

# Adverse Impact Report

for

**{{CompanyName}}**

**{{Insert1}}**

{{DateGenerated}}

**SYSTEM SUBGROUP DIFFERENCE COMPARISIONS**

According to the EEOC Guidelines Section 1607.3 (a) the use of any selection procedure, which has an adverse impact on the hiring, promotion, or other employment or membership opportunities of members of specified protected classes or groups will be considered to be discriminatory and inconsistent with the Guidelines, unless the procedure has been validated in accordance with the Guidelines.

The data and analysis presented here investigated whether the Talent Science assessment-based system displays adverse impact on a candidate sample, as technically defined.[[1]](#footnote-1) Specifically, a test or assessment tool displays adverse impact if there are differential outcomes associated with the use of the test (selection, promotion, etc.) as a function of a protected class status variable (ethnicity, gender, and age). Since adverse impact is typically operationalized in terms of the 80% or 4/5ths rule, the translation of subgroup differences in test performance into adverse impact is primarily a function of the cut score used to select or reject candidates. Consequently, although there may be subgroup differences on a test, if all candidates “pass” the test and are subsequently hired, or adverse impact ratios are greater than or equal to 80%, then the test does not display adverse impact.

The Talent Science assessment system provides a fit index score defined as the behavioral match between the position profile and the candidate. Fit index scores are conveyed as a numerical value between 0-100 and the system provides a thumb rating designed to categorically represent the candidate’s fit to the position profile. The thumb rating categories are defined as thumb up (recommended), mixed thumbs (recommended with qualifications), mixed thumbs (recommended with reservations), and thumb down (not recommended). Thus, because thumb ratings are presented, adverse impact ratios were studied.

**Data Collection**

Job candidates assessed through the {{Insert1}} were used in this adverse impact analysis. Candidates from all geographical regions were included in the analysis. The data were collected through the Talent Science system when candidates were asked to self-report their ethnicity, gender, and age. Since it is voluntary for candidates to provide their ethnicity, gender, and age not all candidates elect to self-identify. A sample of (*n* = {{SampleSize}}) candidates from {{fromDate}} to {{toDate}} were evaluated. {% if OnlyIncludeCandidatesWithAllDemographics %} Of the sample, {{DidNotReportAllDemoPercent}} (n = {{DidNotReportAllDemo}}) did not disclose either their gender, ethnicity, or date of birth. {% endif %}

**ETHNICITY ADVERSE IMPACT ANALYSIS**

Table 1 presents the results of the ethnicity-based adverse impact analysis of the Recommended with Reservations and Above system recommendation.{% if RemoveT1Paragraph %} The data showed that the adverse impact ratio {% if hasHispanic %}between Hispanic or Latino / Caucasian was {{Ref5}},{% endif %}{% if hasBlack %} between Black or African American / Caucasian was {{Ref9}},{% endif %}{% if hasPacificIslander %} between Native Hawaiian or Other Pacific Islander / Caucasian was {{Ref9}},{% endif %}{% if hasAsian %} between Asian / Caucasian was {{Ref17}}, {% endif %}{% if hasAmericanIndian %} between American Indian or Alaska Native / Caucasian was {{Ref21}},{% endif %}{% if hasOther %} between Two or More Ethnicities / Caucasian was {{Ref25}},{% endif %} indicating an absence of adverse impact.{% endif %} As a summary statement, the Recommended with Reservations and Above recommendation {{Ref29a}} adverse impact in the study sample.

Table 1: Ethnicity Adverse Impact Analysis of Recommended with Reservations and Above (*n* = {{EthnicityResponse}})

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *n* | Recommended with Reservations and Above | Selection Ratio | Adverse Impact Ratio {% if hasHispanic %} |
| Hispanic or Latino | {{Ref2}} | {{Ref3}} | {{Ref4}} | {{Ref5}}{{RefT1a}} {% endif %}{% if hasBlack %} |
| Black or African American | {{Ref6}} | {{Ref7}} | {{Ref8}} | {{Ref9}}{{RefT1b}} {% endif %}{% if hasPacificIslander %} |
| Native Hawaiian or Other Pacific Islander | {{Ref10}} | {{Ref11}} | {{Ref12 }} | {{Ref13}}{{RefT1c}} {% endif %}{% if hasAsian %} |
| Asian | {{Ref14}} | {{Ref15}} | {{Ref16}} | {{Ref17}}{{RefT1d}} {% endif %}{% if hasAmericanIndian %} |
| American Indian or Alaska Native | {{Ref18}} | {{Ref19}} | {{Ref20}} | {{Ref21}}{{RefT1e}} {% endif %}{% if hasOther %} |
| Two or More Ethnicities | {{Ref22}} | {{Ref23}} | {{Ref24}} | {{Ref25}}{{RefT1f}} {% endif %} |
| Caucasian | {{Ref26}} | {{Ref27}} | {{Ref28}} | ------ |

