



harver

White paper

The state of diversity recruiting in 2020

Introduction

Diversity and Inclusion (D&I) is a top priority for nearly all companies today. In 2021, organizations are embracing corporate diversity despite the unexpected challenges they're facing because of the COVID-19 pandemic. They increasingly recognize the importance of diversity and inclusion within their workforce and the benefits that building a diverse workforce brings.

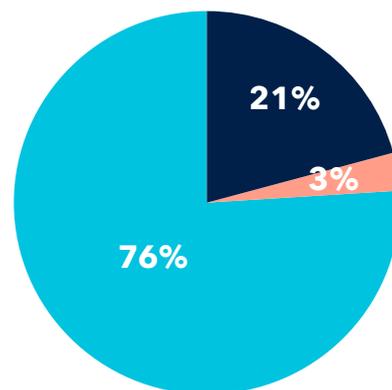
Benefits of a diverse workforce

- Racially and ethnically diverse companies are 36% more likely to outperform their competitors.
- Gender diverse companies are 25% more likely to have above-average financial returns.
- 83% of executives agree that a diverse workforce improves their organizations' ability to capture and retain a diverse client base.
- Organizations with diverse boards have 95% higher returns on equity than their less diverse competitors.
- 67% of job seekers consider a diverse workforce an important factor when evaluating companies and job offers.
- Team collaboration is 57% better in organisations rated highly for D&I.
- Companies rated highly for D&I report 19% greater retention.

With that said, many companies are struggling to implement successful strategies that would allow them to access more diverse talent and to build a culture that celebrates diversity. In fact, only 23% of HR professionals think D&I programs in their companies are highly effective. Organizations have trouble recognizing the complexity of diversity in their recruiting efforts, often failing to align their actual practices with their organizational goals. Overall, there seems to be an inherent mismatch between how organizations design diversity policies and how they implement them in the workplace.

As a result, diversity programs are generating limited results at best. A recent survey revealed that while 97% of diverse employees say that their company has a diversity program in place - for example, inclusive hiring practices, parental leave, or employee resource groups - only 25% of them have personally benefited from those programs. And while 86% of publicly traded US companies disclosed a diversity and equal opportunity policy, only 3% of Fortune 500 companies share full diversity data publicly.

Fortune 500 companies sharing diversity data



● partial ● full ● none

source: Fortune

In fact, 400 companies share no data at all about the gender or ethnicity of their employees, despite many of them publicly voicing their commitment to diversity and inclusion. Because Fortune 500 companies employ 17.5% of the total US workforce, they have a lot of influence on how other organizations do things—yet only one out of every five provides information to demonstrate how they’re progressing in diversifying their workforce and a mere 11% of large US companies disclose their diversity & equal opportunity targets.

The overall lack of transparency around workforce demographics makes it difficult to prompt other organizations to take action. What’s more, 36% of companies cite a ‘general attitude of indifference’ as the greatest barrier to increasing diversity. And while 18% consider middle management resistance a problem, 16% perceive a lack of top-level commitment.

It is easy to blame companies and their leaders for not making an effort to strengthen their diversity initiatives. However, if we dive into the question of diversity and inclusion, we find out that it is a much more complex matter than we previously thought.

But why is that? And what emerging trends in diversity recruiting could be seen as potential solutions? In this report, we will showcase the state of diversity recruiting in 2021 and highlight the current trends that may solve your challenges and limitations.

Greatest barriers to increase diversity (in North America)



source: SHRM

Understanding the complexity of diversity and inclusion

While it may be tempting to simplify diversity to visible characteristics such as race, gender, and age, it encompasses much more than that. People are different in numerous aspects. Age, gender, ethnicity, culture, language, religion, military status, disabilities, personality, social status, and sexual orientation are all different examples of diversity in the workplace—and many of these characteristics are those that cannot be seen by the naked eye alone.

For instance, almost 90% of disabilities are invisible. An individual's sexual orientation is not written all over their face. People can appear to be much younger or older than they truly are. And one's religious beliefs are usually not apparent without conversation around the matter. Diversity is complex and comes in many forms, and companies today are challenged with recognizing each of those groups and building a workplace that is both diverse and inclusive. Therein lies the problem: diversity is both extremely important, yet very difficult to fully grasp.

