



## **Basic/Minimum Qualifications: Development, Validation, Utilization, and Adverse Impact in Personnel Selection Systems**

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How do Minimum Qualifications Impact Adverse Impact?

## Background

- OFCCP Internet Applicant rule:
  - Basic Qualifications (BQs) of job must be met
  - Smaller pre-screened applicant group need be considered for selection
  - Reduces employer burden for EEO demographic reporting
- Common assumption is that use of BQs increase quality of applicant pool and workforce
- Does use of BQs decrease Adverse Impact (AI)?

## This Study

- Comparison of assessment scores and adverse impact for “applicants” who met BQs vs. larger pool of job seekers
- Large entry-level samples from two F500 companies
  - Retail Service Representatives (N>122,000 job seekers)
  - Bank Tellers (N>51,000 job seekers)
- Both companies require High School education or equivalent as a BQ
- *However*, this BQ is not enforced in the selection process
- Allowed for direct examination of assessment results and Adverse Impact at later stages of the selection process

# Sample

Sample		All Job Seekers	Met BQ	Did not meet BQ
Retail Service Reps	Total	122,109*	119,001 (97.5%)	3,108 (2.5%)
	White	57,188	55,969	1,219
	Black	39,221	38,255	966
	Hispanic	21,114	20,291	823
	Asian	4,586	4,486	100
	Male	61,926	60,500	1,426
	Female	60,636	58,934	1,702
	Bank Tellers	Total	51,340*	49,678 (96.8%)
White		21,525	20,821	704
Black		15,109	14,731	378
Hispanic		9,968	9,501	467
Asian		4,738	4,625	113
Male		13,685	13,272	413
Female		39,043	37,763	1,280

*\* Based on Ethnicity group totals. Represents job seekers who completed pre-screen and subsequent testing stage of selection process Q1 - Q4 2006.*

# Assessments Used

- Retail Sales Representatives
  - *Overall Battery Score\**
  - Learning Potential
  - Customer Focus
  - Drive and Initiative
  - Sales Potential
  - Self Confidence and Autonomy
  
- Bank Tellers
  - *Overall Battery Score\**
  - Learning Potential
  - Customer Focus
  - Dependability

\* *Unit-weighted composite*

## Adverse Impact – Education BQ

> Retail Sales

Group	% Pass	AI Ratio
White	97.9%	--
Black	97.5%	1.00
Hispanic	96.1%	.98
Asian	97.8%	1.00
Male	97.7%	--
Female	97.2%	.99

> Bank Tellers

Group	% Pass	AI Ratio
White	96.7%	--
Black	97.5%	1.01
Hispanic	95.3%	.99
Asian	97.6%	1.01
Male	97.0%	--
Female	96.7%	1.00

## Assessment Results – BQ Met vs. Not Met

➤ Retail Sales\*

Component	<i>d</i>	BQ met % pass	BQ not met % pass
<i>Overall Score</i>	.64	66.8%	41.3%
Learning Potential	.66	68.4%	42.9%
Customer Focus	.47	89.1%	76.7%
Drive & Initiative	.32	58.0%	44.6%
Sales Potential	.62	62.4%	38.3%
Self Confidence & Autonomy	.30	61.3%	48.2%

➤ Bank Tellers\*

Component	<i>d</i>	BQ met % pass	BQ not met % pass
<i>Overall Score</i>	.58	86.5%	70.0%
Learning Potential	.68	90.5%	73.0%
Customer Focus	.26	77.8%	69.5%
Dependability	.19	81.4%	75.6%

\* All differences  $p < .01$

# Adverse Impact – Total Sample vs. BQ Met

## ➤ Retail Sales – Test Battery Overall

Group	% Pass Total	AI Ratio	% Pass BQ Met	AI Ratio
White	69.3%	--	69.8%	--
Black	62.6%	.90	63.2%	.91
Hispanic	63.9%	.92	64.9%	.93
Asian	66.5%	.96	67.1%	.96
Male	72.3%	--	72.9%	--
Female	59.8%	.83	60.5%	.83



# Adverse Impact – Total Sample vs. BQ Met

## ➤ Retail Sales – Learning Potential

Group	% Pass Total	AI Ratio	% Pass BQ Met	AI Ratio
White	70.2%	--	70.8%	--
Black	65.0%	.93	65.6%	.93
Hispanic	64.8%	.92	65.8%	.93
Asian	74.4%	1.06	74.4%	1.06
Male	72.8%	--	73.4%	--
Female	62.5%	.86	63.3%	.86

# Adverse Impact – Total Sample vs. BQ Met

## ➤ Bank Tellers – Test Battery Overall

Group	% Pass Total	AI Ratio	% Pass BQ Met	AI Ratio
White	89.8%	--	90.1%	--
Black	83.3%	.93	83.7%	.93
Hispanic	81.2%	.90	82.2%	.91
Asian	87.3%	.97	87.6%	.97
Male	84.3%	--	84.9%	--
Female	86.5%	1.03	87.0%	1.03

# Adverse Impact – Total Sample vs. BQ Met

## ➤ Bank Tellers – Learning Potential

Group	% Pass Total	AI Ratio	% Pass BQ Met	AI Ratio
White	91.3%	--	91.8%	--
Black	89.4%	.98	89.8%	.98
Hispanic	85.6%	.94	86.6%	.94
Asian	94.0%	1.03	94.3%	1.03
Male	93.0%	--	93.4%	--
Female	88.8%	.95	89.4%	.96

# Conclusions

- Value of education BQ supported
  - Small % screened out, but overall numbers still large
  - No evidence of Adverse Impact for the BQ itself
  - Substantial differences in test results – indicative of BQ validity
  - Future – examine BQ relationship to hire rates, job performance
  - Recommend automating “knockout” functionality of BQ screen
- Small effect on Adverse Impact overall
  - Slight improvement in AI ratio for some protected subgroups
  - May require additional valid BQs and larger % of unqualified job seekers to have a greater effect on AI (i.e., to converge on a more “similarly minimally qualified” applicant pool)