

Beat your hidden hiring biases

Start building a better, more diverse workforce
with data-driven hiring

Diversity: from good thing to must-have

The US population is changing. And it's in every employer's interests to ensure their own workforce reflects that change.

Not just because a more diverse workforce will help you connect more effectively with your increasingly diverse customers, students or patients, but also because there's strong evidence to suggest organizations with greater diversity financially outperform their peers.

Achieving that diversity – and realizing its benefits – means reaching the widest possible range of candidates.

It also means assessing them for their ability to do the job they're applying for. And that alone.



The hidden hiring biases that damage workplace diversity

Two kinds of hidden bias stop employers from achieving their diversity goals.

There are the human biases that everyone carries. The ones shaped by the circumstances of our birth and upbringing that research has shown, time and time again, affect the neutrality of our decisions, whether we realize it or not.

Then there are the procedural biases. Your sourcing, selection, interviewing and recruitment processes can, by their nature, discourage or exclude certain candidates – often without you even knowing it.

Removing these biases means examining your current hiring practices objectively. It means digging up data, analyzing it, and making decisions based on it.

Simply put, it means taking a data-driven approach to hiring.

Over the next few pages, we'll explain:

- Why diversity matters more than ever
- Where hidden bias in the hiring process can derail diversity
- How to remove hidden bias, with data-driven hiring

Why diversity matters more than ever



At the time of writing, US Census data shows that the majority population in the US is made up of non-Hispanic white people. But that's not going to be true for long.

By 2044, today's minority racial populations are expected to account for 50.3% of the US population.¹

And it's not just our racial mix that's evolving. It's our life expectancies, and the kinds of health support we need. It's ideas around age, gender equality, and gender itself.

To succeed, every organization will increasingly need to reflect these changes. But before we explain why, here's a little more about the state of workforce diversity today.

¹ <https://www.census.gov/newsroom/press-releases/2015/cb15-tps16.html>

Diversity today

In 2015, white people accounted for 78% of the US labor force,² and 76.9% of the population.³

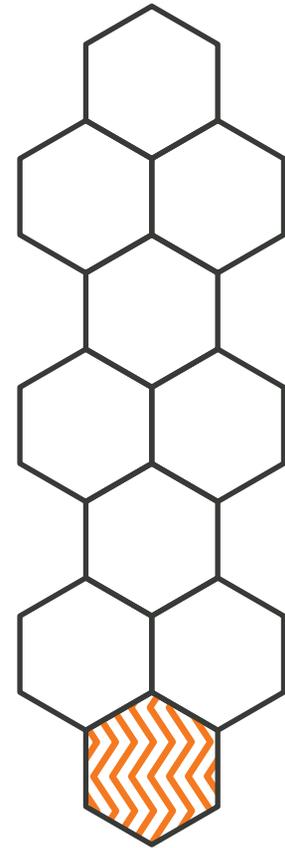
Look beyond the big picture, and there's even greater disparity by profession. There are 33 occupations – from steel workers to CEOs, architects and aircraft pilots – where minorities hold only one out of every ten jobs.⁴

It's not just on race that the US workforce is failing to reflect our population, it's gender too.

Tech is one industry where gender diversity is a perennially hot topic – not least because many of its major players have chosen to be open about the race and gender composition of their teams.

Less than one in four people in leadership positions in Facebook, Google, Microsoft, Twitter and Yahoo were women. The figure drops to less than one in five when you look at more technical positions.⁵

And research notes that the US population will continue to become more diverse. By 2055, the US is projected to no longer have a single racial or ethnic majority.⁶



² <https://www.bls.gov/opub/reports/race-and-ethnicity/2016/home.htm>

³ <http://www.census.gov/quickfacts/table/PST045215/00>

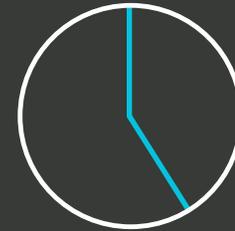
⁴ <http://www.theatlantic.com/business/archive/2013/11/the-33-whitest-jobs-in-america/281180/>

⁵ <https://www.cnbc.com/2017/05/22/women-take-up-just-9-percent-of-senior-it-leadership-roles-survey-finds.html>