Dimensions of Diversity

Primary

- Age
- Physical Abilities
- Race
- Ethnicity
- Gender
- Sexual Orientation

Secondary

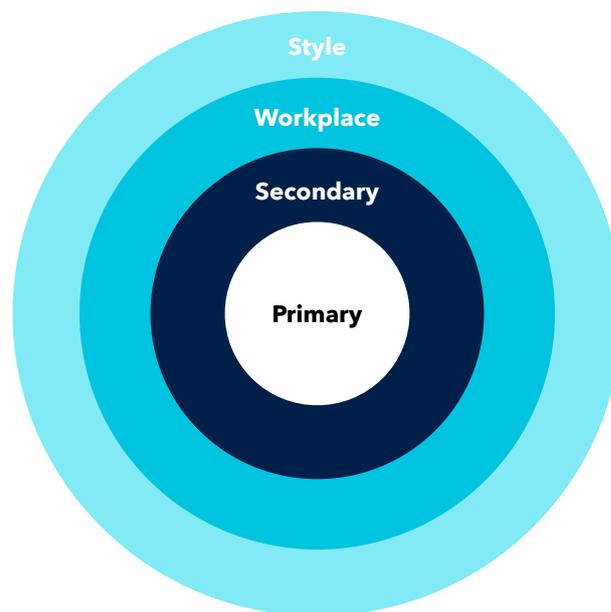
- Education
- Class/Income
- Language/Accents
- Marital Status
- Parental Status
- Military Experience
- Religious Beliefs
- Geographical Location
- Nationality

Workplace

- Organizational
- Occupation
- Job Level
- Job Classification
- Department
- Work Location
- Work Shift
- Skills
- Years with Organization

Style

- Leadership Style
- Work Habits
- Performance Expectations
- Communication Style



The debate about diversity is also not always as inclusive as it could be—diversity in itself doesn't necessarily create an inclusive environment. A mere 19% of companies intentionally included white males in conversations about diversity and inclusion. And even though 70% of employers consider their company to be aging-friendly, only 56% of employees would agree. What's more, only 23% of companies have adopted a formal diversity and inclusion policy that includes age.

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Of companies have adopted a formal diversity policy that includes age.

And then there's the topic of intersectionality—in other words, individual differences intersect and can't be pooled together if you want to make sense of the individuals' experiences. For example, black women will have different experiences than white women. The Harvard Business Review explained it very well in this quote from an article on common mistakes companies make when they use data for planning diversity efforts:

"An organization may be able to tell a clear story about how women in general are faring, or may be able to discuss the experiences of people of color broadly, but what about Asian women compared to Black women, or Hispanic men compared to white men? When we start to break down demographic groups, many companies struggle."

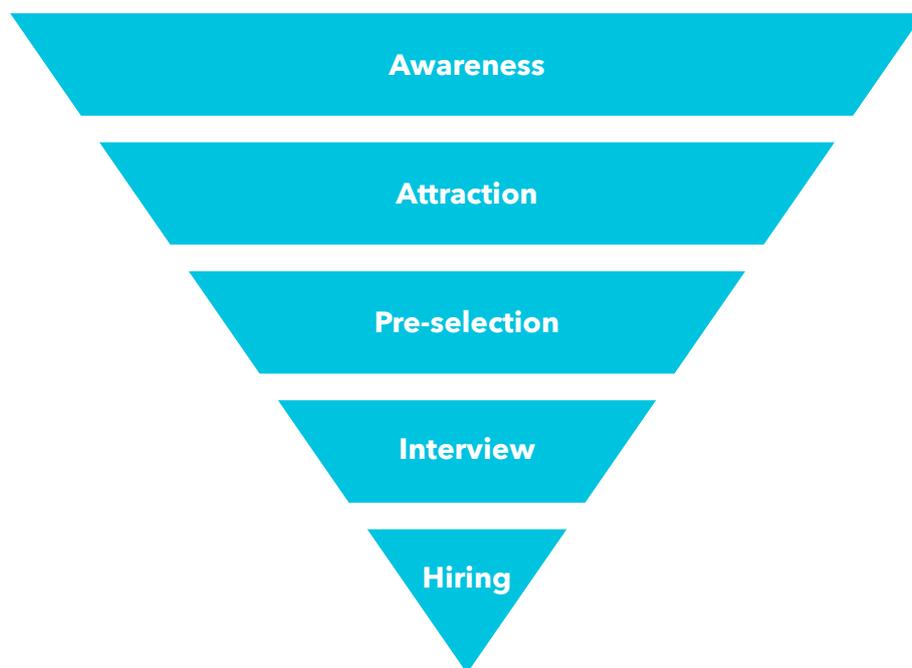
Since diversity is such a complex subject, it is difficult to get data-driven insights into it because even if a company collects their diversity data, it doesn't always reflect the actual extent of diversity within the organization. People tend to be categorized into large groups that don't necessarily offer a true perspective on company demographics and, mainly, on employee experiences.

