## MEMORANDUM

To: Todd Rent, Chief Examiner and the Civil Service Commission
From: Human Resources staff
Re: Passing Score for Parking Enforcement Officer I
Date: October 28, 2015

## INTRODUCTION

Staff requests that the Civil Service Commission set a passing score for Diplomat Customer Service at 57\% for both the video and reading portions of the exam. This test will be used to establish a register which can be used for the Parking Enforcement Officer I position. If approved, this will result in a register consisting of 77 individuals with no adverse impact.

## BACKGROUND

The position of Parking Enforcement Officer I were opened for applications from July 24 to August 28, 2015. A total of 253 applications were received, and 231 applicants were invited to test.

Of the 231 invited to test, 127 applicants (55\%) attended one of the exams offered.

| Exam Attendees |  |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Male | 51 | $40.2 \%$ | Non-Minority | 69 | $54.3 \%$ |  |
| Female | 73 | $57.5 \%$ | Minority | 51 | $40.2 \%$ |  |
| N/A | 3 | $2.4 \%$ | N/A | 7 | $5.5 \%$ |  |
| Total | 127 | $100 \%$ | Total | 127 | $100 \%$ |  |

The exam offered was the Ergometrics Human Relations ${ }^{\text {TM }}$ Video Test, which simulates working in a public sector customer service job. It is recommended for any job where employees interact with the public, including counter work, client assistance and field work. This test covers: customer communication style, handling customer problems, co-worker relations, teamwork, work habits, integrity, initiative, and management relations. Candidates were scored on both the video exam and a basic reading test. This exam battery was written and scored by Ergometrics \& Applied Personnel Research, Inc., and has been professionally validated and have been shown to consistently have lower adverse impact than written tests.

## Parking Enforcement Officerl

|  | Video Exam | Reading Test |
| :--- | :---: | :---: |
| Highest score | 85.88 | 100 |
| Mean score | 63.76 | 76.65 |
| Lowest score | 29.67 | 14.29 |

Based on statistical analyses of applicant demographics, City staff recommends the passing score be established at $57 \%$ for both the video exam and reading test components. This will result in a Civil Service Register of 77 candidates. Adverse and disparate impacts are not found at this proposed passing point. A demographic analysis is as follows:

| 50\% Passing Score |  |  |  |  |  |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Gender | \# | \% of Total | \% of Like <br> Group | Race |  | \% of Total | \% of Like <br> Group |
| Male | 30 | $39.0 \%$ | $58.8 \%$ | Non- <br> Minority | 43 | $55.8 \%$ | $62.3 \%$ |
| Female | 45 | $58.4 \%$ | $61.6 \%$ | Minority | 31 | $40.3 \%$ | $60.8 \%$ |
| N/A | 2 | $2.6 \%$ | $66.7 \%$ | N/A | 3 | $3.9 \%$ | $42.9 \%$ |
| Total | 77 | $100 \%$ |  | Total | 77 | $100 \%$ |  |

## REQUESTED ACTION

Staff requests the Civil Service Commission establish a passing point as discussed above to establish a register for Parking Enforcement Officer I.

Attachment: Disparate impact analysis at 57\%.

Disparate Impact analysis: a program by hr-software.net to analyze employment decisions for a variety of EE...

## Disparate Impact Analysis

Instructions: Please fill out the information into the form below. Once you have entered your data below, you may select the types of analysis to be conducted by checking the appropriate boxes. Then press the compute button at the bottom of the form to view the results.


