The path to equal opportunity:

An investigation of best practices in employment and contracting

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Executive Summary

Equal opportunity programs help ensure that organizations provide equal and fair chances to all. Existing research on equal opportunity rarely provides a concise overview of such programs or examines the relative importance of the many ways that equal opportunity can be practiced. Furthermore, typical analyses in the employment and contracting realms are completed separately and fail to study how they can inform one another. To rectify these gaps, the Thelton E. Henderson Center for Social Justice at the University of California, Berkeley, School of Law surveyed equal opportunity experts in the field on the relative importance and perceived effectiveness of several commonly understood equal opportunity practices. Their expertise was captured in an online survey and in qualitative interviews.

The equal opportunity practices considered included the role of leaders and outside partners, advertising, the selection of employees and contractors, the use of data analyses and goal setting, and the helpfulness of common practices such as diversity trainings, mentoring, skills development, and performance assessments. A quantitative online survey investigated nine key areas; qualitative interviews allowed for a richer discussion of these subjects and delved into additional issues. The current report, which compares employment to contracting and examines the interconnections of multiple equal opportunity practices, provides a broader look at equal opportunity than is typically the case in research studies.

The experts contacted for this study identified leadership, selection processes for employees and contractors, advertising for positions and contracts, data collection and analysis, goal setting, and accountability as key factors for the success of equal opportunity efforts. The role of leadership was seen as foundational; the experts we consulted believe that leaders who understand the importance of equal opportunity prioritize it, both for themselves and for their organizations. Other equal opportunity practices—such as diversity training, mentoring, performance assessments, skills development, and assistance with networking—were considered to be less important but potentially worthwhile when used as part of a greater organizational

commitment and when steps were taken to avoid pitfalls. The equal opportunity areas described and prioritized in this report do not stand alone—they are interconnected, and strengths or weaknesses in one area can be compounded in other areas.

The expert respondents highlighted two key reasons for the continuing necessity of equal opportunity programs. The first is discrimination, which they viewed as continuing to limit opportunity for people of color and women in the employment as well as in the contracting realm—both as a current practice and as the legacy of historic discrimination. The second is that diversity is good for business: promoting equal opportunity helps organizations to better meet the needs of a diverse client base and to be more efficient, creative, and profitable. Creating more equal opportunities can have positive ripple effects throughout organizations and even beyond them to the greater society. Indeed, our interviewees offered compelling insights on how equal opportunity in employment and contracting can be part of a broader social justice agenda. We call for additional research on best practices in equal opportunity programs and the use of these practices to ensure robust and effective programs. This report is intended to contribute to the broader effort to eliminate discrimination, improve educational and economic opportunities for all, and create a more just society.

Introduction: Equal Opportunity Efforts and the Context of this Research

Affirmative action and other equal opportunity programs seek to ensure equal access to opportunity and economic advancement for people who have been excluded from such opportunities, including people of color and women. Equal opportunity programs in education, employment, and contracting are abundant and, in many cases, decades old, yet there is insufficient knowledge about the importance of the various elements that make up such programs. This report distills the knowledge of experts in the field to identify the practices that are vital to successful equal opportunity programs.

The purpose of this report is not simply to list practices that promote equal opportunity. Although such lists are extremely important, they do not prioritize practice, and thus fail to provide guidance about which practices are most critical for success. This report, based on the knowledge and opinions of experts, identifies essential practices and those that are less vital but still worthwhile. It is directed towards practitioners, consultants, advocates, organizers, legislators, and others who create, implement, advocate, organize, research, and legislate for equal opportunity.

Research on equal opportunity typically distinguishes between employment and contracting, with the assumption that the realms are sufficiently distinct as to require separate practices. Our contention is that there is substantive overlap between them and that by examining employment and contracting concurrently we can present a more unified picture of how to achieve equal opportunity. Many workers move from being employees to business owners and back, and many small business owners hold owner and employee roles at the same time. Furthermore, many people work in organizations or fields that involve both employment and contracting. This includes the leaders of organizations and heads of equal opportunity departments who both hire employees and award contracts, advocates and organizers for equal opportunity, researchers and consultants

who work in both realms, and lawmakers who are required to craft and vote on legislation in both areas. By discussing the employment and contracting realms at the same time, this report can help these individuals simplify, enrich, and enhance understanding of equal opportunity. For those working with equal opportunity only in employment or only in contracting, we hope that learning about practices in the other realms will expand their understanding of what practices might be applied in their own field. That being said, this report does discuss some elements that are specific to employment or to contracting separately.

The equal opportunity lens often focuses on entry-level positions and organizations. This report asks if there is common ground not only between practices designed to promote entry into employment and the winning of subcontracts by small organizations, but also between practices that increase the diversity of management and of prime contractors.

The path to equal opportunity: An investigation of best practices in employment and contracting reflects the knowledge and perceptions of people with substantive experience in instituting, defending, advocating, and otherwise supporting equal opportunity. Thus, it is both enriched and limited by the experience and opinions of those who took part in the research.

A Brief History of Equal Opportunity

Affirmative action and other equal opportunity programs were inaugurated in the 1960s.[1] The Kennedy administration, as a part of its emphasis on civil rights, issued Executive Order 10925 requiring all government contractors to "take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin." The administration also created the President's Commission on Equal Employment Opportunity, which later became the Equal Employment Opportunity Commission (EEOC). Subsequent administrations continued this work. The Johnson administration's Civil Rights Act of 1964 outlawed segregation in certain types of employment and the Nixon administration initiated the Philadelphia Plan, the first equal opportunity initiative to include numeric goals.

Recently, debate has focused on the legality and appropriateness of affirmative action and equal opportunity programs. Affirmative action has been both limited at the ballot box (as in the passage of California's Proposition 209, passed in 1996, and in Arizona's Proposition 107, passed in 2010) and affirmed (as in the defeat of Colorado's Amendment 46 in 2008). Court cases such as *City of Richmond v. J.A. Croson Company,*[2] *Adarand Constructors, Inc. v. Peña,*[3] and *Grutter v. Bollinger*[4] have generally affirmed the legality of equal opportunity programs, but have placed limits on their applicability and scope.

The early mandates called for discrimination to be remedied through affirmative action, but did little to direct the actual steps necessary to reach the goal of equal opportunity for all.[5] In political debates, attention has generally focused on whether affirmative action should be permissible at all, or on the perceived intended and unintended consequences of affirmative action. There are a few notable exceptions where implementation details have been discussed; admissions procedures at elite public universities are a noteworthy example. In general, however, equal opportunity practitioners have determined the actual practice of equal opportunity programs with surprisingly little input from non-practitioners.[6]

Equal Opportunity Practices in Employment and Contracting

How does an organization strive to ensure equal opportunity? One key factor is the employment of an appropriately diverse workforce. Appropriateness is typically determined by comparing the composition of those employed by an organization to a standard such as the demographic composition of the workforce where the company is located, or to the relevant labor force (those who are deemed qualified for each position). This diversity is measured from entry-level positions to top management. Equal opportunity also means that promotions and other advancements should occur in a fair manner and that there should be no biases in the awarding of wages and other compensation and benefits. Furthermore, the workplace should be free of hostility based on race, ethnicity, or gender.

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1. Neither affirmative action nor equal opportunity has a precise definition. Both strive to create a level playing field and ensure access to opportunity for all. Opponents of affirmative action have attempted to equate the term merely with quotas, which is not accurate. In this report, we will primarily use the term equal opportunity.
2. 488 U.S. 469 (1989).
3. 515 U.S. 200, 240 (1995).
4. 539 U.S. 306 (2003).
5. For a history of equal opportunity, see for example Terry H. Anderson, The Pursuit of Fairness: A History of Affirmative Action (New York: Oxford University Press, 2004).
6. Frank Dobbin, Inventing Equal Opportunity (Princeton, NJ: Princeton University Press, 2009).

Organizations can also strive for equal opportunity in contracting when entering into an agreement with an outside party to complete a task or to receive goods or services.[7] Contracts are awarded to a prime contractor who may then give subcontracts to smaller organizations to complete discrete portions of the contract. Equal opportunity in contracting can be measured by the diversity of organizations that win contracts at both the prime and subcontracting levels. Additionally, diverse organizations should have the opportunity to move from the subcontracting level to the prime contracting level. Furthermore, there should be no hostility towards contractors based on race, ethnicity, or gender.

Equal opportunity programs operate in a number of different ways. Organizations may hire dedicated equal opportunity specialists or task the responsibility to one or more individuals. Equal opportunity practices are often formalized in written plans. These programs can include help with skills development, mentoring, networking, and performance assessments. The organizations can also ensure that their advertising, selection of employees and/or bids, and promotions are conducted in ways that ensure equal opportunity. Data are often collected and analyzed to monitor progress against benchmarks. Changes, based on these data, can then be made in order to ensure that equal opportunity goals are being met.

Although there is a substantial literature about elements of equal opportunity programs, there is insufficient rigorous research that provides an overview of the areas or the effectiveness of various practices in actually promoting equal opportunity in employment and contracting.[8] A representative study conducted by Kalev, Dobbin, and Kelly found mixed evidence for the effectiveness of equal opportunity practices.[9] They examined the rates of promotions to managerial positions for African American and White women as well as for African American men relative to White men in private sector organizations from 1971 to 2002 and found that diversity trainings and evaluations were of limited benefit and potentially even counterproductive. Mentoring and networking showed modestly positive effects. The most benefit appeared to come from what they termed "establish[ing] responsibility" through mechanisms such as affirmative action plans, dedicated diversity staff positions, and diversity committees.