However, the complexity of the matter of diversity in the workplace doesn't mean that nothing can be done about it. Just the opposite: innovative companies around the world are adopting various strategies and using different technologies to improve their diversity recruiting efforts and inclusion programs and the change is underway.

What are the emerging trends in diversity recruiting?

Because diversity is being prioritized by a majority of global organizations, many of them are also putting increasing efforts into improving diversity recruiting. There are some interesting trends emerging at each stage of the recruiting funnel that aim to help diversify candidates and the workforce as a whole. In this white paper, we'll break down those trends and explain how they're shaping diversity and inclusion in recruitment.

Recruitment funnel



Trend 1 - Awareness

Building awareness around diversity internally and externally

Companies are often unaware of what the situation is actually like at their workplace. Many of them do not even have a true understanding of what comprises diversity. Surprisingly, 45% of companies do not monitor their employee diversity at all. At the same time, only 11% of companies truly understand the depth of diversity in the workplace. The problem is that employers lack insight into candidate and employee diversity data, and without this awareness, it is very difficult to develop and execute on a diversity & inclusion plan.

That's why many companies are beginning to collect granular, small-scale diversity data and to provide diversity training across the organization to create awareness around D&I. Take **Buffer** for example: They created a publicly accessible dashboard that breaks down the different groups of employees on a more granular basis. Buffer's diversity dashboard showcases the current percentage of employees that:

- Identify as LGBTQIA
- Have some type of disability
- Are non-native English speakers
- Have served in the military

They also break down employees by gender, role, family status, location, age, and ethnicity. There are also helpful resources available, such as an [inclusive language guide](#), which shares affirmative terms that are appropriate to use, along with their negative counterparts that are likely offensive and should be avoided.

Resources like this make it clear that Buffer has gone beyond making a verbal commitment to diversity and inclusion by implementing initiatives to help improve the internal narrative around it. By taking these steps toward building internal and external awareness around diversity, companies are putting their money where their mouth is and helping to further diversify their talent pools and the workforce overall.

Organizations like **Accenture** are investing in diversity training programs to help build internal awareness and help people understand the benefits of working within a diverse company. They work with executives and managers to equip them to manage diverse teams effectively. In addition, they go to great lengths to enable diverse employees to build skills for success and to celebrate diversity. For example, Accenture hosts a company-wide celebration on International Day of Persons with Disabilities.

Pandora is another great example of a company that truly lives and breathes diversity. They bring this to life through employee-initiated community groups, such as Pandora Women, Mixtape (for people of color), Pandora Pride, and the [People of Pandora podcast](#), which is dedicated to sharing employee stories and experiences.

What's more, they've even hit the road with their efforts by using their Road Crew internship program as a source for diverse talent. The [Pandora Careers site](#) also breaks down their specific goals concerning diversity and inclusion, including increasing the percentage of US employees of color from 35% to 45% and committing to gender, racial, and ethnic promotion parity—all by 2021.

Trend 2 - Awareness

Employer branding as the first step in diversity recruiting

More than 80% of leaders acknowledge that employer branding has a significant impact on their ability to hire talent. At the same time, 18% of candidates say diversity and inclusion initiatives are among the top elements that have the greatest influence on a candidate's decision to join an organization. There is a clear opportunity for companies to incorporate diversity and inclusion into their employer branding efforts to attract more diverse candidates and improve their overall employer brand.

Companies are beginning to catch on and recognize the potential. Many of them have started making diversity and inclusion an integral part of their employer branding by sharing things that celebrate it, such as genuine employee stories, employee resource group activities, and real employee photos on their blog, social media channels, and website. Showcasing individuals of different backgrounds and their impact on the organization is a great way to utilize employer branding as the first step in diversity recruiting efforts.

IBM is a great example of a company who has used employer branding as a step toward diversifying their recruiting practices. The diversity and inclusion page on their website highlights key diversity milestones in the form of a timeline dating back to 1899. IBM also uses #inclusiveIBM to demonstrate their inclusive diversity culture on social media sites. In addition, the diversity section of their website is full of videos, photos, stories, Q&A, resource groups, and job openings—all with a distinct focus on diversity at IBM.