## 57.0\% Passing Score (Parking Enforcement Officer)

## Adverse-Impact Report

Adverse Impact and the "four-fifths rule." - A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5ths) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact. Uniform Guidelines on Emplovee Selection Procedures

| Rate of Females Applicants <br> Selected | Rate of Males Applicants <br> Selected | Adverse Impact Ratio for <br> Females | Adverse Impact Ratio for Males |
| :--- | :--- | :--- | :--- |
| $(46 / 73)=0.6301$ | $(29 / 51)=0.5686$ | $(0.6301 / 0.5686)=1.11$ | $(0.5686 / 0.6301)=0.9$ |
| Adverse impact as defined by the 4/5ths rule was not found in the above data. |  |  |  |


| Rate of Minorities Applicants <br> Selected | Rate of Non-Minorities <br> Applicants Selected | Adverse Impact Ratio for <br> Minorities | Adverse Impact Ratio for Non- <br> Minorities |
| :--- | :--- | :--- | :--- |
| $(31 / 50)=0.62$ | $(43 / 70)=0.6143$ | $(0.62 / 0.6143)=1.01$ | $(0.6143 / 0.62)=0.99$ |
| Adverse impact as defined by the $4 / 5$ ths rule was not found in the above data. |  |  |  |

## Chi-Square Report

| Observed <br> Expected | Selected | Not Selected | Row Totals |
| :--- | :--- | :--- | :--- |
| Males | 29 | 22 | 51 |
| Females | 30.8468 | 20.1532 | 73 |
| Column Total | 46 | 27 | 28.8468 |
| Ci.1532 | 75 | 49 | 124 |

Chi-Square $=0.4753$
The value of the statistic is less than $\mathbf{3 . 8 4 1}$. This indicates that there is a 95 percent chance that these results have been obtained absent any form of bias. Therefore, you may conclude that these results fall within normal random variations and are not the result of bias.

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| Non-Minorities | 43 |  |  |
| :--- | :--- | :--- | :--- |
| 43.1667 | 27 | 70 |  |
| 26.8333 | 19 | 50 |  |
| Minorities | 31 | 30.8333 | 19.1667 |

Chi-Square $=0.004$
The value of the statistic is less than 3.841 . This indicates that there is a 95 percent chance that these results have been obtained absent any form of bias. Therefore, you may conclude that these results fall within normal random variations and are not the result of bias.

## Standard-Deviation Report

The difference between the proportion of the protected class Selected and the proportion of all Applicants Selected has a normal distribution with a mean and standard deviation. The statistic is shown below:
$(\mathrm{r} / \mathrm{n})-\mathrm{p}$

```
sqrt(p * (1-p) / n) * sqrt(1-q)
```


## Analysis of proportion of Females Selected where:

- $\mathbf{r}=$ number of Females Selected.
- $\mathrm{n}=$ number of Selected (Females and Males).
- p = proportion of Applicants that are Females.
- $q=$ proportion of Applicants Selected.

|  | Selected | Not Selected | Row Totals |
| :--- | :--- | :--- | :--- |
| Males | 29 | 22 | 51 |
| Females | 46 | 27 | 73 |
| Column Total | 75 | 49 | 124 |

$r=46$
$\mathrm{n}=75$
$\mathrm{p}=73 / 124=0.589$
$\mathrm{q}=(46+29) /(73+51)=0.605$

Standard Deviation Statistic $=\mathbf{0 . 6 8 9}$
These results show that the proportion of Females Selected is $\mathbf{0 . 6 8 9}$ standard deviations above the proportion of Applicants Selected. A result of less than 2 standard deviations is generally considered non-significant.

## Analysis of proportion of Minorities Selected where:

- $\mathbf{r}=$ number of Minorities Selected.
- $\mathbf{n}=$ number of Selected (Minorities and Non-Minorities).
- $\mathbf{p}=$ proportion of Applicants that are Minorities.
- $q=$ proportion of Applicants Selected.

|  | Selected | Not Selected | Row Totals |
| :--- | :--- | :--- | ---: |
| Non-Minorities | 43 | 27 | 70 |
| Minorities | 31 | 19 | 50 |
| Column Total | 74 | 46 | 120 |

$\mathrm{r}=31$
$\mathrm{n}=74$
$\mathrm{p}=50 / 120=0.417$
$\mathrm{q}=(31+43) /(50+70)=0.617$
Standard Deviation Statistic $=0.063$
These results show that the proportion of Minorities Selected is $\mathbf{0 . 0 6 3}$ standard deviations above the proportion of Applicants Selected. A result of less than $\mathbf{2}$ standard deviations is generally considered non-significant.