The wide range of settings in which equal opportunity programs operate explains some of the difficulty in evaluating the effectiveness of

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7. In this report, we use the term contracting to refer to all types of purchases, including contracts and procurement.
8. As a sample of the existing research, see the following:
Research for practitioners:
Cari Dominguez and Judith Sotherlund, Leading with Your Heart: Diversity and Ganas for Inspired Inclusion (Alexandria, VA: Society for Human Resource Management, 2010).
Research by academics:
Barbara F. Reskin, The Realities of Affirmative Action in Employment (Washington, DC: American Sociological Association, 1998).
Margaret S. Stockdale and Faye J. Crosby, eds, The Psychology and Management of Workplace Diversity (Malden, MA: Blackwell Publishing, 2004).
Research by government agencies and nonprofits:
Equal Employment Opportunity Commission (EEOC), Best Practices of Private Sector Employers (Washington, DC: Equal Employment Opportunity Commission, 1998).
Diversity Management: Expert-Identified Leading Practices and Agency Examples. (Washington, DC: General Accounting Office, GAO-05-90, 2005).
Tim Lohrentz, State Policies and Programs for Minority- and Women-Business Development, (Oakland, CA: Insight Center for Community Economic Development, 2007).
Jefferson P. Marquis, Nelson Lim, Lynn M. Scott, Margaret C. Harrell, and Jennifer Erin Kavanagh, Managing Diversity in Corporate America: An Exploratory Analysis, (Santa Monica, CA: Rand Corporation, 2008).
Tim Lohrentz, U.S. Counties Procurement-based Small Business Development Best Practices (Oakland, CA: Insight Center for Community Economic Development, 2009).
Jon S. Wainwright and Colette Holt, Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program (Washington, DC: Transportation Research Board, 2010).
9. Alexandra Kalev, Frank Dobbin, and Erin Kelly, "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies," American Sociological Review 71, (2006): 589-617.

equal opportunity practices. Each state or region may have its own legal requirements or restrictions. Furthermore, the historical context and the current political and legal environments of each local area can affect which practices are most effective at any given time. The federal government requires the use of certain equal opportunity practices by those receiving federal contracts. Still, it is important to be able to summarize which practices are important across these distinctions.

This report discusses a number of different equal opportunity areas in detail, areas that are regularly identified as being important elements of the equal opportunity process in both employment and contracting. We examined nine of these practice areas using both online survey and interview methodologies. They are:

Advertising
Using media, a web presence, and targeted events to advertise open positions and contract opportunities to diverse applicants.

Data Collection and Analysis
Collecting data on diversity, including but not limited to the percentage of minority and women employees and contractors, in order to analyze disparity and discrimination.

Diversity Trainings
Holding trainings to help all involved be more comfortable in diverse environments and to combat the negative assumptions that can lead to discriminatory behavior.

Goal Setting
Setting expectations for the percentage of women and people of color to be hired, promoted, or awarded contracts.

Leadership
Committing to equal opportunity efforts through the words and actions of top leaders of an organization.

Mentoring Programs
Helping employees or contractors survive and advance by pairing them with mentors.

Performance Assessments
Evaluating employees' and contractors' performance to determine strategies for effective functioning and proper advancement.

Selection of Employees and Contractors
Defining specific selection criteria for hiring and promoting employees and for choosing contractors.

Skills Development
Facilitating the acquisition of skills needed to advance as an employee or contractor.

In the interviews, respondents discussed the above topics, and supplemental areas including holding parties accountable for equal opportunity outcomes, creating formal plans, working with outside partners, examining the legal environment and the role of discrimination, and discussing why these programs are important. Respondents were free to include other topics they thought to be important. They also discussed the interconnectedness of best practices, the impact of the economic environment on equal opportunity practices, and the role that equal opportunity programs play as part of larger social justice efforts.

Methodology

To gather data for this study, we conducted an online survey. We also identified individuals in both contracting and employment who would share their knowledge and expertise in comprehensive telephone interviews.[10]

Survey

Recruitment for the online survey occurred via a network methodology. We used our networks to identify individuals and organizations knowledgeable about equal opportunity in either contracting or employment. We searched for those who implemented, advocated for, or conducted research on equal opportunity programs. We sent them a link to the survey and asked that they forward the link to colleagues who were also knowledgeable.[11]

Respondents answered either employment or contracting questions. One hundred and twenty-nine respondents (seventy-two in employment and fifty-seven in contracting) completed all or a significant portion of the survey (those who did not complete the survey typically stopped at the open-ended questions close to the end).[12] Of these, fifty-eight completed the entire survey (thirty-three in employment and twenty-five in contracting). These numbers exclude one individual who did not report having either expertise or involvement in equal opportunity programs and several respondents who answered only the first few questions.

The survey consisted of thirty-five questions focused on nine key equal opportunity areas. Table 1 summarizes the nine areas and shows how the language was amended to be specific to contracting or to employment.

Table 1

Nine key equal opportunity areas in employment and contracting

Area	Phrase used in contracting	Phrase used in employment
Advertising	Where and how bids are advertised	Where and how positions are advertised
Data Collection and Analysis	Collecting and analyzing relevant data by race, ethnicity, and gender	Collecting and analyzing relevant data by race, ethnicity, and gender
Diversity Trainings	Diversity trainings	Diversity trainings
Goals Setting	The use of aspirational goals	The use of aspirational goals
Leadership	Leadership commitment of top management	Leadership commitment of top management
Mentoring Programs	Mentoring programs for contractors and suppliers	Mentoring programs for employees
Performance Assessments	Performance assessments of contractors and suppliers	Performance assessments of employees
Selection	Selection of contractors and suppliers	Selection of employees
Skills Development	Technical assistance to contractors and suppliers	Career development/job advancement programs

Note: Underlined words are unique to the employment survey or the contracting survey.

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10. All survey and interview materials received approval from the Committee for the Protection of Human Subjects at the University of California, Berkeley.
11. As such, this sample was not intended to be representative of all equal opportunity practitioners, advocates, and researchers.
12. Since our methodology does not permit us to know how many individuals received an invitation to participate, we are unable to calculate a response rate.

Respondents were asked to rank the importance of each area for increasing equal opportunity[13] and the order in which each area should be implemented by an organization establishing an equal opportunity program.[14] These questions were asked once for low- and entry-level positions in employment and for subcontracting in contracting, and once for mid- and upper-level positions in employment and for prime contracting in contracting.

We also asked respondents about the extent of their knowledge of equal opportunity, their past experiences with the subject, and their basic demographic information. They were given the opportunity to discuss their thoughts about each of the selected practice areas in open-ended questions, and many did so, often at great length. Respondents were also asked a follow-up question on advertising strategies, which are discussed in Appendix A.

Approximately two-thirds of those who took the online survey were located in California; the remaining one-third lived in locations throughout the United States. Forty-six percent identified as male, 56 percent as female, and 3 percent as transgender. Forty percent identified as White American, 35 percent as African American, 14 percent as Hispanic/Latino American, 9 percent as Asian/Pacific Islander American, 5 percent as Middle Eastern American, 4 percent as Southeast Asian American, and 4 percent as Native American.[15] For those who completed the employment survey, 61 percent worked for a public entity and the remaining 39 percent were evenly split between for-profit and nonprofit organizations. For those who completed the contracting survey, 44 percent worked for a public entity, 40 percent for a nonprofit, and the remaining 16 percent for a for-profit organization.

Interviews

We interviewed twenty-one equal opportunity experts, identified through our existing networks in combination with survey respondents who volunteered to be interviewed. We conducted eleven interviews in contracting and ten in employment. Interviewees included equal opportunity practitioners, lawyers, advocates, researchers, and affinity group leaders. The public, for-profit, and nonprofit sectors were represented and there was considerable geographic diversity in their locations. Interviewees had a wide range of areas of expertise.

Respondents were asked a set of identical questions regarding their experience with equal opportunity, their assessments of best practices, and their thoughts on barriers to equal opportunity and trends over time. More time was focused on areas of concern to interviewees than in the survey, as is the case with all open-ended interviews.

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13. For this question, respondents were given a 7-point Likert scale, ranging from 1 (Not Very Important) to 7 (Very Important).

14. For this question, respondents were given four options of increasing priority. The responses, from highest priority to lowest, were "Focus on Immediately," "Focus on Within One Year," "Focus on Eventually," and "Do Not Focus On."

15. For both the gender and race/ethnicity questions, respondents could select more than one category.

Results: The Perceptions of Equal Opportunity Experts

In the first section, the relative importance of the nine key equal opportunity areas is ranked and compared in a number of different ways. In the second section, the value of each area is discussed in greater depth and additional factors raised by the interviewees are explored. Advice and recommendations provided by the experts who took part in this study is also summarized. In the third section, we discuss the broader context in which equal opportunity programs operate.

Ranking Importance and Prioritizing Equal Opportunity Areas

Survey respondents were asked to rate the importance of the nine equal opportunity practice areas selected for this study. The importance of each area could then be compared. Comparisons of perceived importance were also made between high- and low-level positions in employment, between prime and subcontracting in contracting, and between employment and contracting.

Figure 1 shows responses for the importance of areas in employment and contracting for high-level positions and prime contracts; Figure 2 shows responses for low-level positions and subcontracts. The figures demonstrate consistent results. Leadership commitment is of top importance in all cases. In almost every comparison, leadership is followed by the selection processes for employees and contractors, and then by advertising for positions and bids. Data collection and analysis is typically fourth. Performance assessments, skills development, diversity trainings, and mentoring are consistently ranked as having less importance.

The answers of those who took the employment survey are remarkably similar to those who took the contracting survey. They diverge in their rankings only on the importance of data collection and analysis—this practice is thought to be more important by those in contracting.[16]

Figure 1.
Importance of best practices in employment and contracting for high-level positions and prime contracts
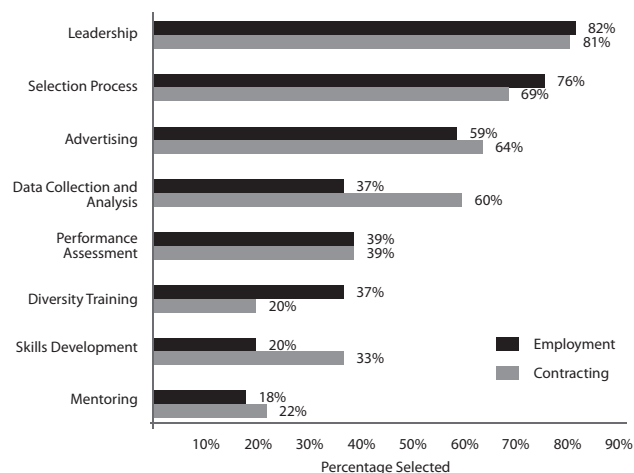
Note: Bars represent the percentage of respondents who chose each area as having the highest importance, a 7 on a scale from 1 (Not Very Important) to 7 (Very Important).