⁶ <http://www.pewresearch.org/fact-tank/2016/03/31/10-demographic-trends-that-are-shaping-the-u-s-and-the-world/>

The case for embracing diversity

It's clear there's a way to go before our workforce truly reflects our population. But it's a journey that is in all our interests to make. [Here are four great reasons why.](#)



1. When your organization mirrors the people it serves, it's easier to serve them effectively

According to a survey of over 600 organizations, “Increasing the ability to serve customers” is the number one reason employers are embracing diversity.⁷

Strengthening the connection between your staff and the people they serve is especially important in healthcare, where effective two-way communications are critical to administering proper care and where interactions are, by their nature, even more likely to be shaped by personal values and beliefs.

Dr Patricia Prelock, Dean of the College of Nursing and Health Sciences, University of Vermont, explains the impact:

“The patients we’re serving now will look very different from the patients we’re going to be serving in 20 years [...] If we don’t have the cultural context of the people we’re serving, we’re not going to be effective as health care professionals. It’s not just in medicine; it’s in nursing, speech pathology, physical therapy, radiation therapy – all the health professions.”⁸



⁷ http://img.en25.com/Web/XpertHRUS/%7B9d9d2f58-200a-4f5b-b1f6-da8380ed5d6c%7D_FC0119_XHR_201602_DiversityReport_Infographic.pdf

⁸ <https://learn.uvm.edu/blog-health/cultural-diversity-in-healthcare>

2. You need to be able to attract, and keep, the best talent. And that talent's going to be diverse

By 2018, students from racial minorities will account for the majority of the nation's public high-school graduates.⁹

Organizations that can demonstrate and foster diversity are likely to have a serious advantage in attracting those graduates, and harnessing the best minds of the next generation.

And it's not just the racial demographic of graduates that's shifting. For example, Harvard is taking steps to increase its proportion of

female Computer Science graduates and meet growing demand for women staff from exactly the kind of major tech companies mentioned earlier.¹⁰

As our population lives longer, companies are also waking up to the potential benefits of battling age discrimination, and employing older, more experienced workers. A decade ago less than one-tenth of Americans aged 65 or over were employed. As of last year, this has risen to nearly one-fifth.¹¹

Here's the bottom line: organizations which intentionally or, more likely, unintentionally fail to engage with diverse job candidates increasingly risk missing out on the very best workers around.

⁹ <http://www.insidehighered.com/news/2013/01/11/wiche-report-highlights-decline-high-school-graduates-and-growing-diversity>

¹⁰ <http://www.thecrimson.com/article/2016/2/22/computer-science-department-gender-gap/>

¹¹ <http://www.bloomberg.com/news/articles/2016-03-09/where-retirement-isn-t-job-one>

3. Organizations with more diverse workforces perform better financially

There's already evidence to suggest having a more diverse workforce can deliver serious business benefits.

According to a McKinsey study, companies that rank in the top quartile for gender diversity are 15% more likely to financially outperform those that rank in the bottom quartile.

What's more, when you look at racial diversity, that figure soars to 35%.¹²

The analyst's conclusion?

“Given the higher returns that diversity is expected to bring, we believe it is better to invest now, since winners will pull further ahead and laggards will fall further behind.”



¹² <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

4. The penalties for discrimination are real, and costly



The financial and reputational cost of not addressing diversity in your workplace can be huge.

Consider the reach of the #OscarsSoWhite Twitter and social media hashtag – could something similar trend for your brand? Or, more recently, the media firestorm that has erupted regarding the advertising industry, where alleged inappropriate behavior has led to the firings of several CEOs.¹³

And then there are the legal penalties. Last year, the US Equal Employment Opportunity Commission (EEOC) secured more than \$484 million for victims of workplace discrimination.