## Confidence Interval Report

The proportion of the protected class Selected has an expected value that would fall within a specified confidence interval.
The statistic is shown below:
Observed value $=(r / n)$
Expected value $=\mathbf{p}$
Standard Deviation $=\operatorname{sqrt}(\mathbf{p} *(1-p) / n) * \operatorname{sqrt}(1-q)$

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Confidence Interval:
Lower Bound =p-1.96 * Std Dev
Upper Bound = p + 1.96 * Std Dev

Analysis of proportion of Females Applicants Selected where:

- $\mathbf{r}=$ number of Females Selected.
- $\mathbf{n}=$ number of Applicants Selected.
- $\mathbf{p}=$ proportion of Females among those Selected.
- $q$ = proportion of Applicants Selected.
$r=46$
$\mathrm{n}=75$
$p=(73 /(73+51))=0.589$
$\mathrm{q}=((\mathbf{4 6}+\mathbf{2 9}) /(\mathbf{7 3}+\mathbf{5 1}))=\mathbf{0 . 6 0 5}$
$(\mathrm{r} / \mathrm{n})=46 / 75=0.6133$
The lower bound of the confidence interval is: $\mathbf{0 . 5 8 9}-(\mathbf{1 . 9 6 *} \mathbf{0 . 0 3 6})=0.5187$
The upper bound of the confidence interval is: $0.589+(1.96 * 0.036)=0.6587$
Confidence Interval $=\mathbf{0 . 5 1 8 7}$ to 0.6587
These results show that the proportion of Females Females $(\mathbf{r} / \mathbf{n}=\mathbf{0 . 6 1 3 3})$ is contained in the confidence interval. Therefore a finding of disparate impact is not supported by this data.


## Analysis of proportion of Minorities Applicants Selected where:

- $\mathbf{r}=$ number of Minorities Selected.
- $\mathbf{n}=$ number of Applicants Selected.
- $\mathbf{p}=$ proportion of Minorities among those Selected.
- $q=$ proportion of Applicants Selected.
$r=31$
$\mathrm{n}=74$
$p=(50 /(50+70))=0.417$
$\mathrm{q}=((31+43) /(50+70))=0.617$
$(\mathbf{r} / \mathbf{n})=\mathbf{3 1} / 74=0.4189$

The lower bound of the confidence interval is: $0.417-\left(1.96^{*} 0.035\right)=0.3471$
The upper bound of the confidence interval is: $0.417+(1.96 * 0.035)=0.4862$
Confidence Interval $=\mathbf{0 . 3 4 7 1}$ to $\mathbf{0 . 4 8 6 2}$
These results show that the proportion of Minorities Minorities ( $\mathbf{r} / \mathbf{n}=\mathbf{0 . 4 1 8 9}$ ) is contained in the confidence interval. Therefore a finding of disparate impact is not supported by this data.

## Probability Distribution Report

| Number Females | Number Males | Rate of Females Applicants | Rate of Males Applicants | ct | Adverse Impact against |  | Cumulative |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Selected | Selected | Selected | Selected | Ratio of Females | Females? | Probability | Probability |
| 24 | 51 | (24/73) | (51/51) | 0.3288 | YES | 0 | 0 |
| 25 | 50 | (25/73) | (50/51) | 0.3493 | YES | 0 | 0 |
| 26 | 49 | (26/73) | (49/51) | 0.3707 | YES | 0 | 0 |
| 27 | 48 | (27/73) | (48/51) | 0.393 | YES | 0 | 0 |
| 28 | 47 | (28/73) | (47/51) | 0.4162 | YES | 0 | 0 |
| 29 | 46 | (29/73) | (46/51) | 0.4404 | YES | 0 | 0 |
| 30 | 45 | (30/73) | (45/51) | 0.4658 | YES | 0 | 0 |
| 31 | 44 | (31/73) | (44/51) | 0.4922 | YES | 0 | 0.000001 |
| 32 | 43 | (32/73) | (43/51) | 0.5199 | YES | 0.000003 | 0.000004 |
| 33 | 42 | (33/73) | (42/51) | 0.5489 | YES | 0.000019 | 0.000023 |
| 34 | 41 | (34/73) | (41/51) | 0.5794 | YES | 0.000095 | 0.000118 |

