selection process, and (4) by race and sex of applicants. To meet this requirement, the organization must keep detailed records of its staffing activities and decisions. Such record keeping should be built directly into the organization's staffing system routines.

Third, comparisons of selection rates among groups in a job category for purposes of compliance determination should be based on the 80% rule in the UGESP, which states that "a selection rate for any race, sex or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by federal enforcement agencies as evidence of adverse impact."

If this rule is applied to the previous example, the group with the highest selection rate is men (.50). The rate for women should be within 80% of this rate, or .40 ($.50 \times .80 = .40$). Since the actual rate for women is .11, this suggests the occurrence of adverse impact.

Fourth, the 80% rule is truly only a guideline. Note the use of the word "generally" in the rule with regard to differences in selection rates. Also, the 80% rule provides for other exceptions, based on sample size considerations and issues surrounding statistical and practical significance of difference in selection rates. Moreover, there are many other technical measurement and legal issues in determining whether adverse impact is occurring. Examples include deciding exactly who is considered an applicant and whether it is meaningful to pool applicant counts for different minority groups into a "total minority" group. Best-practice recommendations for handling such issues are available.[22]

Applicant Stock Statistics

Applicant stock statistics require the calculation of the percentages of women and minorities in two areas: (1) employed and (2) available for employment in the population. These percentages are compared in order to identify disparities. This is referred to as utilization analysis.

To illustrate, the example from Exhibit 2.5 is shown here:

	Employed	**Availability**
Nonminority	90%	70%
Minority	10%	30%

It can be seen that 10% of employees are minorities, whereas their availability is 30%. A comparison of these two percentages suggests an underutilization of minorities.

Utilization analysis of this sort is an integral part of not only compliance assessment but also affirmative action plans (AAPs). Indeed, utilization analysis is the