

to enumerating test-taker rights and responsibilities, the document also provides guidelines for organizations administering the tests. For example, the standards stipulate that organizations should inform test takers about the purpose of the test. Organizations testing applicants should consult these guidelines to ensure that these rights are provided wherever possible.

LEGAL ISSUES

Staffing laws and regulations, particularly EEO/AA laws and regulations, place great reliance on the use of measurement concepts and processes. Three key topics are determining adverse impact, standardization of measurement, and best practices suggested by the EEOC.

Determining Adverse Impact

In Chapter 2, adverse (disparate) impact was introduced as a way of determining whether staffing practices were having potentially illegal impacts on individuals because of race, sex, and so forth. Such a determination requires the compilation and analysis of statistical evidence, primarily applicant flow and applicant stock statistics.

Applicant Flow Statistics

Applicant flow statistical analysis requires the calculation of selection rates (proportions or percentages of applicants hired) for groups and the subsequent comparison of those rates to determine whether they are significantly different from one another. This may be illustrated by taking the example from Exhibit 2.5:

	Applicants	Hires	Selection Rate
Men	50	25	.50 or 50%
Women	45	5	.11 or 11%

This example shows a sizable difference in selection rates between men and women (.50 as opposed to .11). Does this difference indicate adverse impact? The Uniform Guidelines on Employee Selection Procedures (UGESP) speak directly to this question. Several points need to be made regarding the determination of disparate impact analysis.

First, the UGESP require the organization to keep records that will permit calculation of such selection rates, also referred to as applicant flow statistics. These statistics are the primary vehicle by which compliance with the law (Civil Rights Act) is judged.

Second, the UGESP require calculation of selection rates (1) for each job category, (2) for both external and internal selection decisions, (3) for each step in the