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| 35 | 40 | (35/73) | (40/51) | 0.6113 | YES | 0.000395 | 0.000513 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 36 | 39 | (36/73) | (39/51) | 0.6449 | YES | 0.001389 | 0.001901 |
| 37 | 38 | (37/73) | (38/51) | 0.6802 | YES | 0.004166 | 0.006068 |
| 38 | 37 | (38/73) | (37/51) | 0.7175 | YES | 0.010713 | 0.016781 |
| 39 | 36 | (39/73) | (36/51) | 0.7568 | YES | 0.023715 | 0.040496 |
| 40 | 35 | (40/73) | (35/51) | 0.7984 | YES | 0.045356 | 0.085852 |
| 41 | 34 | (41/73) | (34/51) | 0.8425 | NO | 0.075159 | 0.161011 |
| 42 | 33 | (42/73) | (33/51) | 0.8892 | NO | 0.108165 | 0.269176 |
| 43 | 32 | (43/73) | (32/51) | 0.9388 | NO | 0.135438 | 0.404614 |
| 44 | 31 | (44/73) | (31/51) | 0.9916 | NO | 0.147751 | 0.552365 |
| 45 | 30 | (45/73) | (30/51) | 1.0479 | NO | 0.140559 | 0.692924 |
| Selected-> 46 | 29 | (46/73) | (29/51) | 1.1082 | NO | 0.116669 | 0.809593 |
| 47 | 28 | (47/73) | (28/51) | 1.1727 | NO | 0.084507 | 0.8941 |
| 48 | 27 | (48/73) | (27/51) | 1.242 | NO | 0.053404 | 0.947504 |
| 49 | 26 | (49/73) | (26/51) | 1.3166 | NO | 0.029427 | 0.976931 |
| 50 | 25 | (50/73) | (25/51) | 1.3973 | NO | 0.014125 | 0.991055 |
| 51 | 24 | (51/73) | (24/51) | 1.4846 | NO | 0.005898 | 0.996953 |
| 52 | 23 | (52/73) | (23/51) | 1.5795 | NO | 0.002139 | 0.999092 |
| 53 | 22 | (53/73) | (22/51) | 1.6831 | NO | 0.000672 | 0.999764 |
| 54 | 21 | (54/73) | (21/51) | 1.7965 | NO | 0.000183 | 0.999947 |
| 55 | 20 | (55/73) | (20/51) | 1.9212 | NO | 0.000043 | 0.99999 |
| 56 | 19 | (56/73) | (19/51) | 2.0591 | NO | 0.000009 | 0.999998 |
| 57 | 18 | (57/73) | (18/51) | 2.2123 | NO | 0.000001 | 1 |
| 58 | 17 | (58/73) | (17/51) | 2.3836 | NO | 0 | 1 |
| 59 | 16 | (59/73) | (16/51) | 2.5762 | NO | 0 | 1 |
| 60 | 15 | (60/73) | (15/51) | 2.7945 | NO | 0 | 1 |
| 61 | 14 | (61/73) | (14/51) | 3.044 | NO | 0 | 1 |
| 62 | 13 | (62/73) | (13/51) | 3.3319 | NO | 0 | 1 |
| 63 | 12 | (63/73) | (12/51) | 3.6678 | NO | 0 | 1 |
| 64 | 11 | (64/73) | (11/51) | 4.0648 | NO | 0 | 1 |
| 65 | 10 | (65/73) | (10/51) | 4.5411 | NO | 0 | 1 |
| 66 | 9 | (66/73) | (9/51) | 5.1233 | NO | 0 | 1 |
| 67 | 8 | (67/73) | (8/51) | 5.851 | NO | 0 | 1 |
| 68 | 7 | (68/73) | (7/51) | 6.7867 | NO | 0 | 1 |
| 69 | 6 | (69/73) | (6/51) | 8.0342 | NO | 0 | 1 |
| 70 | 5 | (70/73) | (5/51) | 9.7808 | NO | 0 | 1 |
| 71 | 4 | (71/73) | (4/51) | 12.4007 | NO | 0 | 1 |
| 72 | 3 | (72/73) | (3/51) | 16.7671 | NO | 0 | 1 |
| 73 | 2 | (73/73) | (2/51) | 25.5 | NO | 0 | 1 |