{{RefT1Text}} {% if OnlyIncludeCandidatesWithAllDemographics %}Of the total sampled (n = {{SampleSize}}), {{EthnicityNoResponsePercent}} (n = {{EthnicityNoResponse}}) did not disclose their ethnicity.

{% endif %}

**GENDER ADVERSE IMPACT ANALYSIS**

Table 2 presents the results of the gender-based adverse impact analysis of the Recommended with Reservations and Above system recommendation. {% if RemoveT4Paragraph %}The data showed that the adverse impact ratio between Women / Men was {{Ref73}}. {% endif %}As a summary statement, the Recommended with Reservations and Above recommendation {{Ref109t4}} adverse impact against female candidates in the study sample.

Table 2: Gender Adverse Impact Analysis of Recommended with Reservations and Above (*n* = {{GenderResponse}})

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *n* | Recommended with Reservations and Above | Selection Ratio | Adverse Impact Ratio |
| Women | {{Ref70}} | {{Ref71}} | {{Ref72}} | {{Ref73}} {{RefT4}} |
| Men | {{Ref74}} | {{Ref75}} | {{Ref76}} | ------ |

{{RefT4Text}} {% if OnlyIncludeCandidatesWithAllDemographics %}Of the total sampled (n = {{SampleSize}}), {{GenderNoResponsePercent}} (n = {{GenderNoResponse}}) did not disclose their gender.

{% endif %}

**AGE ADVERSE IMPACT ANALYSIS**

Table 3 presents the results of the age-based adverse impact analysis of the Recommended with Reservations and Above system recommendation. {% if RemoveT7Paragraph %} The data showed that the adverse impact ratio between 40 Years and Over / Under 40 was {{Ref90}}. {% endif %}As a summary statement, the Recommended with Reservations and Above recommendation {{Ref109t7}} adverse impact against 40 years of age and older candidates in the study sample.

Table 3: Age Adverse Impact Analysis of Recommended with Reservations and Above (*n* = {{AgeResponse}})

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | *n* | Recommended with Reservations and Above | Selection Ratio | Adverse Impact Ratio |
| 40 Years and Over | {{Ref87}} | {{Ref88}} | {{Ref89}} | {{Ref90}} {{RefT7}} |
| Under 40 | {{Ref91}} | {{Ref92}} | {{Ref93}} | ------ |

{{RefT7Text}} {% if OnlyIncludeCandidatesWithAllDemographics %}Of the total sampled (n = {{SampleSize}}), {{AgeNoResponsePercent}} (n = {{AgeNoResponse}}) did not disclose their age.

{% endif %}

**ADVERSE IMPACT ANALYSIS CONCLUSIONS**

As a general summary statement and conclusion, the data and results of the analyses presented here indicate that the selection ratios {{Ref29a}} adverse impact in terms of ethnicity, {{Ref109t4}} adverse impact in terms of gender, and {{Ref109t7}} adverse impact in terms of age. {% if Ref107 %}However, because of low base rates a complete or interpretable analysis of all protected groups was not feasible – specifically the Hispanic or Latino, Native Hawaiian or Other Pacific Islander, Asian, American Indian or Alaska Native, and Two or More Races groups. It is suggested that a similar study be conducted in the future when base rates reach an acceptable mass for these protected groups. {% endif %}

1. The analyses included in this report evaluate subgroup differences across the Talent Science recommendation categories. Since actual hiring decisions have not been obtained from the client it is not feasible to calculate selection ratios or adverse impact ratios, as technically defined. In the event that subgroup differences are found in these analyses, it is important to note that the performance profile has been concurrently validated. [↑](#footnote-ref-1)