The EEOC also won one of the first lawsuits to protect transgender workers, affirming that discrimination based on sexual orientation is prohibited by existing laws.¹⁴

Recent EEOC lawsuits have seen companies forced to pay out:

\$180,000
for setting unlawful qualification standards, and effectively screening out job candidates with disabilities.¹⁵

\$4 million
for race discrimination in the workplace.¹⁶

It's illegal to discriminate against job applicants on grounds of:

Race
Color
Religion
National origin
Age (40 and over)
Sex
Pregnancy
Citizenship
Familial status
Disability status
Veteran status
Genetic information

¹³ <http://www.wsj.com/articles/madison-avenue-grapples-with-a-lack-of-diversity-1457914997>

¹⁴ <https://www.eeoc.gov/eeoc/plan/2017par.cfm>

¹⁵ <http://www.eeoc.gov/eeoc/newsroom/release/1-26-16.cfm>

¹⁶ <http://www.eeoc.gov/eeoc/newsroom/release/12-22-15.cfm>

Where hidden bias can derail diversity



If labor market forces, the promise of competitive advantage, and the threat of legal action are all driving organizations towards increased diversity, what's holding them back?

In many cases, the answer is hidden hiring bias – the kind that even the most inclusive organizations can harbor without their knowledge.

These biases come in two distinct forms: human bias and process bias.

Human bias



“Most of us believe that we are ethical and unbiased. [...] But more than two decades of research confirms that, in reality, most of us fall woefully short of our inflated self-perception.”¹⁷

Banaji, Bazerman and Chugh

This quote comes from a Harvard Business Review article published in 2003. Since then, the evidence supporting our unconscious bias in hiring has continued to stack up.

There’s the famous University of Chicago and M.I.T. study of the same year, to measure racial discrimination in the labor market. In it, researchers replied to ‘Help Wanted’ ads in Boston and Chicago newspapers with fictitious resumes, assigning each either a ‘White sounding’ or ‘African American’ sounding name. The ‘White sounding’ names received 50% more call backs.

In 2015, researchers used a similar methodology to test bias around candidate disability. The fictional applicants with disabilities received 26% fewer expressions of employer interest than those without disabilities.¹⁸

Academics at Yale have also shown that science researchers will rate male candidates as more qualified for the position of lab manager than female candidates, even when the qualifications presented to them are exactly the same.¹⁹

Human bias comes in a variety of forms. When it comes to hiring, perhaps the most crucial are:

- **Implicit bias** – judging people according to unconscious stereotypes
- **In-group bias** – favoring people in your own circles

When the latter is company policy, it becomes a different kind of bias...

¹⁷ <https://hbr.org/2003/12/how-unethical-are-you/ar/1>

¹⁸ <http://www.nber.org/papers/w21560>

¹⁹ <http://www.pnas.org/content/109/41/16474.full>

Process biases

It's not just humans that carry hidden bias. It's the processes we create. The methods organizations use to source, screen and hire employees can lead them to rule out some of the best candidates at every stage. Often without even noticing.

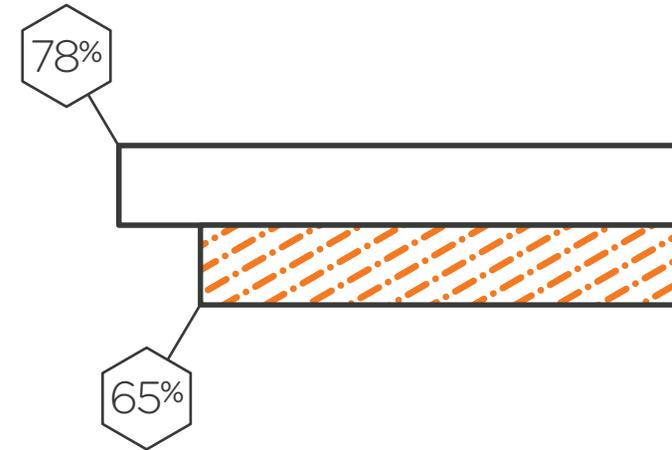
Sourcing bias

It's natural to have favored channels for posting job vacancies, and for actively sourcing candidates – channels you use because they've worked well in the past. But if, for example, you rely exclusively on the same social networks, or on your same connections, you risk ruling out the best, most diverse talent, simply by not reaching it.

Application bias

A lot of jobs require good written English and good computer skills. But a lot of them don't. If you have the same online application form to complete for all your vacancies, you can miss out on candidates just because they lack the language or IT skills – or easy internet access – to jump through this hoop you've set.