Figure 2.
Importance of best practices in employment and contracting for low-level positions and subcontracts
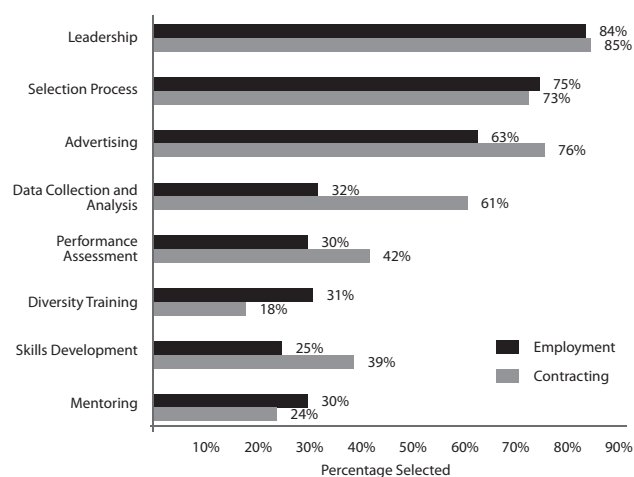
Note: Bars represent the percentage of respondents who chose each area as having the highest importance, a 7 on a scale from 1 (Not Very Important) to 7 (Very Important).

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16. In this report, we consider differences greater than 20 percent noteworthy.

We also asked survey respondents to advise an organization interested in setting up a new equal opportunity program. Respondents rated whether each equal opportunity practice should be instituted immediately, within a year, eventually, or not at all.

The results for high-level positions and prime contracts are presented in Figure 3 and for low-level positions and subcontracts in Figure 4.[17] The pattern of results very closely matches the general importance results described above.[18] Leadership is rated as being the most important; here it is seen as having the highest immediate priority. Advertising and selection criteria are seen as having the next highest importance by the vast majority of respondents, and here they also follow closely behind leadership in terms of immediacy. As with the importance rankings, data collection and analysis was chosen as the fourth most vital area. Diversity training, mentoring, performance assessments, and skills development were each chosen by a substantial number of respondents, though none reached majority consensus and these areas again ranked at the bottom of the best practice areas asked about in the survey.[19]

Figure 3.

Immediacy of best practices in employment and contracting for high-level positions and prime contracts
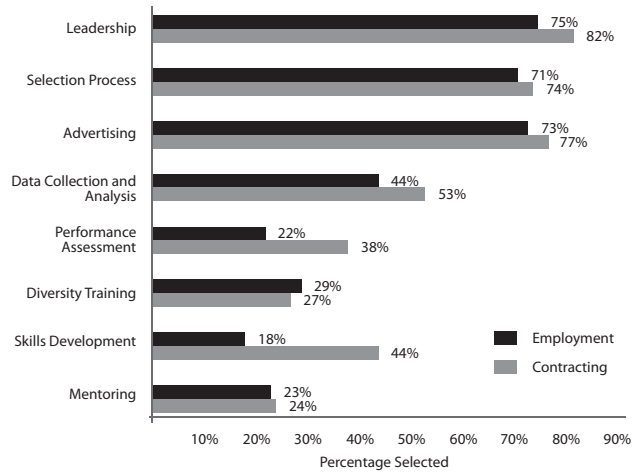
Note: Bars represent the percentage of respondents who chose "Implement Immediately" (the highest priority response out of four choices).

Figure 4.

Immediacy of best practices in employment and contracting for low-level positions and subcontracts
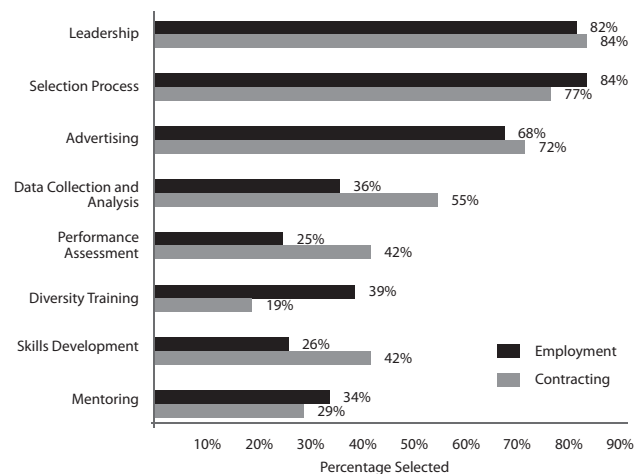
Note: Bars represent the percentage of respondents who chose "Implement Immediately" (the highest priority response out of four choices).

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17. For this series of questions, we asked respondents if they were focusing on the public sector, the private sector, or both. We also asked if they had in mind large organizations, small organizations, or both. We found that most of the respondents were thinking of both the public and the private sectors and of both large and small organizations. To the extent that some respondents were not answering for all groups, there was a tendency to be thinking of large, public organizations.

18. The only difference between contracting and employment was that skills development was seen as a higher priority for high-level contracts.

19. In Figures 1 and 2, the pattern of results is similar if we look at those who chose the top two levels of importance (i.e., 6 and 7) or the top level only (i.e., 7, as shown). In Figures 3 and 4, the pattern of results is similar if we look at those who choose the top two levels of prioritization ("Immediately" and "Within One Year") or the top level

Although performance assessment, diversity training, skills development, and mentoring were the least often chosen as priority areas, very few indicated that these practices lacked value. Fewer than 19 percent of respondents picked any of the equal opportunity areas as being unimportant [20] and fewer than 10 percent described any of them as not worth focusing on at all.[21] In both of these cases, diversity training had the largest number of negative responses.

We also asked about the importance of a ninth key equal opportunity area in a separate question: organizational goal setting, specifically aspirational goals.[22] A vast majority of respondents, between 74 percent and 82 percent, rated goal setting as being very important (by rating the importance of goal setting as a 6 or 7 on a 7-point scale). Eighty-two percent rated goal setting as having the highest importance in prime contracts, 78 percent in sub-contracts, 81 percent for high-level employment, and 75 percent in low-level employment. Between 52 and 61 percent of respondents rated goal setting as having the highest level of importance (by rating the importance as a 7 on a 7-point scale).

In summary, when looking at the importance and prioritization of best practice areas, the results were very consistent throughout the survey. Responses were similar across spheres (contracting versus employment) and status level (high-level positions versus low-level positions in employment; prime contracts versus subcontracts

in contracting). The answers were similar when respondents answered questions both on the general importance of best practice areas and on the prioritization of best practice areas. Three areas—leadership, advertising, and the selection criteria of employees and contractors—were rated as both important and a priority. Data collection and goal setting were also seen as very important. Diversity training, mentoring, performance assessment and skills development were seen as having less importance and as being of lower priority.

Thus, leadership, advertising, the selection process, data collection and analysis, and goal setting are key factors requiring extra attention by those creating or implementing an equal opportunity program. Very few respondents said that specific areas were of limited importance or not worth implementing. Therefore, all areas have the potential to be vital elements of an effective overall program. In the following sections, we will expand on how each area was viewed by experts, and how the different areas can be part of best practices in equal opportunity.

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20. "Unimportant" is defined as choosing a rating of 3 or less on a 7-point scale, in which 1 is "Not Very Important" and 7 is "Very Important."
21. "Not Worth Focusing On" is defined as choosing the option "Do Not Focus On" when asked to prioritize equal opportunity areas.
22. The analyses on goal setting are not included in the above figures because interviewees were asked about goal setting in a separate question and were only asked for importance, not prioritization.

Key Features of Successful Programs

In this section, we expand on the ways organizations can demonstrate a commitment to promoting equal opportunity. Interviews with equal opportunity experts allowed us to delve more deeply into the nine equal opportunity areas highlighted in the survey and to discuss several new factors.

On the whole, the experts we interviewed agreed with the major conclusions of the survey. Some areas, such as leadership and goal setting, were seen as extremely important, while some practices, such as diversity trainings, generated mixed responses. No one thought any practice unimportant, but importance might depend on the way the practice was integrated into the organization and external conditions. Factors raised only with interviewees, such as accountability, were also felt to be extremely important. For all areas discussed in this section, we provide not only the experts' opinions on the importance of each equal opportunity area, but also steps that can be taken to increase effectiveness and avoid pitfalls.

As a prelude to the discussion of what does work, we should note what does not work. When asked to name equal opportunity practices they thought to be ineffective or counterproductive, most interviewees were unable to identify anything. The general refrain was that when equal opportunity is not given real commitment, proper resources, and true accountability, any practice could be ineffective. Moreover, different situations call for different practices, so that what might work in one place might not work in another.

The role of leadership
Leadership was seen as extremely important by all of the experts interviewed; they agreed with survey respondents who consistently rated leadership as the most important equal opportunity area, with 92 percent of survey respondents rating leadership as important and 83 percent asserting that it is of the highest importance.[23] Top leadership was held to be of special importance by interviewees. The experts maintained that in order to promote equal opportunity, the top management of an organization needs to voice their own and the organization's commitment to equal opportunity. To demonstrate their commitment, leaders should speak publicly and privately about the importance of equal opportunity and attend key events.

"[Leaders'] actions will speak louder than words, but words are important to express a commitment to diversity and then to show that commitment through their policies and practices." (Int. #21)

Communication goes beyond the spoken word. A leader can communicate his or her commitment to equal opportunity in writing, in both internal and external documents.

"[The role of a leader is] to set the standard, to set the expectation, and to enforce and stand behind the rules....Diversity is most effective if the CEO issues a statement to [his or her] cabinet saying, 'I am holding you directly responsible at the senior level'…and once that's done, sends out material, puts it on the website with [his or her] signature, saying that 'this is the standard by which I plan to run this business.'" (Int. #19)

This commitment needs to be supported by actions; our interviewees identified various ways commitment can be demonstrated. A good leader

23. These percentages were obtained by averaging the perceived importance of values in both contracting and employment for both high- and low-level positions and contracts. Importance is defined as a 6 or 7 rating on a 7-point scale, and highest importance is defined as a 7 rating on a 7-point scale.

makes it clear that the entire organization should make equal opportunity a top priority. It was said repeatedly that if leadership's commitment to equal opportunity is simply "lip service," then the rest of the organization would not regard equal opportunity as a priority.

Concretely, leaders can institute policies and set standards that increase diversity at all levels of the organization, including top management. In contracting, they can put systems in place to ensure equal opportunity to diverse prime and subcontractors. They can affect organizational culture by making it clear through their actions that diversity is a priority. They can further improve equal opportunity by directing sufficient organizational resources to the task and by ensuring that diversity data is gathered, analyzed, and used in organizational decision making. Leaders can also help others within their organization make equal opportunity a standard practice.

"The [public employee] knows they can go to that leader if there is trouble—if there is someone else who is stopping them from doing their job—they can go to that political leader and get it solved. So [leaders] keep their doors open to staff who might need their intervention to get something going." (Int. #12)

Advertising

In the survey, 79 percent of respondents listed advertising as important and 65 percent as of the highest importance; those interviewed agreed that it is crucial to advertise positions or contracts widely, including outreach to locations where qualified people of color and women are likely to hear about opportunities. Positions and contracts at every level, particularly top positions, should always be publically posted, and in places where diverse candidates will have access. Positions and contract opportunities should be widely listed online and sent out by email; this electronic outreach can be targeted to ensure that diverse candidates hear about such opportunities. Search agencies, regularly engaged to find upper-level candidates, should include diversity as a key search criterion. Organizations can specify diversity as a key goal in any search; additionally there are agencies that specialize in helping to find women and people of color for high-level positions.