In their own words, from a case study on their employer branding efforts:

"At IBM, we think about diversity in the same way as we think about innovation. Both are essential to the success of our business. Our commitment includes dedicated teams that we've specially set up to identify, attract and develop a diverse workforce. We also invest in raising awareness about diversity within our organization and enabling our leaders and employees to create an inclusive culture, where every employee feels relevant and valued."

- Pilar Pons, IBM HR Leader

Trend 3 - Attraction

Expanding on sources of talent

A number of organizations are currently expanding on their talent sourcing initiatives to help them recruit more diverse candidates. A survey on where recruiters go to find diverse talent found that 49% of companies go to diversity-focused job fairs to look for diverse talent. There are different diversity networking events and job fairs happening around the world all the time, also in a virtual format, and companies are turning to these options as a way of finding more diverse candidates.

38% of companies go to diversity or special-interest-focused job websites, such as Diversity.com, PDN Recruits, Pink Jobs, Black Jobs, Hispanic/Latino Professionals Association, Power To Fly, WorkForce50, Recruit Disability, Female Executive Search, and VetJobs. These are just some examples of the many resources available online to source diverse talent of all kinds. Additionally, 36% of companies have a diversity-focused employment portal on their website to help appeal to diverse candidates who might be interested in applying.

And that’s not all. 46% of organizations are working on systematically widening recruitment pools to tap into brand new sources of talent. However, it isn’t always easy. 45% of employers believe their current recruitment tools are ineffective at helping diverse candidates find their company. An emerging trend is to adopt new sourcing tools and utilize various less traditional sourcing channels to find diverse candidates.

For example, **Verizon features a military skills matcher** in an effort to attract veterans to apply for open roles within their organization. Not only that, but they even take it a step further by offering access to a military spouse talent network to “help those who support our troops.” Companies are continuously looking for new ways to attract a range of diverse candidates to apply for open roles while also proactively looking for new ways to find diverse talent themselves.

That’s why many organizations are beginning to use Artificial Intelligence (AI) tools like Atipica, Blendoor, and BeApplied to track diversity data of their talent pool and progress toward their goals. By using these, employers can avoid unconscious bias and make hiring decisions based on data rather than gut feeling alone. Making data-driven hiring decisions help companies transform their recruiting processes and build truly diverse teams.

Channels to recruit diverse workforce



Trend 4 - Pre-selection

Using diversity-focused pre-selection platforms

Bias is still a big problem in candidate pre-selection, and it's even more challenging when it comes to diversity. For example, research has demonstrated that African American and Asian job applicants who mask their race on resumes seem to have [better success getting a job interview](#).

The numbers don't lie. While [25% of black candidates](#) received callbacks - after deleting references to their race on their resumes - [only 10%](#) got callbacks when they left these details intact. Asian applicants saw similar results, with [21% getting callbacks](#) if they excluded ethnic details from their resumes, and [only 11.5% hearing back](#) if they sent resumes that included racial references.

And that's not the only example of bias and discrimination in the candidate selection process.

STEM (science, technology, engineering, math) employers rate the resumes female and minority candidates much [lower than white men](#). With unsettling insights like these in mind, companies are starting to place increasing emphasis on removing irrelevant information from the pre-selection process.

This is accomplished through using pre-employment assessment tools, practicing [blind hiring](#) to reduce bias in the pre-selection process, and focusing on candidates' skills and characteristics rather than on their background. Pre-employment assessments can evaluate everything from candidates' personality traits and cognitive abilities to their ability to handle complexity and respond in certain situations. These assessments make it easier for recruiters to evaluate potential employees based on their job-related personality traits, skills, qualities, and performance—without introducing unconscious biases that might skew candidate selection.

KPMG recently showcased company diversity in the videos built into their online application experience. Combined with pre-employment assessments that they partnered with [Harver](#) on, the whole online assessment experience [increased the number of female hires by 44%](#). With strong results like these, there are clear benefits to implementing diversity-focused pre-selection assessments to provide scientific validation, reduce common bias in the recruitment process and showcase a company's commitment to diversity.



"Diverse teams are more likely to be innovative and commercial, and inclusive work cultures that embrace ethical behaviour position themselves for success."

