



Corporate Initiative Definition

The theory behind corporate initiative is that employees should be included in the analyses of the Affirmative Action Plan (AAP) where their selection decisions (e.g., hiring, promoting, terminating, etc.) are made. It makes sense from a recruitment and retention perspective to place people into the AAP where they are managed or recruited from so the resulting analyses will reflect the activity associated with that location.

However, since a high volume of managers within Enterprise Organizations report to Executives outside of their work location, full use of the corporate initiative model becomes an unwieldy maze of data when trying to identify all of the managerial relationships. The result would be a large volume of people linked to AAPs other than where they are physically located, making plan implementation and possible audits very difficult, if not impossible, to defend. Many large organizations choose to limit the corporate initiative function to senior management. Therefore, any employees with a certain grade (management tier or pay grade) or greater are included in the Job Group Analysis and Placement Goals of the AAP where their selection decision is made. Note that these same managers will be included in the workforce analyses of the plans where they are physically located and where the selection decisions are made with annotations (+/- flag) that identify the job as having employees that are physically located in one facility and selected in another.

Corporate Initiative Flag

A flag on an employee's record which indicates that the employee works in the facility but is subject to the OFCCP's Corporate Level Selection Decisions Directive (see below) and thus is to be excluded from the facility's Job Group Analysis.

Corporate Level Selection Decisions Directive

A directive of the OFCCP, applying to multiple-site organizations, which specifies how to report on high-level employees for whom hiring and promotional decisions are made at corporate headquarters (or an intermediate organization level) and not at the facility where these employees work.

Regulation citation:

41 CFR 60-2.1 - Scope and application.

- Section Number: 60-2.1
- Section Name: Scope and application.

(d) *Who is included in affirmative action programs.* Contractors subject to the affirmative action program requirements must develop and maintain a written affirmative action program for each of their establishments. Each employee in the contractor's workforce must be included in an affirmative action program. Each employee must be included in the affirmative action program of the establishment at which he or she works, except that:

1. Employees who work at establishments other than that of the manager to whom they report, must be included in the affirmative action program of their manager.

2. Employees who work at an establishment where the contractor employs fewer than 50 employees, may be included under any of the following three options: In an affirmative action program which covers just that establishment; in the affirmative action program which covers the location of the personnel function which supports the establishment; or, in the affirmative action program which covers the location of the official to whom they report.
3. Employees for whom selection decisions are made at a higher level establishment within the organization must be included in the affirmative action program of the establishment where the selection decision is made.