ROSENZWEIG & COMPANY

GLOBAL TALENT MANAGEMENT

DIVERSITY RECRUITMENT

Diversity recruitment is complex. We often encounter the idea that recruiters just have to look a little harder or spend a little more time to find diverse candidates. Although there is no question that you have to work harder and often spend more time to find diverse candidates, if you just do more of the same, results will be extremely disappointing. At the same time, much of the publicly available information around diversity recruitment focuses on issues that, in our view, have relatively minor effects on the kinds of results sought by truly committed organizations.

In our experience, the only way to effectively tackle diversity in hiring is to compel debiasing throughout the entire recruitment process. Some of that bias is the kind people normally think of when they think of bias. But much of it is bias that has to do with the process and structures in organizations, and how they typically go about defining what they need in hiring and how they go about finding candidates to fill roles. Effective diversity recruitment is about doing things differently at every stage of the process. Sometimes the differences are large, sometimes they are small, but ultimately if done properly they can effectively drive results.

None of this can be done without the active involvement of those making the actual hiring decisions. And that means organizational commitment around diversity recruitment has to be genuine and deep-seated. Many of the decisions around doing things differently require working with hiring managers to understand how to broaden the target pool in ways that don't compromise quality. That requires ongoing, active consultation between recruiters and hiring managers about given markets and given searches. In many cases requires everyone to think about the role – and what drives best-in-class performance in the role – in different ways than they might have otherwise.

The good news is that it is fully possible to get results if organizations work strategically. As a firm we have a particularly long-standing commitment to diversity. Because of that commitment, and because of the way we approach search more generally, we have had the opportunity to learn a lot about what works and what doesn't. We're happy to share a few of our learnings below.

1. **Diversity recruitment must be about driving higher standards, not about compromise.**

   ¤ Based on our experience, we do not believe that it is in any way necessary to alter standards to achieve diversity. On the contrary, we believe that recruiting for diversity typically increases the quality of the recruiting process and of the final result. That is worth restating in another way: *We believe that hiring the best person for the job, irrespective of diversity goals, is ultimately the most effective route to diversity, if candidate slates are appropriately representative.*

   ¤ However, organizations must focus on debiasing recruitment and hiring to optimize diversity in hiring.

2. **Traditional, pre-existing networks are self-selecting and heavily favour non-diverse candidates.**

   ¤ The installed base of non-diverse candidates in specific fields works strongly against diversity hiring.

   ¤ Research has shown that women and under-represented minorities are less likely to leverage networks in job seeking.

   ¤ Traditional recruitment approaches that leverage pre-existing networks significantly undercut diversity.

3. **Standard search does not work for diversity recruitment.**

   ¤ Diversity recruitment is not about doing the same things "harder" to get a result.

   ¤ Diversity recruitment moves beyond traditional, pre-existing networks and the "usual suspects"

   ¤ Diversity recruitment is more intensive, requires more resources, and may increase time to hire.

   ¤ If 95% of an overall candidate population is non-diverse, surfacing the diverse outliers in the remaining 5% is difficult.

4. **The numbers game significantly undercuts diversity in traditional recruitment.**

    ¤   Recruiters traditionally work to put together a reasonable shortlist from the overall candidate population based on a set of qualifications.

    ¤   Non-diverse candidates typically make up most of the overall population.

    ¤   Traditional recruitment seeking to be fast, efficient and cost-effective targets the "low hanging fruit" (candidates that are easy fits for the list of qualifications based on surface characteristics). Statistically it is unlikely, on average, that diverse candidates will be surfaced based on this kind of approach <u>even if there is no implicit bias on the part of those doing the search.</u>

5. **Traditional approaches to candidate elimination work against diversity.**

    ¤   Because the pool of non-diverse candidates is comparatively large, eliminating anyone who is not a perfect fit based on surface characteristics is possible (even though it may miss many great potential candidates).

    ¤   Because the pool of diverse candidates is comparatively much smaller, eliminating anyone who is not a perfect fit based on surface characteristics will significantly undercut diversity.

    ¤   In addition, diverse candidates are typically less likely to be a perfect fit for reasons that may have nothing to do with their ability to execute in a given role at a best-in-class level.

    ¤   In many cases in our experience, as a result of systemic bias (and the resulting inefficiency in the talent market), the percentage of high-quality candidates in the diversity pool may actually be higher than in the non-diverse pool.

6. **There are multiple kinds of systemic bias that impact diversity recruitment on multiple levels.**
   - Analytic bias; structural bias; implicit bias may all impact recruitment.
   - Attempting to address subjective responses through training is not enough. It is critical to address bias on a structural level at every stage in the process.
   - Analytic debiasing (developed primarily out of CIA approaches to avoiding intelligence failures) is critical to effective diversity search.