For positions or contracts that require college degrees or specific training, it can be beneficial to recruit from organizations that people of color and women join. For example, most universities have organizations for engineers of color and female engineers. Furthermore, recruiting efforts can be held at colleges and universities that have higher numbers of students of color and women, such as historically black colleges and universities and women's colleges. One interviewee recommended an inclusive advertising strategy, backed by commitment to equal opportunity success:

"[Utilize] publications in communities of color, bilingual materials, materials that reflect diverse faces at every level of a corporation and then [commit] to actually being an affirmative action employer.... Be clear that you want a diverse workforce, that you are seeking a diverse group of applicants, and that in fact if you don't get a diverse group of applicants, [you will] continue to look and…explore new ways to do outreach to diverse communities." (Int. #21)

Selection of employees and contractors

Eighty-five percent of those in the survey felt that the selection process was important and 73 percent rated it as extremely important; those interviewed agreed. If a program is not successful in the hiring and promotion of diverse employees and the contracting of awards to diverse businesses, then it simply is not an effective program.

Interviewees often stressed that each organization should determine its own methods to ensure equal opportunity in the selection process. The exact form of implementation depends on the structure of the organization, the people involved, and the pool used to select employees or contractors, which can include geographical and skills-based considerations. They also mentioned that no practice guarantees equal opportunity. However, interviewees mentioned a number of practices that typically support effective equal opportunity selection programs.

In employment, interviewees mentioned that organizations should have transparent policies for the hiring, promotion, and setting of wages for employees. These transparent policies should be in place for all positions, from low-level positions all the way to succession planning strategies for top leadership. Organizations can take steps to ensure that candidates from underrepresented groups are included when considering hiring and promotions. Qualifications should be limited to those that are necessary for the position, as adding unnecessarily restrictive qualifications denies opportunity to groups that suffer from historical and current discrimination. Organizations should not automatically disqualify or exclude those with a criminal conviction history, given racial and ethnic disparities in the criminal justice system.

Such practices are not intended to result in unqualified individuals being hired, only to ensure that qualified individuals of any race, ethnicity, or gender have a fair chance at succeeding.

In contracting, interviewees suggested that organizations should utilize strategies to ensure that businesses owned and operated by people of color and women are aware of upcoming opportunities in ample time to prepare to obtain them. For example, directories of diverse contractors can be created and maintained so that award-giving organizations and prime contractors can easily find diverse contractors and subcontractors. Systems can be instituted to enable those who bid on contracts to receive e-mails when appropriate opportunities are available.

Awards can be structured so that small, diverse businesses can freely compete. For example, complex contracts can be broken down into more manageable component contracts so that smaller organizations, which tend to be more diverse, can bid. Required experience (such as years in existence and number of completed projects) can be set at appropriate levels; such requirements should not be set so high that newer organizations are excluded from bidding.

For smaller contracts, and no-bid contracts, systems can be established to appropriately award a portion of contracts to minority- and women-owned businesses. As one interviewee observed:

"Have a very strong outreach program where…purchasing agents would have a virtual rolodex [of] various diverse firms, where they would be ready to award those no-bid contracts to those diverse firms in order

to increase the [amount spent] with small diverse firms." (Int. #12)

Interviewees noted that how organizations select employees to hire and promote is not independent of other best practices. Advertising creates a diverse pool, goal setting provides a standard against which to measure progress towards equal opportunity, and data analysis lets organizations know how they are doing in meeting these goals.

Diversity trainings

Diversity training was rated as important by 53 percent of those surveyed and 27 percent rated it as very important; however, 14 percent rated it unimportant, by far the most negative rating. Those interviewed were also varied in their evaluation. Indeed, diversity trainings were the most polarizing element discussed. Some were enthusiastic supporters *("the best thing since sliced bread." (Int. #2)*), while others thought they might be ineffective *("potentially important and potentially a waste of time." (Int. #18)*).

All agreed that diversity trainings were not useful when they are "off-the-shelf," limited in scope and duration, or completed only to fulfill a requirement. Trainings must be well facilitated, integrated into the larger culture of the organization, and allocated sufficient time to have an impact. Skilled trainers can be important, as they guide participants through what are sometimes difficult topics.

There was no consensus regarding the content of trainings, but suggestions included covering topics such as unconscious bias and structural exclusion.[24] One interviewee noted that *"if I haven't learned about me and why I do what I do, diversity training is a waste of time." (Int. #10)*

Successful trainings can affect mindsets and philosophies and help employees understand core values, both internal to an organization (such as respect for others) and external to an organization (such as meeting the needs of clients and operating efficiently). When done well, trainings are not limited to the time allotted for instruction only: what is learned is taken into the larger organization, and those who did not attend can learn and benefit.

Mentoring

Through mentorships, employees and organizations can gain knowledge, avoid pitfalls, and create the social networks that foster economic advancement. Forty-eight percent of those surveyed rated mentoring as important, 23 percent rated it as having the top importance, and most, but not all, of those we interviewed saw it as helpful.

Those who held reservations about mentoring said that even well-run programs may not be the best use of resources and that badly run programs are a poor use of resources. One of the main concerns about mentoring programs was the amount of effort required, particularly for those who are providing the mentorship. Mentoring should not be undertaken simply for incentives benefitting the mentor *"because if people are primarily doing it for outside incentives, it is not going to be a program that works." (Int. #12)*. A number of interviewees suggested rewarding mentors in tangible ways:

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24. Unconscious bias occurs when stereotypes are activated without conscious awareness. Structural exclusion refers to the role societal institutions play in limiting opportunity for segments of society.

"You have got to have real incentives…for the mentor. Just [asking the mentor to be] a good guy and making the agency happy is probably not enough to make a program that is going to be effective….[Have a program] where the mentor gets some credit for meeting goals and for using the protégé, or [offer] something that is a tangible benefit for the mentor so they…treat it as a legitimate business objective." (Int. #8)

Each style of mentorship program has pros and cons. Pairing new employees or businesses with established ones can be potentially helpful for the new partners; but it only works if the established partners are highly competent, able to communicate effectively, and take it seriously. The established organizations should not be only large White male dominated firms, but include diverse ownership. Although pairing partners of equal status can be helpful as the partners can assist each other when facing common challenges, it can create a sense of competition between the mentor and the mentee.

Some interviewees noted that it can be helpful to pair mentors and mentees from different fields or areas so that the mentee is not seen as competition by the mentor. One interviewee noted that it can be beneficial to have multiple mentors, and that those mentors should be diverse in order to confront the multidimensional challenges that face employees and business owners:

"One of the big stumbling blocks is that sensible people do not train their competition. You have to set it up so that you either have firms that are so large that the smaller [minority- or women-owned businesses] are not going to be competition in this lifetime. [Then the large firms will] be willing to train

them… Or you are going to have to at least partially [use] cross-industry relationships so that people aren't training [those] who are going to replace them and take their work away from them. That can be difficult to figure out how to do." (Int. #8)

Interviewees also noted that programs should not focus only on entry-level positions and newly formed businesses, but also on career-ladder employees and small firms that have cleared initial formation hurdles and are seeking to grow.

Skills development
Skills development was typically discussed in terms of technical assistance in the contracting realm and as on-the-job training in employment. Fifty-seven percent of those in the survey rated skills development as important, 29 percent said it was very important, and it was typically seen as more helpful in the contracting realm. Interviewees did not see it as the most important factor but felt it could be helpful not just for employees and contractors, but for the organizations themselves. One interviewee noted, *"We're talking about developing people which in turn develops the organization, which in turn makes a higher performing organization."* (Int. #10) These programs can help develop the skills necessary for the entry level—either as low-level employees or as subcontractors—and they can also help employees reach supervisory and top-level positions or assist subcontractors to become prime contractors.

In employment, skills development was typically discussed in the context of helping lower-level employees gain the experience and skills necessary for promotion. Furthermore, skills

development can include *"all types of training, technical, management expertise, supervisory training courses, just about any kind of training under the sun that employees could participate in at no cost." (Int. #2)* Skills development can also be accomplished through apprenticeships for skilled labor.

In contracting, developing the business skills necessary to succeed and thrive is important, as are the skills required to master a trade or craft, if applicable. Skills development can also consist of training organizations how to bid on a project, including how to become certified as a minority- or women-owned business, how to properly estimate bids, how to subcontract, and other related tasks; these skills are particularly necessary in the public sector, where the bid process tends to be more complicated. However, interviewees noted that such programs tend to focus on new businesses. One interviewee suggested that *"There is more focus on the brand new firms because there are lots and lots of them, [so] there is pressure there. But it is also easier—it is easier to tell somebody how to get a start-up going than it is to [teach them] how to really become competitive in the marketplace." (Int. #8)* To expand opportunity, skills development programs relevant to expanding already established businesses should be available, so that people of color and women become prime contractors.

Networks

The experts noted that hiring and, to an even greater extent, contracting are often accomplished through personal and familial ties. People of color and women are less likely to be a part of the social networks that can connect them with well-paid jobs and contract opportunities. This inequality is not easily remedied:

"Many industries, particularly construction, are really closed, they are very family-based, and it is just very difficult to get in [to such businesses]....It is really very hard for the agency to say to people, you must open up your networks." (Int. #8)

The lack of networks for minorities and women is, in part, an effect of long-established "good old boy" networks—networks that systematically exclude people of color and women. Such network exclusion is particularly salient in contracting and is perceived as still being strong despite decades of equal opportunity programming:

"There is a continuing sense of using the same types of "old boy" networks to get things done and to subcontract. I don't think that is going away. I think people thought it might go away, but I think that it really continues everywhere in the country… whether in public or in private sector work." (Int. #12)

There are some steps that organizations can take to expand networks. They can participate in targeted outreach events such as job/hiring fairs in employment and pre-bidding and networking fairs in contracting. Such events can be advertised through ethnic and gender media for increased attendance. People of color and women can meet individuals outside of their existing social networks at well-planned, well-attended events. However, when such events are poorly attended, when prime contractors or employers do not attend, or when contacts do not lead to employment or awards, then these events are not beneficial and are potentially a waste of time. As one interviewee observed, *"I think that at their best, [events] create great places for networking for future job opportunities. I think at their worst, [they] perpetuate a sense of exclusion." (Int. #20)* But it was

also noted that if the leadership makes clear that these events are a top priority, outreach events are more likely to be successful.

