have developed a higher level of expertise and knowledge in how to take enforcement action when required.

Unfortunately, there have been instances where compliance monitors have undertaken negotiations and conciliatory efforts with contractors leading to extended discussions. The time involved in such dialogues has inevitably adversely affected our credibility with the public and to



Chart 4

some extent our effectiveness in enforcement. In most cases, however, the Department of Defense has been able, ultimately, to extract the necessary action from the contractor.

During the initial formative period of our program of compliance reviews, it was the generally accepted practice to focus upon conciliation and negotiation between the Department and its contractors. Conciliation seemed to be a needed process to educate and sensitize contractors with the new compliance requirements. Now that the program has matured and the educative period has passed, we no longer anticipate protracted periods of conciliation and negotiation.

My office has now provided firm policy guidance to cause compliance reviews to be completed within minimum timeframes. Wherever we find a recalcitrant contractor, we take

prompt enforcement action which can ultimately lead to a formal hearing. For example, in the first six months of this year we have issued 38 nonconstruction "show cause" letters and five requests for formal hearings. In contrast, in the previous six-month period, only 17 nonconstruction "show cause" letters were issued with one request for formal hearing.

We recognize that in the past our field operation has handled cases in a less than aggressive, positive manner. We have now made it clear that the key to full program effectiveness is alert management and leadership focusing on full enforcement. We have made it clear that we require our Equal Opportunity Specialists and Program Managers to pinpoint areas of deficiency and to take swift and positive action in conducting professional reviews in depth. We demand that analyses of contractor

Construction workers at a military housing project direct the placement of a kitchen section in a modular house. The DoD Contract Compliance Program is expected to have an historical impact on the Nation because employment provides improved economic opportunity which strengthens America's social fiber.



work forces measure the availability and opportunity for minority and women workers so that the data thus developed can be translated into goals and timetables to correct underutilization of minorities and women by specific contractors.

The thrust of our policy directives is to have an aggressive program emphasizing prompt enforcement actions to secure more jobs for minorities and women. We believe the program now enjoys more maturity and can be handled in a less tentative and groping way than was the case in the initial period.

We are fully aware that program maturity may signal a period wherein our program may become routine and sterile. We are striving to instill some imaginative and creative approaches to accomplish expanded results, while at the same

time remaining within our current manpower ceiling. We are requiring our people to do even more. Our primary emphasis will be on results—contractor performance—rather than on the technical aspects of Affirmative Action Programs, which are really nothing more than promises to “do good” or to “do better.”

Our aim is to cut the window dressing in Affirmative Action Programs and take a hard look at numbers. We want to perform first-rate work force analyses designed to establish firm goals for more and higher level jobs for minorities and women. Goal establishment must be followed by timely enforcement action against those contractors who have failed to perform.

Contractors will be required to adopt more aggressive programs to correct employment imbalances in their work forces. Also, the contractor's past performance and good faith efforts will be evaluated in sufficient depth to measure precisely his sincerity of purpose. Formerly, acceptance of additional contractor commitments for goals not reached and questionable good faith efforts had a most debilitating effect on credibility of the program. We shall continue our relationship with industry in a cooperative manner, but we shall not compromise those rights of

minorities or women which the Department is charged to protect.

The Department of Defense remains committed to enforcement of Executive Order 11246, as amended, and the rules and regulations of the Department of Labor. We will use our existing resources to maximize the number of jobs for minorities and women in the work forces of our Nation's industry. The Department has been recognized for having top management expertise in accomplishing a multitude of difficult tasks to insure our Nation's security and well-being. The extensive universe of Federal contractors together with many millions of workers in facilities across the country remain a fertile terrain to make even more substantial employment gains for minorities and women.

The DoD Contract Compliance Program has a potential of making an historic impact on our Nation's citizens today and in the years to come. Employment provides improved economic opportunity which strengthens America's social fiber. With increased economic opportunity, our people will be able to secure better housing, enhanced education and a multitude of other benefits, but, more importantly, a higher well-being to improve their skills in seeking other opportunities of their choice.

COMMANDERS DIGEST

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