7. **Best-in-class diversity recruitment "forces" debiasing throughout the process without compromising standards in any respect.**
   - The composition of the candidate slate is critical to effective diversity recruitment.
   - Approaches like the widely referenced NFL Rooney Rule that mandate female and under-represented minorities be part of the slate are effective.
   - In cases where diversity candidates are particularly scarce and targets for slate composition are difficult to achieve, organizations should strongly consider expanding the size of the slate to include one or several "next-best" diversity candidates
   - The mandated composition of slates can be adjusted depending on diversity targets and organizations can mandate higher percentages for roles where diversity is considered a top priority

8. **Diversity recruitment must focus on flexibility – opening up rather than closing down possibilities – which can only be done in close conjunction with hiring managers.**
   - Standard recruitment focuses on eliminating candidates who aren't a perfect fit.
   - Diversity recruitment must look at qualifications differently - broaden and expand the overall target pool versus a focus on elimination of candidates who do not appear to be a perfect fit based on surface characteristics.

- The client and recruiters must work in partnership to determine how and specifically where search criteria can be broadened without affecting the caliber of the final result.

9. **Diversity recruitment must involve careful consideration in framing.**

   - How a role is framed may significantly decrease or increase interest and participation on the part of diversity candidates.

   - This may include either blatant or subtle communication that de-motivates diverse candidates.

   - However, the larger issue tends to be over-specificity in hiring criteria that works to exclude candidates who may well have the capability to execute at the highest level in a certain role, but may not be a perfect fit for a list of surface criteria.

10. **Diversity recruitment must force debiasing by taking an in-depth "second look" at every potential diversity candidate to determine whether or not they might be able to execute the role at a best-in-class level even where they are not a perfect fit based on surface characteristics.**

    - The process must be set up in favour of false positives – if there is a possibility that someone who is not a perfect surface fit might be able to execute at a high level they need to be included not excluded.

    - Recruiters and hiring managers must give candidates more latitude within certain parameters than would be the case for non-diversity searches.

    - Recruiters must be prepared to do further investigation if fit isn't exact or where there is doubt, instead of simply excluding a potential high value diversity hire from consideration.

    - Building flexibility and latitude into the recruitment process without compromising standards is enabled by an expertise-driven approach (see below).

11. Diversity candidates may have the expertise to drive best-in-class execution without being the best fit based on surface criteria.

- ¤ In our experience, women and under-represented minorities of comparable or superior levels of competence often tend to be under-promoted (i.e. be at lower comparative levels in corporate hierarchies).

- ¤ They may also be less well compensated as a result, and compensation may be used as proxy for quality in the recruitment process.

- ¤ In our experience, women and under-represented minority candidates with comparable or superior levels of expertise may have qualifications that do not match as well with the list of surface criteria as top non-diverse candidates.

12. An expertise-driven approach is critical

- ¤ An expertise-driven approach enables debiasing.

- ¤ Traditional recruitment can be hampered by focus on title and surface qualifications.

- ¤ Diversity recruitment must be expertise-driven with a high degree of specificity.

- ¤ Diversity recruitment requires a much more in-depth focus on developing a complex understanding of the specific expertise required for a role and a comprehensive map of the skills and competencies (versus qualifications) that will drive best-in-class execution in the given role.

- ¤ Diversity recruitment requires a deep understanding of the specific results that define best-in-class execution in a specific role.

- ¤ The more specificity there is around the kind of specific expertise that drives top level execution, the more bias can be forced from the process.

13. **Diversity recruitment requires a real partnership between client hiring managers, HR, and any search firm or in-house recruitment team.**

   ¤   Recruiters can't do it alone, because decisions on taking steps to broaden the target pool can only be done in close conjunction with client managers in the context of detailed consideration of hiring criteria and skills maps.

14. **1Diversity recruitment must identify and reach a much broader range of potential candidates and sources than is typical with traditional search.**

   ¤   Diversity recruitment must typically reach far greater numbers of potential candidates to achieve objectives because of the difficulty in identifying diverse candidates with the ability to execute based on incomplete information.

   ¤   The expertise-driven approach typically opens up a range of new pools of talent that would otherwise have gone unconsidered, by identifying specific areas where talent might be located on the basis of expertise rather than title.

   ¤   The specificity of the expertise-driven approach allows diversity recruitment to be much more inclusive and initially broad, in order to avoid "missing" viable candidates, while maintaining high standards of competency for ultimate hires.

15. **Diversity recruitment must work from a "complete coverage" objective, which is more resource and time intensive, in order to build a much broader candidate pool.**

   ¤   "Complete coverage" focuses on the objective of identifying every single viable candidate in a given talent market at a given time.

   ¤   "Complete coverage" typically requires significant increases in the volume of sources and potential candidates evaluated and contacted.

¤ Where traditional search by its nature builds out a reasonable shortlist from low hanging fruit among the (as an example) 95% of the candidate population that is non-diverse, "complete coverage" operates on the basis of identifying all viable candidates in both the 95% non-diverse and 5% diverse segments of the candidate population.