Other equal opportunity areas can be helpful in establishing wider networks. Mentoring programs can connect diverse populations with individuals and firms that can expand opportunity, while affinity groups, advocates, consultants, and search agencies can help find and recruit qualified, diverse candidates who otherwise would not hear about positions.

Outside partnerships

Using outside partners (such as affinity groups and groups that advocate or organize for equal opportunity) can strengthen equal opportunity programs, provided there is adequate support within the organization and in its external relationships. Most broadly, outside partners can ensure that equal opportunity is a top priority: *"Advocacy groups are always helpful in keeping up pressure on government to make inclusion and fairness central priorities. And I think that is very, very key." (Int. #8)*

There is always a risk in aligning with outside partners, as the agenda of the outside partner may sometimes conflict with the organization's agenda. Despite this risk, many of those interviewed spoke positively of how outside partners can improve equal opportunity programs through their expertise and broader connections, and particularly how they can help test new ideas for a program. Outside partners further can serve as advocates, external to the organization, who can help push for the expansion of equal opportunity:

"[Organizations] cannot do it alone. You need all the help you can get from affinity groups—from outside, external organizations....You need internal advisory committees, and you need external advisory committees, because obviously an internal advisory committee cannot tell the "Number One" certain things. On the other hand, external advisory committees can certainly tell the "Big Boss" certain things. So there's a role for each. In fact, I would say that if you don't have [both], there's no credible program." (Int. #15)

Outside partners can help with outreach to diverse new employees and contractors; such assistance might include disseminating advertisements for employment and contracting opportunities to their networks. Organizations can also budget money for consultation with outside experts in various areas of equal opportunity, including implementation, relevant legal services, and research. It is often less expensive in the long run to create and maintain a well-run program than to defend a poorly run program later.

Partnerships can be formed between organizations with shared interest in creating equal opportunity. Partner organizations can help standardize selection or application criteria, reducing work for organizations that apply for contracts. For example, regional public agencies can streamline the certification process or standardize the criteria for good-faith efforts. All involved parties would need to commit to being similarly rigorous; however, if this burden can be met, such collaborative equal opportunity efforts can be beneficial for the organizations involved, make processes clearer for prime contractors, and help minority- and women-owned businesses as well.

Similarly, public and/or private sector organizations can work together to create an environmental scan of the number and capabilities of minority- and women-owned businesses in an area. These organizations can then jointly design a program to address deficiencies, while reserving a certain number of contracts for minority- and women-owned businesses that have successfully completed the offered trainings. These plans could potentially be very effective, as they pool the resources of several organizations and position minority- and women-owned businesses to compete more effectively.

Data collection and analysis

Data collection and analysis was thought to be important by those interviewed, and by the 47 percent of survey respondents who rated it very important and the 70 percent who rated it important to the equal opportunity process. The collection and analysis of key data permit the tracking of changes over time. These analyses can inform best practices at each organization. Data analyses can be used to assess an organization's past efforts. Data analyses should be performed in a timely manner. When current data are available, organizations can continuously evaluate and improve their programs; indeed, some organizations use data analyses to assess the implications of proposed policy changes before they are implemented:

"[Data collecting and monitoring is] totally essential. I mean it is so important in terms of being able to capture what your results are, in as much detail as possible so that you can actually not only see if you are meeting your overall objectives, but you can go back and see how you might have to tweak your

program, in terms of groups that are impacted. If all your dollars are going to one particular place or to one particular ethnic group, then that means you need to see if you have the availability in these numbers, and what you might need to do in terms of doing our targeted outreach." (Int. #9)

In contracting, typical analyses include the percentage of contracts and of total contract dollars that are given to minority- and women-owned and operated businesses both at the prime and at the subcontracting levels. Disparity studies, which measure the availability of businesses owned and operated by people of color and women that are "ready, willing, and able" to work on contracts, are also common in the public sector. This availability is compared to the actual utilization of these businesses; the resulting comparison indicates the amount of disparity between the composition of the relevant businesses and those who are awarded contracts or subcontracts. These studies can be helpful in setting benchmarks for the inclusion of minorities and women, though the high cost of these studies may only be worthwhile when preserving a program that specifically focuses on race and gender.

In employment, the percentage of people of color and women who are hired and promoted is typically compared to a benchmark measure. This benchmark might be the percentage of people of color and women in the relevant labor force, which measures the number of qualified individuals, or in the number of applicants for a position or in line for a promotion. Additionally, organizations typically run analyses to ensure that wages are being set fairly. It is important that these comparisons not only be made for entry-level employees and subcontracts, but also for senior-level positions and prime contracts.

Data are most useful when they are expansive in what they measure, allow disaggregation for detailed analysis, and are timely. They should be collected for all employees or contractors, not just those who are of color or are female. Collecting data on subcontractors can present challenges because organizations may not work directly with the subcontractors and data must be verified for accuracy. This can be difficult because prime contractors sometimes fail to use the minority- and women-owned subcontractors they have identified in their bid after being awarded a contract. Those subcontracts should not be counted in a final analysis. Data should permit analyses for subpopulations, such as within race, ethnicity, and gender.[25] Furthermore, larger organizations with multiple locations should be able to break down analyses by state or region. Employers should have, at a minimum, a distinction between senior and junior positions, and larger employers should break jobs into occupational groups. Finally, data should be collected as soon as possible, not years later when large analyses such as disparity studies are performed. In fact, as one interviewee noted, *"it is actually more expensive to go back and include older and often incomplete data records after the fact. Keeping high quality data as it comes in is actually cheaper in the long run." (Int. #7)*

Goal setting

Goals setting creates targets that help determine whether equal opportunity is being achieved. These targets can include the percentage of people of color and women expected to be hired, promoted, and receive contracts. These goals should be appropriately set based on statistical evidence of the availability of qualified diverse employees and contractors. Organizations can set aspirational goals, which are not quotas. Quotas mandate that a certain percentage of people of color or women be hired, promoted, or contracted. Aspirational goals, on the other hand, provide a benchmark for how an organization or a prime contractor is doing in these equal opportunity areas: *"Everybody sets goals. Corporations set goals for profits. Managers set goals for the people who work for them. Everybody should have a goal." (Int. #17)*

Failure to meet goals is an indication that equal opportunity (or at least progress toward equal opportunity) is not being achieved. However, those goals must be clear to those who are expected to try to meet them:

"I think that for…a lot of the companies and prime contractors, when you don't have a goal, I don't think they really take it seriously....It is not defined to them, so they can't visualize what they have to do—one percent, two percent, thirty percent—so [setting goals] gives them a target because otherwise they are just throwing everything in the air and hoping it lands the right way." (Int. #9)

Properly set and utilized goals were supported by almost everyone we interviewed and surveyed. The overwhelming majority of those interviewed and survey respondents said aspirational goals were an essential part of an equal opportunity program, with 79 percent of survey respondents rating it as important and 58 percent rating it as having top importance. Some expressed

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25. It is common, particularly in contracting analyses, for women of color to be "invisible." They are often aggregated within the categories of "people of color" or "women" and their data are not available for analysis.

wariness about aspirational goals that are poorly implemented. Examples included the failure to use high-quality research to set the goal or a lack of accountability when goals were not met.

Aspirational goals should be realistically set and based on available data. They should not be set so low that "success" is not indicative of movement toward equal opportunity (or maintenance of equal opportunity in cases where it is present). Aspirational goals should not be set so high that incremental improvements are seen as a failure. Additionally, in some areas, particularly in public sector contracting, utilizing aspirational goals that are not based in statistical evidence of disparity are very likely to be challenged in court:

"They need to be based on a defensible database and on estimates of [minority- and women-owned businesses] in the marketplace. They need to be contract specific. They need to be weighted by the anticipated scope of work of the project and then they need to be flexibly applied and not seen… pro forma [as having] to be met regardless of the circumstances." (Int. #8)

Accountability

Accountability was not addressed in the survey, but all those interviewed agreed that everyone involved in the equal opportunity process at all levels should be held accountable: chief officers, department heads, mid-level management, those making hiring and promotions decisions, those overseeing contracts and supplier diversity, and the prime contractors themselves. Everyone with authority has a role in ensuring the success of equal opportunity and must be held accountable for equal opportunity outcomes.

Accountability can be demonstrated in different ways, but generally performance in equal opportunity can be measured (either quantitatively or qualitatively) against performance expectations. When expectations are not met, an inquiry should determine why and identify changes that need to be implemented to reach the missed target in the future. For example, one interviewee noted:

"And so that starts the wheels turning. If I'm being asked a simple question, 'Have you met your diversity goals?' And the answer is, 'No,' then the next question obviously is, 'Why the heck not?' Then you will say, 'Come on, give me five good reasons why the goals haven't been met. But more importantly, give me five good things that I will commit to or I will do.' And when it's coming from the top you have instant attention." (Int. #15)

To increase accountability, organizations can include equal opportunity as part of an employee's performance evaluation. As an interviewee observed, assessing equal opportunity performance can provide a strong incentive:

"I would want structured systems of accountability around inclusion. There are some great models happening in corporate America….[In] one that I am aware of, performance evaluations are tied to inclusion and diversity goals, [and that] is an incentive for a person in a senior management position to pay attention to [equal opportunity] as a key priority. And that is communicated [through] the company from the top down." (Int. #3)

The process of accountability should be transparent. Those who are in charge of ensuring accountability should have sufficient authority to openly and honestly investigate the situation and make

meaningful suggestions that directly address the reasons behind needed changes. These individuals should either have direct authority to make changes or a clear line of connection and influence with those who can do so.