For example, a study by the Pew Research Center found 78% of white Americans have some sort of home broadband connection, versus just 65% of African Americans. Regardless of race we're almost all on an equal footing when it comes to cellphone usage. The vast majority of Americans – 95% – now own a cellphone of some kind and the share of Americans that own smartphones is now 77%.²⁰



²⁰ <http://www.pewinternet.org/fact-sheet/internet-broadband/>

**Qualification bias**

The most qualified candidate isn't always the most capable of doing the job.

Prizing schooling – or even the prestige of previous employers – limits the diversity of your hires to the diversity of those institutions or organizations.

Reference bias

Traditional, unstructured recommendation letters and references are a hassle to source, and often say very little about a candidate's power to perform in the role you're looking to fill. What's worse, they've been shown to exhibit bias.

Researchers at Rice University and the University of Houston found that, when writing in support of female candidates, references were more likely to focus on personal qualities, potentially at the expense of other key strengths – like for example, their academic research.²¹

Interview bias

Without a solid framework to guide them, it's easy for interviewers to unwittingly discourage a candidate from accepting a position by asking culturally insensitive – and potentially illegal – questions, that delve beyond their ability to do the job.

²¹ http://www.thedp.com/article/2011/01/study_shows_gender_bias_in_rec_letters

Assessment bias

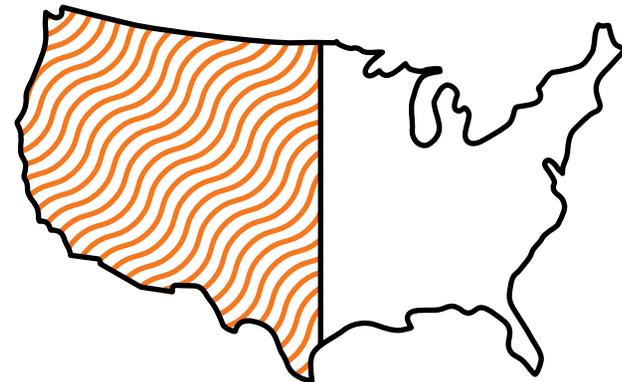
As with interview questions, it's crucial that any assessments you use during candidate selection target job-specific skills and don't unfairly impact one protected class over another.

Brand bias

What do your candidates see when they view your website, meet your interview panel, or take a tour of your workplace? The way your brand presents itself – and the kind of culture it nurtures – affects the candidates you attract and can ultimately limit the diversity of the people on your payroll.

(A negative culture doesn't only discourage new hires; it also makes existing staff less likely to give their all.)

In a recent study of 3,000 employees at large U.S. firms, 50% indicated that the pressure they felt to play down their differences diminished their sense of commitment.²²



How to remove hidden bias, with data-driven hiring



Together, these hidden biases can seriously skew the kind of candidates you reach, attract, hire and retain – meaning you miss out on the best talent and, at the same time, miss out on the benefits of a more diverse workforce.

Removing hidden biases means looking afresh at the way you hire – analyzing your current processes, and finding ways to check gut feelings against hard evidence of a candidate's power to perform.

Essentially, it means collecting a little data and making some big decisions around the way you source, select and support your staff.

Here are some practical steps you might want to take:

Data-driven sourcing

1 Run the numbers on how your hires are reaching you. What proportion arrive through:

- Referrals via personal networks
- Online job listings
- Social network listings
- Print job listings
- Job fairs or community events

2 Analyze where hires are coming from – do you have a disproportionately high number of graduates from the same group of academic institutions?

3 Use this information as the basis for a re-evaluation of the way you source candidates, seeking opportunities to broaden your reach. Passive sourcing tools can help here – letting the people your new, diverse hires chose as references (their former peers and managers), opt in to hear about your future vacancies.

4 Review the language and technical requirements necessary for a candidate to successfully apply for your job vacancies.

Then review the key skills required for each of your job roles.

Where applying for the job requires skills beyond the scope of the role itself, take steps to provide additional support to potential candidates. Even better, offer different methods of application – e.g. the chance to submit a resume, rather than complete a lengthy form online.

5 Look to make life easier for candidates without easy home internet access, by making your application process as mobile-friendly as possible.

Data-driven selection

1 It's hard to combat hidden bias when the way you hire varies with each new vacancy. So, seek to standardize selection, interviewing and referencing processes.

