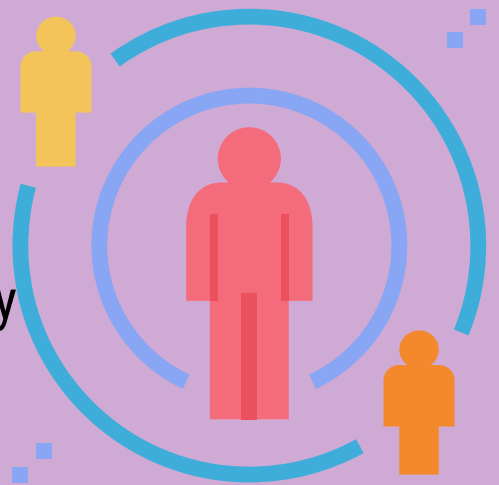


# A Short Guide to Adverse Impact

## What is Adverse Impact?

Adverse impact is the effect that occurs when an employer's seemingly neutral practices have a disproportionately negative effect on members of a protected group (e.g. race, ethnicity, sex).



Federal Contractors are required to assess personnel activity to determine whether there are selection disparities as a part of their Affirmative Action program. Personnel activity typically includes:

- ✓ **Hires and selections**
- ✓ **Applicant flow**
- ✓ **Promotions**
- ✓ **Terminations**

It is important to note that, just because an indicator exists, it does not necessarily mean discrimination occurred. As a federal contractor, however, when indicators arise, you have an obligation to research each step in the process to ensure that no discrimination or discriminatory practices have occurred.

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## How to Start Researching Personnel Disparities

To thoroughly research indicators is a lengthy process, much too long to explain in this short guide, so let's look at a few basic things you can do to begin your research.



In this infographic, we will take a look at where to begin if OFCCP starts impact at the Job Group Level, a very high level.

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# Hires vs. Applicants



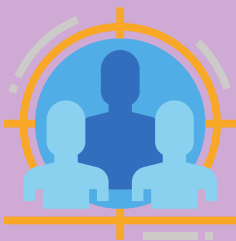
## Make sure your data is clean and accurate

- ✓ Look for duplicate applicants within a requisition
- ✓ Look for requisitions in your data with no hire and remove them
- ✓ Look for missing race/gender for hires (hires only)
- ✓ Make sure titles are assigned to the appropriate job group



## Review disposition codes to ensure that they are accurate

- ✓ Check for the use of mass-coding
- ✓ Determine if a data management technique (DMT) was used and document how it was used for each requisition
- ✓ Check that disposition codes are counted in accordance with the Internet Applicant Rule; ensure you know which codes qualify individual as “applicants” and which codes are “not applicants”



## See if you can narrow your focus – a job group may contain many titles and requisitions



## Pull and thoroughly review each job posting/listing checking for objective qualifications and barriers to employment

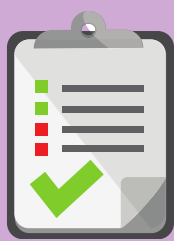


## Remember any data change/correction could mean a decrease OR increase in the indicator, but most importantly, you want accurate codes that are defensible

Now that we've taken a look at hires vs. applicants data, let's take a look at promotions and terminations.

# Promotions

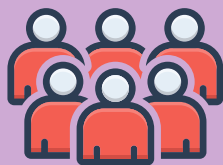
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**Review the promotion log to ensure that all actions are truly considered promotions**



**Ensure that you can identify every promotion as either a progressive step or a competitive promotion**



**If there are competitive promotions, make sure you can identify the applicant pool**



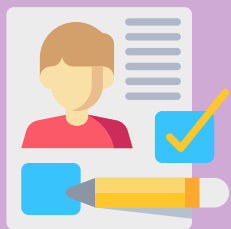
**Consider re-analyzing the promotions in two groups; competitive and then non-competitive**

# Terminations

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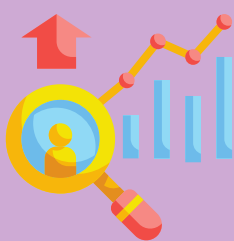
**Identify voluntary and involuntary terminations and consider analyzing them separately**



**Ensure you have appropriate documentation for every termination**



**If there were reductions or layoffs, ensure you have proper documentation and consider doing a separate analysis just for those groups**



**Look for trends; for example, is there a specific protected group leaving in one particular area?**

Now that the easy part is done, you can begin the deep dive research!

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