Without proper resources, accountability will not be realized. For example, if the amount of oversight is well beyond the capabilities of the staff assigned to monitor it, then true accountability will not occur:

"My concern is that it is easy to [hold people accountable] without giving them tools to do better....If they don't have data collection systems, if they don't have enough people, then I am resistant to trying to punish somebody for not meeting a goal that was never going to get met anyway. But I do think performance measures can be useful in focusing people with procurement responsibilities on trying to meet these goals." (Int. #8)

In contracting, prime contractors need to be held accountable in their use of subcontractors. A number of those we interviewed mentioned that primes did not always award subcontracts to the minority- and women-owned subcontractors promised in the bid, or they limited the scope of the work subcontracted. Prime contractors should be required to replace the dropped subcontractor with another diverse organization or make a good-faith effort to find one. If the search is unsuccessful, or if it does not make sense to hire another subcontractor given the timing, a waiver can be granted. If genuine good-faith efforts are not undertaken, prime contractors should be reprimanded:

"I would also increase oversight requirements so [prime contractors] would make sure that the minority businesses that were mentioned as [sub]contractors during the [bidding] process are actually given work [and compensated] when the bid is won by the prime. Many minority businesses tell me they were on a bid and then once the bid was won, no one ever called them....[One organization] has a good program. [When] they find out that happens… [the prime contractor] is denied the ability to bid on any further contracts....I think that is an excellent program." (Int. #19)

Another interviewee describes how prime contractors can improve their accountability with help from equal opportunity departments:

"In one case, a prime contractor bid on a contract and did not manage to get enough [diverse subcontractors] and asked for a good-faith waiver and was essentially denied the waiver because the [effort they made] was not sufficiently good faith. That is to say, they did not go through enough steps… to result in positive minority business participation. [But] the public agency [didn't stop] there [at the] adversarial step. [They] didn't say, 'no you didn't make good-faith efforts, end of discussion.' … Instead, they reached out to the prime and said, 'we want you to understand…what we mean by good-faith efforts, and what it is that we did expect you to do…if you want to comply with our good-faith effort requirements.' And…the contractor was appreciative because nobody has ever really explained this to him. [The contractor said,] 'I get it; I get what it is that you expect me to do.' On [a] contract after these conversations had taken place, that contractor… came in with more minority participation than they

needed. And when they were questioned about it…
they said, 'Yeah, when we did all the stuff you told us
about, we found all these great companies, and we
want to work with them.'" (Int. #7)

Comprehensive equal opportunity programs
Interviewees stressed the need for larger organi-
zations to have individuals and departments dedi-
cated to equal opportunity.[26] Interviewees noted
that these departments should have sufficient re-
sources and capacity to accomplish their mission:

"[They should] put their money where their mouths
are….People go on about how much they love
minority business and proceed to try to run agencies
that spend billions of dollars a year with five people
in the MBE department. Well, that's not going to cut
it. So they have to be willing to put the money into
the data collection systems and the personnel in
order to make the thing run." (Int. #8)

It is important that equal opportunity departments
have racial, ethnic, and gender diversity; however,
these departments cannot be the only or even
the primary source of diversity in an organization.
Those who lead equal opportunity efforts
(assuming an organization has practitioners who
are not the leadership themselves) can be a part of
the team that makes key decisions. Furthermore,
the mission of equal opportunity cannot be
limited to just the equal opportunity department.
As one interviewee observed, it must be clear that
equal opportunity efforts apply to all aspects of
the organization:

"Make it clear that this is really an agency priority.
One of the things that lead programs to fail is
that [when equal opportunity] is seen as the MBE
department's program…then it is doomed to
failure, because those folks are never going to have
the resources or the internal clout to really change
anything….If senior management doesn't make
it clear that everybody is responsible for [equal
opportunity] and that everybody is going to be
evaluated on its results, then [MBE programs] tend
to be much less effective." (Int. #8)

Equal opportunity programs also need to
be held accountable. If programs are not
succeeding, then an assessment should be
completed about what changes are necessary to
help them improve their performance. Specific
areas may need to be modified or replaced
with better programs. In some cases, good
programs may simply be under-resourced and
their effectiveness can be strengthened with
an increase in resources. Care should be used
when announcing and implementing changes
to equal opportunity programs:

"Communicate early and often to let people know
what change will be happening. The person who
communicates the change has been living with the
program [changes] for months. They are months
ahead of the people who are hearing about the
change [for the first time]." (Int. #14)

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26. In certain areas, equal opportunity programs are mandated by federal regulations (e.g., 49 CFR Part 26, 41 CFR Part 60, and 45 CFR Part 80) that require practices such as formalized affirmative action plans, goal setting, trainings, and advertising strategies.

Formalized plans

The use of formalized plans, typically called affirmative action plans, was not a practice listed in the survey but was discussed during the interviews. These plans are mandated in some sectors, including federal contracting. These plans can be helpful in setting equal opportunity goals, detailing the actions to be undertaken and explaining how progress will be monitored. Some thought the exercise of creating these plans could be useful in and of itself. However, many thought these plans were often created but then *"pretty much like business plans, put on a shelf and never looked at again." (Int. #4)* Equal opportunity plans were seen as valuable only when they are used as part of a concerted effort that includes monitoring and accountability. As one interviewee noted, weak plans have little chance of success:

"I find, frankly, that many of the equal opportunity plans many of the federal agencies require federal contractors to file don't really mean anything.... There are no goals, there are no teeth, there is no monitoring." (Int. #8)

The case for strong equal opportunity programs

Interviewees noted that equal opportunity programs are important as a social justice issue, though many noted that there is a need to frame equal opportunity programs not simply in social justice terms. In fact, it can often be beneficial to specifically discuss equal opportunity as a way to increase competitiveness and profit. For example, equal opportunity can help businesses to be more responsive to their customer base and increase competitiveness, especially as the demographics of the country continue to shift and no single group comprises a majority of the population.

Sensitivity to this change is important in order for an organization to function well, increase creativity, and better meet the needs of an increasingly diverse customer or client base. Equal opportunity also has a role to play in marketing. One interviewee described an organization utilizing best practices in *"marketing to virtually all races…it was in their institutional interest to become a world class employer in terms of equal employment opportunity." (Int. #1)*

Furthermore, increasing equal opportunity increases the numbers of talented people and companies competing for jobs and for contracts. In employment, as employee diversity and quality rises, so can productivity. In contracting, increased competition for contracts can create greater potential for lowered costs and increased quality. Interviewees felt that discrimination affected not only a company's ability to attract and hire or contract with the most talented individuals of whatever race, ethnicity, or gender, but also damaged the competitiveness of the United States as a whole:

"This problem is really serious, and the damage we are doing is not just to minority business owners but to the economy and our ability to compete and be a successful economy. A successful, more civil…society is damaged by racial and gender discrimination.... Minority-owned companies and women-owned companies have to be not just qualified, they have to be much, much better than their White competitors in order to get a fair chance. And that should concern all of us because it means that we are not achieving what we could as a nation." (Int. #7)

Increasing opportunity has a ripple effect. As employees advance or firms grow, they can offer enhanced opportunities to their families and children. Furthermore, in the case of contracting, expanding firms can hire more employees and increase opportunities for other minority- or women-owned firms. All these contribute to community and individual advancement:

"Because it's not just about giving the MBEs money, it's about economic development. It's about empowering communities of color. It's about giving them the wherewithal to be able to create business, to create employment, to drive employment, and to pay their employees so that [those employees] can then go and spend money…and save money, and…send their kids to college so that when those kids graduate from college they can get better jobs." (Int. #17)

The interconnectedness of best practices
The best practices discussed in this report are interconnected. Challenges and defects in one area impede other efforts to increase equal opportunity, just as success in one area fosters success in others.

For example, a number of interviewees commented on disparities in access to capital. In contracting, large prime contractors often withhold payment to subcontractors for forty-five days or more. But small businesses have a thirty-day window to pay their suppliers and subcontractors. This means that small minority and women contractors need increased access to capital to cover the gap. Current and past discrimination have created a situation in which minority and women contractors have less wealth that can be used to cover these costs. When a loan is needed, they often have less ability to obtain a loan at all or to secure a loan with favorable interest rates and other conditions. Thus, the lack of prompt payment disproportionately hurts minority and women contractors. On the other hand, programs that mandate prompt payment help minimize the negative effects of reduced access to capital, allowing contractors to invest their money and time in other areas. As one interviewee observed, *"The solution is to pay people in an expedited matter. That takes the banking out of the equation." (Int. #17)*

Another example of how equal opportunity practices are interconnected is evident in the way that data collection and outreach overlap. As one interviewee noted, having a high-quality outreach database is helpful for data analysis as well: *"Having a good contractor database is key. It is a key to transparency, but it is also a key to good data analysis and the disparity study." (Int. #12)*

In employment, good outreach and advertising can lead to diverse candidates for employment; these candidates can then receive the benefits of skills training programs and other practices that foster the ability to rise within a company. If these steps are taken, the difficulty in recruiting candidates for senior level positions will be abated.

Equal Opportunity and the Broader Environment

The experts we spoke with agreed that equal opportunity programs do not exist in a vacuum and need to adapt to changing legal and economic environments. They also emphasized the role that discrimination plays both within and outside of an organization. Finally, organizations have the opportunity to contribute to equal opportunity on a larger scale by being a part of changes that promote equal opportunity outside of their own entities.

Legal environment

Interviewees noted that in recent history, legal decisions have made equal opportunity more restrictive by placing limits on the flexibility of organizations to implement best practices. In contracting, *City of Richmond v. J.A. Croson Company,*[27] *Adarand Constructors, Inc. v. Peña,*[28] and *Western Paving Co., Inc. v. Washington State Department of Transportation*[29] and in employment, *Ricci v. DeStefano*[30] are key examples. Furthermore, statewide actions, such as the anti-affirmative action Proposition 209 in California and similar measures in other states, limit the ability of public agencies to utilize effective best practices:

"I think [Proposition] 209 is a big factor because before that there were Minority and Women Business Enterprise goals on projects and now there are not. So that is going to affect [people of color and women]. And you still have your…run-of-the-mill racism and prejudice and a history of discrimination that seeps in there as well. [When] you combine that with [Proposition] 209, it obviously leads to a decline [in equal opportunity]." (Int. #6)

Interviewees commented that the moves to curb equal opportunity measures have had a chilling effect, so organizations are often afraid to discuss the issues of race, ethnicity, and gender. Even uncontroversial steps, such as data collection and analysis, are sometimes stopped or scaled back from a fear of mentioning race, ethnicity, and gender, or from a concern about litigation.