Given that 75 were Selected from a pool of 51 Males and 73 Females it was possible to have Selected from 24 to 73 Females.
Adverse Impact would be found if you Selected 40 or fewer Females.
The probability of Adverse Impact occurring even if the employment decisions were random (i.e. unbiased) is 0.0859 (the sum of the probabilities of having Selected 40 or fewer Females).

Since the probability of Adverse Impact occurring even if the selection was random (i.e. unbiased) is less than $10 \%$, an observed Adverse Impact may be significant since there is a low probability that Adverse Impact would have occurred by chance.

## Probability Distribution of the variable: Number of Females Selected.



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3334353637383940414243444546474849505152535455
Number of female Applicants Selected
The probability distribution of having Selected from 24 to 73 Females is displayed above. The graph above is shown starting with 33 since the probabilities below this point are near zero. As can be seen, the most likely event (highest probability) to have occurred by chance (or decisions not affected by any form of bias) is to have Selected 44 female Applicants. This represents the mean of the probability distribution. Approximately half of the probability distribution is above this point and approximately half is below this point. The total area contained in the probability distribution is equal to 1 . Thus, probabilities for each number of female Applicants Selected are a fraction of the total probability distribution. The larger areas of the distribution represent higher probabilities of occurance. Adding the individual probabilities up to a certain point enable you to compute the probability of having Selected that many or fewer female Applicants. Adding the individual probabilities from a certain point and higher enable you to compute the probability of having Selected that many or more female Applicants.

The characteristics of the probability distribution--its mean and standard deviation--are a function of the number of female and male Applicants and the number of Applicants to be Selected. Though it is possible to have Selected from 24 to 73 female Applicants, the individual probabilities of having Selected each number of female Applicants can be computed and accumulated. As noted before, these individual probabilities are a function of the number of female and male Applicants and the number of Applicants to be Selected.

Using the distribution above, a 90 percent confidence interval on the variable 'Number of Females Selected' would have a lower bound of 40 and an upper bound of 49 .

The significance of having Selected 46 or fewer Females is graphically displayed below.


As noted earlier, Adverse Impact, according to the $4 / 5$ ths rule, would be found if you Selected 40 or fewer female Applicants.
You have Selected 46 female Applicants. The probability of having Selected 46 or fewer Females is equal to the cumulative probability for having Selected 46 Females Applicants. The cumulative probability of having Selected 46 female Applicants is 0.8096 and is graphically displayed, in red, above.

Since the probability is greater than $10 \%$, we are unable to reject the hypothesis that the decisions occurred due to chance. Therefore, we must conclude that it is entirely possible that having Selected 46 or fewer female Applicants is an event that occurred due to chance and not from discriminatory actions by the employer.

| Number | Number Non- | Rate of <br> Minorities | Rate of Non- | Minorities | Adverse Impact | Adverse Impact |  |
| ---: | ---: | ---: | ---: | ---: | ---: | :--- | :--- |
| Minorities | Minorities | Applicants | Applicants | Ratio of | against |  | Cumulative |
| Selected | Selected | Selected | Selected | Minorities | Minorities ? | Probability | Probability |
| 4 | 70 | $(4 / 50)$ | $(70 / 70)$ | 0.08 | YES | 0 | 0 |
| 5 | 69 | $(5 / 50)$ | $(69 / 70)$ | 0.1014 | YES | 0 | 0 |
| 6 | 68 | $(6 / 50)$ | $(68 / 70)$ | 0.1235 | YES | 0 | 0 |
| 7 | 67 | $(7 / 50)$ | $(67 / 70)$ | 0.1463 | YES | 0 | 0 |
| 8 | 66 | $(8 / 50)$ | $(66 / 70)$ | 0.1697 | YES | 0 | 0 |
| 9 | 65 | $(9 / 50)$ | $(65 / 70)$ | 0.1938 | YES | 0 | 0 |

