1. Introduction

We have long recognized that employment discrimination can be so pervasive as to be best described as systemic. When this is the case, all or nearly all workplaces display some biased behavior. Complaint driven approaches to employment discrimination may be insensitive to systemic bias, both because comparisons to other workplaces may be comparing high disparity establishments to high disparity establishments, and because employees in such environments may have such low expectations for fairness in employment practices that they fail to report discrimination.

The EEOC has recognized this disconnect and has for a number of years had the targeting of systemic bias on its agenda. This report provides an analytic approach to identify industries that display evidence of systemic disparities in their employment practices. The approach is easily extended to the ranking of firms or local labor markets.

Legal proceedings against firms accused of discrimination or industries with high levels of systemic disparity target bad behavior. It is also possible with the analytics developed in this report to identify and target industries with particularly low disparities for praise and as role models for firms in other industries.

Thus, we see this report as providing a preliminary model for future equal employment opportunity regulation: identifying industries with high systemic disparities as well as singling out leaders for acclaim.

The basic strategy in this report is to grade industries on a series of equal opportunity dimensions and then provide report card-like grades on employment equity across the four dimensions of total employment, managerial representation, occupational segregation, and pay gaps as well as an overall grade across the four dimensions. We do this by first computing disparity measures using multiple indicators for each dimension and then summing those scores across dimensions to form an overall grade. We follow classical measurement theory in using multiple indicators over multiple dimensions to reduce error in estimation.