Equal opportunity programs must be legally defensible, particularly public sector programs. One interviewee warned that *"If you are public sector, the single most important thing that you can do is have a program that has a legally defensible basis. The courts aren't going to care that you have a great data collection system or a bonding program, if you have no basis for having a program in the first place." (Int. #8)*

The impact of discrimination

Most of the experts we interviewed commented that discrimination continues to be a barrier to equal opportunity. They indicated that this discrimination still exists as a conscious and intentional force that is evident in all aspects of employment and contracting, albeit not for every organization:

"The overwhelming majority of the problems that women- and minority-owned firms face derive at the most fundamental level from flat-out, old fashioned racial and gender discrimination. People are making determinations about the value of the services provided by these contractors not based on the skill or experience of the contractors, but based on the color of the skin…or the gender of the owner.…There is discrimination [occurring] that …is really vituperative, malicious, and invidious… like racial harassment, threats of physical violence and actual physical violence, racial slurs—really

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27. 488 U.S. 469 (1989).
28. 515 U.S. 200, 240 (1995).
29. 407 F. 3d 983 (9th Cir. 2005).
30. 129 S.Ct. 2658 (2009).

quite dehumanizing and frightening discrimination that makes it more difficult for minority and women contractors to succeed in the marketplace." (Int. #7)

Racism and sexism can be part of a "good old boy" network that systematically limits opportunity for people of color and women:

"It is definitely a 'good ole boy's' network so you have the same prime contractors…getting awarded work [who then utilize] the same subconsultants or subcontractors. You have this vicious cycle where… White-owned firms use other White-owned firms. Minorities and women [are] being shut out." (Int. #6)

Negative consequences also arise from unconscious, implicit bias. For example, a White or male employee or contractor might be viewed as more capable as a manager than an equivalently capable person of color or female, and this bias can occur without a person being consciously aware of it. To the extent that such bias is widespread, qualified candidates systematically do not advance, limiting the pool of diverse prime contractors and management or professional candidates for jobs.

The ramifications of past discrimination can also lead to current inequities. For example, redlining and discrimination in the lending market for housing resulted in lower wealth accumulation by people of color. Unequal access to capital is an additional burden for contractors of color today.

As another example, minority- and women-owned businesses have not been in business, on average, as long as White-owned businesses because of past discrimination. This can make it more difficult for them to win contracts, as being well established and having years of experience is valued. An interviewee provides one more example:

"One of the barriers is the lack of experience in terms of the age of the firm because you are dealing with minority firms. Most minority firms are not second or third generation, where a lot of the other firms have been passed down in a family so there are historical relationships that have been built and…developed for…working on projects." (Int. #9)

In employment, the lack of multi-generational experience of better-paying jobs means that current job seekers cannot draw on experiences naturally absorbed while growing up in households where the experience of how to apply for and advance in such occupations is more common.

Discrimination, both the discrimination that occurs today and the lingering consequences of past discriminatory practices, provide one of the most important legal justifications for the continued operation of robust equal opportunity programs. Although equal opportunity programs cannot end continued inequity alone, they can be part of the solution.

The roles of the economy and the labor force

Best practices occur within a larger economy that affects and limits possibilities. A number of respondents mentioned the lingering effects of the most recent recession as a major stumbling block for all businesses and employees, but noted that people of color and women have often been hurt the most. While equal opportunity programs are more necessary than ever, reduced budgets make it more challenging to institute and maintain effective programs despite increased need:

"I think it is challenging because some of the same obstacles that have existed—continue to exist, but I feel like some of those obstacles have been exacerbated by the current economic crisis." (Int. #21)

Furthermore, best practices from more economically prosperous times may not be as effective during periods of financial hardship. For example, in employment, fewer job openings mean that there are fewer chances for an organization to increase the diversity of their hires. Despite increased need, attendance at diversity and hiring fairs might be scaled back or eliminated because of strained organizational budgets.

In response to past lending abuses, lending institutions now apply more stringent scrutiny to loan applications. As a result, undercapitalized small businesses are unable to receive the loans they need to float costs until payments are made to them, something that is more necessary than usual during the ongoing economic downturn. Consequently, they are unable to bid on contracts or subcontracts they might otherwise qualify to receive.

The structure of the American Recovery and Reinvestment Act (ARRA, commonly referred to as the stimulus package) also has implications for equal opportunity in contracting. As one interviewee noted, *"When you look at the recovery package, a lot of funding went into infrastructure, which means construction. The construction field is really white male dominated so…creating…or restoring more of those jobs…does not automatically help women and people of color." (Int. #21)*

The retirement of the baby boom generation will have particularly strong equal opportunity implications for top management positions, which historically have been overrepresented by Whites and men. Interviewees observed that as the baby boom generation retires, there will be a larger number of top management positions to be filled. If steps are not taken now to ready people of color and women to rise to these positions, this historically based inequity may continue well into the future.

The contribution of equal opportunity practices to broader efforts to reduce inequality

Even though organizations cannot solve the structural and historical inequalities that have resulted in unequal opportunities, high quality equal opportunity organizational policies can make a difference. Interviewees noted that policies that support work-life balance and facilitate the ability to raise children are particularly important:

"The area that affects all workers—but it does affect women more because of women's role as caregivers—is that employers should have really

robust policies to enable employees to balance their work and family responsibilities. [This includes] things like paid sick days, paid family leave, parental leave for school activities, and flexible scheduling. [Employers shouldn't] require face-time for the sake of face-time. [These policies affect] how you succeed and advance in a place of employment." (Int. #21)

It must be acknowledged, however, that equal opportunity programs are one part of a multi-pronged effort to ensure equal opportunity. A broader effort to reduce inequality includes strategies to reduce racial, ethnic, and gender discrimination, income and wealth inequality, unequal access to a quality education from childhood through university, residential segregation, and a host of related financial, class, and social inequalities based on race, ethnicity, and gender. Additionally, the current economic downturn heightens the importance of policies to reduce unemployment and extend unemployment insurance.

In order to be a part of the greater movement to reduce inequality, organizations can establish programs, such as mentoring and training for youth, which have short-term cost but long-term benefits. These youth become consumers and potential employees. Such programs would help create a pipeline for people with fewer opportunities to reach high quality positions and business ownership:

"I would just start early....[Programs] that could reach students…and really show them the ropes, give them opportunities that they need to have…occupational field trip days, [could] really get them immersed in

the culture of this particular industry....Especially folks who may not have had access to people in their families to these particular industries—it gives them access to what a workplace looks like and gives them the opportunity to talk to folks about what their path to that position has been." (Int. #3)

One interviewee suggests how organizations might collaborate with colleges and universities to provide training and access to the latest technology:

"The automobile industry…was driven by innovation and most minority firms did not have the infrastructure, the capability, or the technology to evolve with the industry. Technology in that industry had a life of three years to six years at the most. If you were not constantly improving and evolving that technology… you couldn't play in that game for very long. Much of today's technology evolves out of government-sponsored money and particularly out of government labs, labs that are associated with major educational institutions. Yet none of these labs, none of the money, none of the infrastructure for the evolution of technology exists at historically black universities or minority-serving institutions. So, the infrastructure that exposes students to this technology, that maintains and evolves the technology—none of that resides in the institutions that tend to serve minorities primarily….I think that needs to change and I think that if that changes it will provide for these companies not only the opportunity to access new and evolving technologies but also to maintain them." (Int. #4)

Summary: Lessons Learned and Moving Forward

One of the most important lessons from this report is that all equal opportunity practices have the potential to play a role as part of an effective program if equal opportunity is a priority. Within this framework, some practices do stand out as priorities; these include the commitment of leadership, the selection processes for employees and contractors, the way positions and bids are advertised, the collection and analysis of data, goal setting, and proper accountability.

"If you have a plan and there is accountability and commitment, I think you can succeed." (Int. #2)

No practice was singled out by our respondents as being ineffective. Instead, the commitment which organizations demonstrate was seen as being able to enhance the impact of all practices. When commitment to equal opportunity is not present, any practice can be ineffective. When the commitment is present, any practice can be a useful part of a successful equal opportunity effort. Future research, similar to the effectiveness research conducted by Kalev and colleagues,[31] should empirically verify this claim.

Diversity training illustrates the difference that commitment can make. When voicing their support for diversity trainings, interviewees spoke of organizational commitment to the importance of equal opportunity: Trainings were administered by enthusiastic and knowledgeable trainers, were strongly endorsed and participated in by key leadership, and were understood to be part of a core organizational commitment to equal opportunity. Those who were ambivalent about diversity trainings spoke of them as part of a "lip service" commitment in which training participants lacked enthusiasm, leadership was uninvolved and failed to broadcast the training's importance, and the training was not part of a key organizational purpose. When equal opportunity practices are instituted without commitment to them, they can lose their ability to create meaningful change and even be viewed negatively as a distraction.

Another important lesson is that equal opportunity programs have been part of an effort to create a more just society in areas that include employment and contracting. In the decades since equal opportunity programs were first introduced, real change has occurred. Equal opportunity programs have become widespread and accepted even as affirmative action has been politically controversial:

"I have seen through the years a gradual acceptance: what started out as resistance largely because of uncertainty and lack of knowledge [became] gradual acceptance of the notions of equal opportunities. Now…companies are fully embracing [equal opportunity] because it aligns with their strategic objectives." (Int. #1)

The experts warned that the continued impact of discrimination and recent legal restrictions have shown that advances in equal opportunity can be threatened. Even though substantive gains have been seen, more needs to be done.

This report has focused on practices that can be instituted by organizations that employ and award contracts to women and people of color.

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31. Alexandra Kalev, Frank Dobbin, and Erin Kelly, "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies," American Sociological Review 71, (2006): 589-617.

Progress at these organizations can result from the work of top leadership, employees and contractors, advocates, organizers, and policy experts. These groups must act in concert in order to remedy the inequality that is caused by current discrimination and historical disadvantage. When working with each other, the pool of diverse, talented individuals and organizations grows, organizations can become more competitive, and the quality of goods and services is enhanced. All this occurs concurrently with the reduction in inequality.

In this report, we have suggested a path for reaching the goal of equal opportunity. Future research should expand on this discourse and detail not only the specific practices that can be helpful, but also successful strategies for illuminating the need for equal opportunity in organizations and in the broader society. Activities that are foundational to practice, such as accountability, transparency, and expectation setting, should be explored in more detail.

During the creation of this report, we were informed of a number of ways individuals and organizations came to understand the importance of equal opportunity. Such awareness was gained through diversity trainings, by employees being motivated by leadership and leadership being motivated by employees, by support from advocates, organizers, customers and clients, and even as a consequence of civil rights litigation. Future research should utilize the expert advice of all partners in the broader equal opportunity community, including practitioners, advocates, lawyers, and organizational leaders, to better understand how best practices can be realistically implemented on an increasingly wider scale. These efforts are part of the broad effort to eliminate discrimination, improve educational and economic opportunities for all, and create a more just society.

Appendix A:
## Additional Details on How
to Advertise

Survey respondents were asked to select the three most important ways to advertise positions or contracting opportunities from a list we provided. This question also probed for more details in the advertising area by asking where to advertise for positions in employment and bids in contracting. We repeated the question for high- and low-level positions in employment and for prime contracts and subcontracts in contracting.