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| 10 | 64 | (10/50) | (64/70) | 0.2188 | YES | 0 | 0 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 11 | 63 | (11/50) | (63/70) | 0.2444 | YES | 0 | 0 |
| 12 | 62 | (12/50) | (62/70) | 0.271 | YES | 0 | 0 |
| 13 | 61 | (13/50) | (61/70) | 0.2984 | YES | 0 | 0 |
| 14 | 60 | (14/50) | (60/70) | 0.3267 | YES | 0 | 0 |
| 15 | 59 | (15/50) | (59/70) | 0.3559 | YES | 0 | 0 |
| 16 | 58 | (16/50) | (58/70) | 0.3862 | YES | 0 | 0 |
| 17 | 57 | (17/50) | (57/70) | 0.4175 | YES | 0 | 0 |
| 18 | 56 | (18/50) | (56/70) | 0.45 | YES | 0.000001 | 0.000001 |
| 19 | 55 | (19/50) | (55/70) | 0.4836 | YES | 0.000006 | 0.000007 |
| 20 | 54 | (20/50) | (54/70) | 0.5185 | YES | 0.000032 | 0.000039 |
| 21 | 53 | (21/50) | (53/70) | 0.5547 | YES | 0.000144 | 0.000183 |
| 22 | 52 | (22/50) | (52/70) | 0.5923 | YES | 0.00056 | 0.000743 |
| 23 | 51 | (23/50) | (51/70) | 0.6314 | YES | 0.001866 | 0.00261 |
| 24 | 50 | (24/50) | (50/70) | 0.672 | YES | 0.005354 | 0.007964 |
| 25 | 49 | (25/50) | (49/70) | 0.7143 | YES | 0.013258 | 0.021221 |
| 26 | 48 | (26/50) | (48/70) | 0.7583 | YES | 0.028393 | 0.049614 |
| 27 | 47 | (27/50) | (47/70) | 0.8043 | NO | 0.05267 | 0.102284 |
| 28 | 46 | (28/50) | (46/70) | 0.8522 | NO | 0.084727 | 0.187012 |
| 29 | 45 | (29/50) | (45/70) | 0.9022 | NO | 0.118268 | 0.305279 |
| 30 | 44 | (30/50) | (44/70) | 0.9545 | NO | 0.143286 | 0.448565 |
| Selected-> 31 | 43 | (31/50) | (43/70) | 1.0093 | NO | 0.150647 | 0.599212 |
| 32 | 42 | (32/50) | (42/70) | 1.0667 | NO | 0.137364 | 0.736577 |
| 33 | 41 | (33/50) | (41/70) | 1.1268 | NO | 0.108514 | 0.84509 |
| 34 | 40 | (34/50) | (40/70) | 1.19 | NO | 0.074151 | 0.919241 |
| 35 | 39 | (35/50) | (39/70) | 1.2564 | NO | 0.043739 | 0.96298 |
| 36 | 38 | (36/50) | (38/70) | 1.3263 | NO | 0.022211 | 0.985191 |
| 37 | 37 | (37/50) | (37/70) | 1.4 | NO | 0.009678 | 0.994869 |
| 38 | 36 | (38/50) | (36/70) | 1.4778 | NO | 0.003603 | 0.998472 |
| 39 | 35 | (39/50) | (35/70) | 1.56 | NO | 0.00114 | 0.999612 |
| 40 | 34 | (40/50) | (34/70) | 1.6471 | NO | 0.000305 | 0.999917 |
| 41 | 33 | (41/50) | (33/70) | 1.7394 | NO | 0.000068 | 0.999985 |
| 42 | 32 | (42/50) | (32/70) | 1.8375 | NO | 0.000013 | 0.999998 |
| 43 | 31 | (43/50) | (31/70) | 1.9419 | NO | 0.000002 | 1 |
| 44 | 30 | (44/50) | (30/70) | 2.0533 | NO | 0 | 1 |
| 45 | 29 | (45/50) | (29/70) | 2.1724 | NO | 0 | 1 |
| 46 | 28 | (46/50) | (28/70) | 2.3 | NO | 0 | 1 |
| 47 | 27 | (47/50) | (27/70) | 2.437 | NO | 0 | 1 |
| 48 | 26 | (48/50) | (26/70) | 2.5846 | NO | 0 | 1 |
| 49 | 25 | (49/50) | (25/70) | 2.744 | NO | 0 | 1 |
| 50 | 24 | (50/50) | (24/70) | 2.9167 | NO | 0 | 1 |