2 Think about the size and composition of your interviewing panels. A larger panel could help you counteract human bias, while a more diverse panel may help a wider range of applicants feel like they're going to fit in.

3 Replace traditional reference checking and home-grown candidate assessments with an online reference solution – one that's proven to assess job-specific skills and not to be biased against any protected classes, and complies with EEOC guidelines and statutes.

4 Provide hiring managers with job-specific behavioral interview questions and ensure a structured process so all candidates are asked the same questions and evaluated equally. Train your hiring managers in hiring best practices, and emphasize that any questions asked of job candidates must be relevant to the job for which they're applying.

5 Take advantage of new online and mobile solutions to support your hiring processes – they'll help keep data auditable and available for easy analysis of hiring decisions and trends.

6 Consider blind-hiring techniques, like redacting applicant names or educational backgrounds before screening. As employers seek to overcome human biases, such practices are becoming more popular – a US agency tried it for selection panels and increased its share of women in executive roles by 41%.²³ Cloud storage firm Compose Inc. recently gained attention for its blind-hiring tactics – asking candidates to write short stories about data, and work on mock projects and assignments.²⁴

²³ <https://www.opm.gov/news/speeches-remarks/di-collaboration-and-innovation-summit/>
²⁴ <http://www.wsj.com/articles/the-boss-doesnt-want-your-resume-1452025908>

Data-driven diversity

1 When candidates turn a job offer down, try to find out why.

Keep in contact with new hires, asking for feedback on their experiences.

2 Monitor staff turnover to ensure your staff members are leaving for the right reasons – and that your workplace feels open and welcoming to new hires of all genders, orientations, ages and backgrounds.

3 Use the information you've gleaned to constantly revise both your hiring processes, and the way your brand presents itself. This could involve establishing additional support, or targeted mentoring programs.

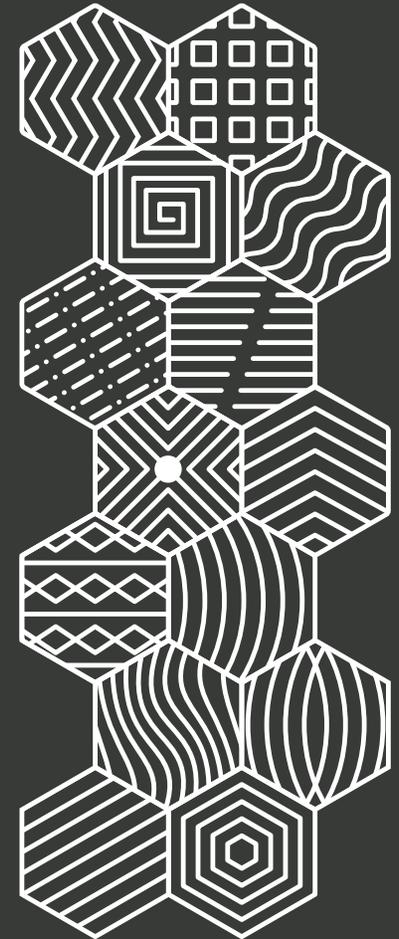
4 Seek out candidates with a high level of cultural sensitivity, whatever their own background.

While such 'soft skills' are notoriously difficult to identify and test, pre-hire assessments that reach out to a candidate's previous peers and managers can shed invaluable light on their past – and likely future – behavior. Selecting candidates with a history of being culturally sensitive could help you actively foster a more inclusive working environment.

Hire the best. Whoever they are.

The great thing about spreading your hiring net wider, and closing up the bias-shaped holes that allow potentially brilliant candidates to slip through?

The more you do it, the easier it gets. The more diverse your workforce, the easier it becomes to demonstrate your inclusive brand values to prospective employees, and attract the best people, regardless of race, gender, age or any other class.



Who we are

At [SkillSurvey](#), we pride ourselves on bringing scientific rigor to recruitment.

With cloud-based online reference checking and passive sourcing solutions, we help public and private organizations of all kinds – from hospitals and colleges, to technology and hospitality businesses – reach more potential candidates.

And then we help them quickly and legally assess job-specific skills, without adverse bias.

To see what you can achieve, download our ebook [The Science of Successful Hiring](#) – or just get in touch.

www.skillsurvey.com