There was a great deal of variance in responses, both between high-level and low-level opportunities and between employment and contracting. Figure 5 shows the percentage of respondents who picked each alternative as one of their top three choices for high-level positions and prime contracts; Figure 6 shows the percentage of respondents who picked each alternative for low-level positions or subcontracts.

The use of affinity/diversity groups stands out as the most often selected advertising strategy for high-level employment and for prime and subcontracts. It was less often selected for low-level employees, perhaps because they are easier to reach in other ways and because they may be less likely to be members of these groups.

Ethnic- and gender-targeted media was seen as a better strategy than traditional media, although 30 percent selected traditional media as an important strategy for entry-level employment.
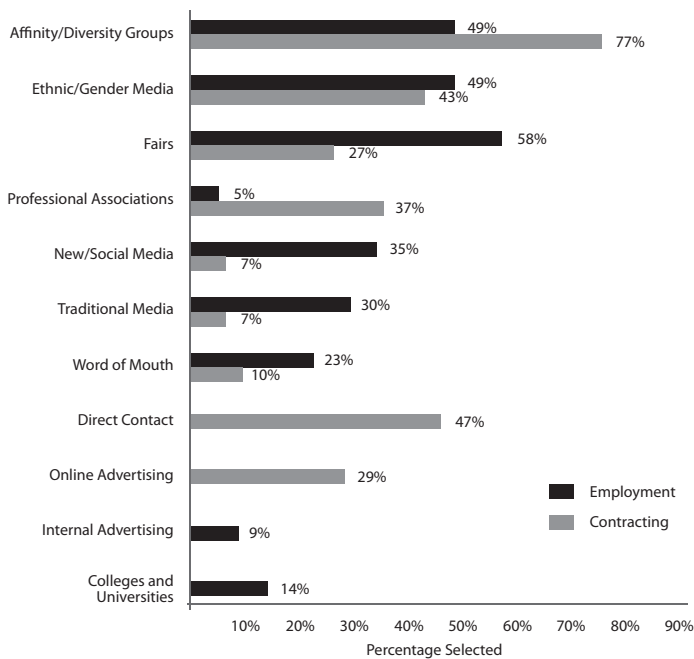
Figure 5.
Most important advertising areas for high-level positions and prime contracts
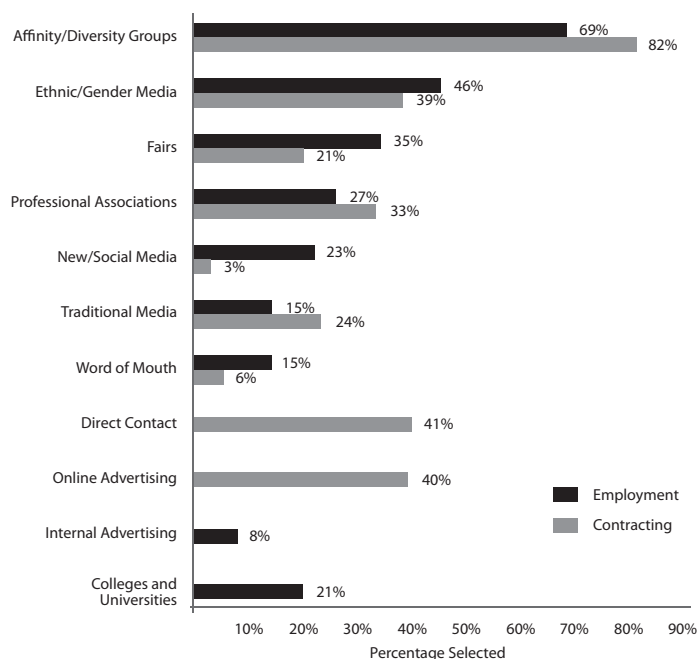
Note: Bars represent the percentage of respondents who chose each area as having the highest importance (each respondent could choose up to 3 responses).

New and social media was selected less often, although slightly more than a third did pick it for entry-level employment. Job or contract fairs were seen as more important for entry-level positions and subcontractors, while professional associations were seen as good ways to advertise to prime and subcontractors as well as for high level positions. Word-of-mouth was generally not seen as an effective advertising strategy either in employment or in contracting.

Figure 6.
Most important advertising areas for low-level positions and subcontracts

Category	Employment	Contracting
Affinity/Diversity Groups	49%	77%
Ethnic/Gender Media	49%	43%
Fairs	58%	27%
Professional Associations	5%	37%
New/Social Media	35%	7%
Traditional Media	30%	7%
Word of Mouth	23%	10%
Direct Contact		47%
Online Advertising		29%
Internal Advertising	9%	
Colleges and Universities	14%	

Percentage Selected

Note: Bars represent the percentage of respondents who chose each area as having the highest importance (each respondent could choose up to 3 responses).

A few strategies were unique to employment or to contracting. Direct contact with prime contractors and subcontractors was seen as important, as was online advertising of bids. In employment, internal advertising was seen as important, while recruitment at colleges and universities was seen as somewhat important.

Appendix B:
Contracting-Specific Results

In this appendix, we discuss equal opportunity areas from the interviews that are specific to contracting.

Access to capital

Access to capital was noted as one of the areas vital to success in contracting but an area in which people of color and women are on unequal footing. Access to capital takes many forms, including accumulated wealth that can be invested in a contractor's business, loans to a contractor or directly to a business, insurance to cover liabilities, and bonding, which provides monetary restitution in case a contractor is unable to finish a project. People of color and women, due to historical and to ongoing discrimination, often lag behind their White male counterparts in all of these areas. Equal opportunity programs can help contractors overcome these obstacles in a number of ways. There is agreement that current discrimination should be eliminated; however, there is less agreement on how to best remedy current discrimination and the inequalities that result from historical discrimination.

One interviewee discussed several options:

"There are some programs that attempt to get work to smaller MBEs that have prime contracts with the agencies. There is a link deposit program [that] has financing authority that is making loans to MWBEs. On the construction side, surety is essentially a financing mechanism, so there are some pretty good programs out there that include sureties as part of some type of training program. I think those all can be helpful. It is really difficult right now because nobody is loaning

money, and if the big guys are having troubles, the small guys are going to have issues." (Int. #8)

One way to increase equal opportunity in access to capital is to focus on loans from banks, particularly banks owned by people of color and women, located in the communities where they live or do business:

"I believe that you have to [provide capital] through organizations that are in the communities you want to serve….I would emphasize the use of minority/women banks, venture capital firms, and other instrumentalities that are managed and run by minorities and women because they tend to provide services to the communities from which they come. And that would include access to capital, both debt and equity." (Int. #4)

Another way to increase capital is to address the role of venture capital. People of color, in particular, are less likely to have access to the social networks that can lead to the receipt of venture capital. An intriguing strategy to address this disparity would be for organizations to try to link emerging and growing businesses with venture capitalists:

"One of the big problems with race discrimination is access to social networks. If you are White and you inherited your company from your great-, great-grandfather…what comes with that is relationship networks, which often include—if you are White—wealthy people. In terms of going to fancy schools, or prep schools, or belonging to the right clubs, you have access to people who may invest in your company who are not [a] traditional credit relationship." (Int. #7)

Another suggestion was to use existing law and regulations more effectively when discrimination occurs. As one interviewee said, *"I think we have to have more and better enforcement of the laws that currently exist....We do not have a legal watchdog group that is funded to deal with minority contracting. So there isn't anybody filing lawsuits when businesses are getting screwed." (Int. #7)*

Organizations that give out contracts could also coordinate efforts to provide opportunities that a single organization would be less able to provide on its own:

"A regional pool of agencies would get together and provide some kind of subsidy for an insurance company to lower rates to firms who need various general liabilities in areas of omission. [The insurance] would be provided under this umbrella so the rate would be competitive in the marketplace. The same would be true with bonding in terms of being able to provide some kind of bond guarantee so the rates wouldn't be as high." (Int. #9)

Contracting interviewees also noted that helping reduce the need for extra cash would reduce the burdens created by lack of capital:

"But certainly [by] helping smaller, newer firms manage their cash flow.... A lot of business owners are sadly ignorant about basic finance so they don't manage their money as well as they could. So certainly some training programs on how to manage the money.... [One] very innovative program…provides access to accountants and lawyers…because the lack of basic support from other professionals is a part of the problem for small MBEs." (Int. #8)

Requirements for subcontracting

Organizations that award contracts often have limited ability to work directly with diverse contractors given that there is currently little diversity among prime contractors. One thing that organizations can do is require that attempts are made to work with diverse subcontractors. This can include setting aspirational goals for subcontractor diversity. If goals are not met, prime contractors typically need to demonstrate good-faith efforts in which prime contractors show the attempts made to reach diverse subcontractors. Good-faith efforts can be beneficial if the effort actually leads to an increase in the diversity of subcontractors. However, good-faith efforts can be implemented poorly and prime contractors can make only cursory efforts. Furthermore, good-faith efforts can have negative effects if subcontractors spend time and resources working on bids they have no real chance of getting. Organizations also need to verify that the diverse subcontractors listed on a prime's bid are actually used and if not, prime contractors need to be held accountable.

Local, other, and small business enterprises

Some organizations have been using alternative classifications of diverse businesses. One example is using Local Business Enterprises (LBEs), businesses that are based within a certain geographical area, such as a neighborhood, city,

or county that matches either an organization's geographic scope or the location of a specific project. An advantage to using LBEs is that large, multinational firms that control much of the market are not eligible to be a local business enterprise. Additionally, if work is done in a racially and ethnically diverse area, then businesses owned by people of color might be more likely to be added as local business enterprises.

A second example is the use of Other Business Enterprises (OBEs), organizations that can demonstrate economic hardship but that are not already included in an equal opportunity program. Typically, these businesses are run by White men. Adding OBEs can help reduce antipathy toward equal opportunity programs and are one way that organizations unable to utilize race, ethnicity, or gender in a meaningful way (such as in California due to Proposition 209) can include race as part of a program.

A third example is to focus on small businesses. Public entities with legal limitations due to anti-affirmative action measures sometimes focus on their Small Business Enterprise programs rather than implementing race- and gender-conscious ones. While encouraging small businesses is extremely important, even a successful small business program might do little to remedy race and gender discrimination. Small business programs may either disproportionately benefit White- and male-owned firms that, due to discrimination, may be more able to take advantage of these small business programs.

Although Local, Other, and Small Business Enterprise Programs can be beneficial if run well, these programs may lead to a de-emphasis of the racial, ethnic, and gender components within equal opportunity and result in a continuation of the status quo, rather than in an increase of equal opportunity for all.

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