Given that 74 were Selected from a pool of 70 Non-Minorities and 50 Minorities it was possible to have Selected from 4 to 50 Minorities.
Adverse Impact would be found if you Selected 26 or fewer Minorities.
The probability of Adverse Impact occurring even if the employment decisions were random (i.e. unbiased) is 0.0496 (the sum of the probabilities of having Selected 26 or fewer Minorities).

Since the probability of Adverse Impact occurring even if the selection was random (i.e. unbiased) is less than $10 \%$, an observed Adverse Impact may be significant since there is a low probability that Adverse Impact would have occurred by chance.

Probability Distribution of the variable: Number of Minorities Selected.


Disparate Impact analysis: a program by hr-software.net to analyze employment decisions for a variety of EE...


2021222324252627282930313233343536373839404142
Number of minority Applicants Selected
The probability distribution of having Selected from 4 to 50 Minorities is displayed above. The graph above is shown starting with 20 since the probabilities below this point are near zero. As can be seen, the most likely event (highest probability) to have occurred by chance (or decisions not affected by any form of bias) is to have Selected 31 minority Applicants. This represents the mean of the probability distribution. Approximately half of the probability distribution is above this point and approximately half is below this point. The total area contained in the probability distribution is equal to 1 . Thus, probabilities for each number of minority Applicants Selected are a fraction of the total probability distribution. The larger areas of the distribution represent higher probabilities of occurance. Adding the individual probabilities up to a certain point enable you to compute the probability of having Selected that many or fewer minority Applicants. Adding the individual probabilities from a certain point and higher enable you to compute the probability of having Selected that many or more minority Applicants.

The characteristics of the probability distribution--its mean and standard deviation--are a function of the number of minority and nonminority Applicants and the number of Applicants to be Selected. Though it is possible to have Selected from 4 to 50 minority Applicants, the individual probabilities of having Selected each number of minority Applicants can be computed and accumulated. As noted before, these individual probabilities are a function of the number of minority and non-minority Applicants and the number of Applicants to be Selected.

Using the distribution above, a 90 percent confidence interval on the variable 'Number of Minorities Selected' would have a lower bound of 27 and an upper bound of 35 .

The significance of having Selected 31 or fewer Minorities is graphically displayed below.


## 2021222324252627282930313233343536373839404142

Number of minority Applicants Selected
As noted earlier, Adverse Impact, according to the $4 / 5$ ths rule, would be found if you Selected 26 or fewer minority Applicants.
You have Selected 31 minority Applicants. The probability of having Selected 31 or fewer Minorities is equal to the cumulative probability for having Selected 31 Minorities Applicants. The cumulative probability of having Selected 31 minority Applicants is 0.5992 and is graphically displayed, in red, above.

Since the probability is greater than $10 \%$, we are unable to reject the hypothesis that the decisions occurred due to chance. Therefore, we must conclude that it is entirely possible that having Selected 31 or fewer minority Applicants is an event that occurred due to chance and not from discriminatory actions by the employer.

[^0]Send questions or comments to webmaster@hr-guide.com. Thank you.


[^0]:    View Source Code