¤ The exhaustive nature of "complete coverage" forces debiasing by requiring much more in-depth investigation to identify viable pools of talent that might not otherwise have been considered (which significantly impacts diverse candidates who tend to be harder to identify).

16. **Building out targeted niche diverse networks to broaden the overall candidate pool can be effective for a sub-section of diversity searches where specific categories of diverse candidates have built deep interconnections among one another.**

¤ Diversity recruitment can also leverage niche networks to reach complete coverage – building out networks of diverse candidates in specific functional areas and/or sectors.

¤ In certain cases, there may be pre-existing diverse networks or expansive contacts among diverse candidates and sources that can be leveraged.

17. **Effective diversity recruitment carefully defines specific metrics and tracks performance at every stage of the funnel.**

¤ What is measured is what is done – diversity recruitment must track key performance indicators during the recruitment process against "complete coverage" goals.

¤ Diversity recruitment should monitor the drop off in diversity candidates at each stage of the recruitment funnel and act accordingly.

¤ Diversity recruitment should carefully monitor "next-best" diversity candidates at specific stages of the recruitment funnel to identify whether the process should "force" consideration of next-best diverse candidates at specific stages.

- Diversity recruitment should identify key common characteristics of next-best diversity candidates and whether those common characteristics truly disqualify candidates from consideration based on ability to execute.

18. Hiring managers may be susceptible to implicit bias, and mitigating this bias is one of the most difficult challenges in diversity recruitment.

- Hiring decisions are complex; implicit bias is particularly difficult to compensate for in recruitment.

- Hiring managers many be susceptible to "reconstructing merit" where they unconsciously assign more weight to qualifications and criteria that favour non-diverse candidates.

- Informal systems of preference, and networks, may take precedence over unbiased consideration of an individual's ability to execute in a given role.

- Implicit bias is difficult to address through training; in our experience this kind of training may in certain cases have an adverse effect.

- Diversity recruitment should address implicit bias by maximizing transparency in the hiring process, and in hiring decisions, along with implementing forced debiasing through other stages of the process.

- Certain organizations have sought to maximize transparency by having a diversity champion advocate on behalf of diversity at key stages in the hiring process.

19. Hiring managers may also be influenced by structural bias.

- Hiring managers without implicit bias may still hinder diversity hiring through structural biases that favour rapid hires of candidates who are perfect fits based on surface criteria.
- Hiring managers may be motivated by structural bias at the organizational level in ways that the organization may or may not desire – i.e. favouring existing employees or employees with certain credentials over external, diverse candidates

- Hiring managers may be susceptible to structural biases that favor risk avoidance, and unnecessarily hinder diversity recruitment as a result.

20. Senior leadership must consider succession planning in the context of front-end diversity recruitment.

- Even with implementation of specific strategies to increase the diversity of candidate slates, non-diverse candidates for specific roles - especially senior leadership roles - may simply be more experienced because of greater access to opportunity in the past.

- Organizations can work to mitigate this by taking overt steps to consider star diversity candidates in given searches – if they do not yet have sufficient experience for the senior-most role – for hire as potential successors for senior leadership roles within the organization.

- If the organization chooses to hire such individuals, it is of course necessary to put in place specific plans to support and guide that individual towards the ultimate objective.

21. Organizations should actively consider ongoing, opportunistic hiring of star diversity candidates.

- Organizations may want to consider developing programs to hire star diversity candidates outside of specific job openings.

- Overall, top diversity candidates are in high demand, and organizations must demonstrate hiring flexibility to be able access those candidates at appropriate points in their careers when they are available and motivated.

22. Organizations should actively consider building out comprehensive, specialized, ongoing candidate pipelines focused on high performing diversity candidates and sources in specific high value areas.

- Building out these kinds of pipelines can be very time and resource intensive, but they may be highly effective in combination with other strategies.

- Recruiters can work to build comprehensive, targeted lists of high performing candidates in specific areas and develop a platform to communicate and interact with those candidates and sources on an ongoing basis.

- Appropriate incentives must be built into the system to motivate ongoing interaction and the development of genuine relationships with candidates and sources.

23. Independent debriefing with strong diversity candidates and hires is critical to understanding real world issues with overall diversity recruitment strategy

- Organizations should actively debrief with strong diversity candidates in order to identify specific issues arising during recruitment.

- Individuals that conduct debriefings should be external to the relevant recruitment process to ensure objectivity.

- We have seen over and over again that real world issues can significantly undermine the best-laid plans in the context of diversity recruitment.

24. Organizational commitment to diversity recruitment must be genuine.

- Organizations should consider auditing certain hiring processes comprehensively to better understand whether broad organizational commitments to diversity hiring are being reflected in the day-to-day of given searches at each of stage of the process.

- Corporate structures work against diversity hiring in ways that are not always obvious – structural biases that influence diversity recruitment in an organization, including resource pressure and time-to-hire pressure, must be addressed.

- Otherwise high value efforts to improve recruitment efficiency within an organization can work to hinder diversity objectives by favouring "low hanging fruit" approaches.