- Bill Thomas, Global Chairman KPMG International

[Read how KPMG transformed its recruitment process](#)

Trend 5 - Interview

De-biasing the candidate interview process

Research shows that the odds of hiring an underrepresented candidate are 79.14x greater if there are at least two underrepresented candidates in the shortlisted pool of potential candidates. Organizations are beginning to be aware of this and fight bias during the interview stage of the recruitment funnel by meeting with more candidates from underrepresented groups.

One way that companies accomplish this is by briefing recruiters about diversity goals and requirements for sourcing a diverse range of candidates. For instance, a company's leadership might specify to recruiters that there need to be at least 2 candidates from underrepresented groups in the shortlist. By setting success criteria beforehand, using competency-based interview questions for all candidates, scoring answers, holding peer interviews, and collecting individual feedback from interviewers after the interview process employers can minimize bias and diversify their recruiting efforts.

Another way of mitigating bias during the interview process is to select a diverse hiring panel. This is a trend rising in popularity in diversity recruiting, with reputable organizations like **PwC** emphasizing the importance of building a diverse, inclusive hiring panel. Also, **Intel** started to require each interview panel to include at least two women and/or members of underrepresented minorities. The company was able to increase the number of female hires by 41% in 2 years.

However, a survey PwC conducted on diversity in recruitment revealed that only 52% of respondents ensure diversity of the interview panel during the interviewing process. Employers should not only select diverse panels for interviews but also make every effort to train both recruiters and interviewers so they're equipped to drive inclusive recruitment efforts.

This not only prevents pattern-recognition bias when making decisions but also signifies to candidates that the organization is one that celebrates diversity and inclusion. Following the interview, rather than debating the options as a group, many recruiters recommend asking team members for feedback individually to lower the chances of them influencing one another.

Trend 6 - Hiring

A shift in understanding and assessing cultural fit

Cultural fit continues to be of the utmost importance for employers and employees alike. 67% of recruiters said that culture fit is an important part of their decision on whether to hire or not to hire. The understanding of cultural fit is currently shifting from “*who would I most like to have a beer with?*” to looking at how the company values are lived by the candidates and examining the complementary skills and perspectives they bring in.

Companies do this by getting rid of that initial ‘gut feeling’ and beginning to assess candidates differently. They look at how the values and beliefs each candidate brings to the table complement the values and the vision of the company, rather than looking for uniformity. This helps to remove bias and build an increasingly diverse talent pool.

The current trend is looking for “culture add” to help assess each candidate’s ability to thrive in an organization as it is today, as well as to help the organization grow into what it wants to be. This is important because the incorrect understanding of culture fit as having identical values can lead to a working environment that lacks diversity. In such a case, recruiters can end up seeking personal connections with candidates and introduce affinity bias into the hiring process rather than focus on their qualities and value-add to the organization.

Greenhouse keeps this focus by offering the option for employees to become a “culture add interviewer” after three months working for them. Part of this process includes culture add interview training, which involves a specific set of questions to compare candidates apples-to-apples on whether or not they share company values.

By focusing on a shift in understanding and assessing cultural fit, companies can recruit candidates that add to the culture, both in value and diversity.



“Cultural fit isn’t about looking for sameness or similarity. It is about exploring how individuals with a diverse range of values, beliefs, work habits, and leadership styles can contribute to common goals of an organization.”

- Barend, CEO at Harver

Over to you

Improving diversity recruiting is a long-term commitment, and the results simply aren't going to be visible overnight—especially without a clear strategy and thoughtful initiatives in place to achieve them. As a result, many companies consider their diversity hiring efforts unsuccessful.

Also, with the sudden changes on the labor market caused by COVID-19, a lot of companies have had to refocus their talent acquisition activities, concentrating on short-term damage control rather than long-term initiatives.

However, it is clear that a number of organizations are learning to understand the benefits of having a diverse and inclusive workforce when it comes to getting through a challenging period, appreciate the complexity of diversity, and how it translates to their recruitment funnel.

In each stage of the funnel, different initiatives can be launched to promote diversity and mitigate unconscious biases, such as hosting cultural events in the workplace, using pre-hire selection tools, and collecting small-scale diversity data to provide a true representation of the different demographics in their talent pools.

Organizations are getting started by building internal awareness around diversity and shifting the understanding of what it means to be a culture fit in the workplace. To remain competitive, shift the cultural perspective on diversity in the workplace, and attract a wide range of candidates to apply, companies must implement various initiatives in each part of the recruitment funnel.

With a growing global focus on diversity and inclusion in the workforce, it's more important now than ever before that employers appreciate the complexities and explore emerging solutions for diversity recruiting in 2020.

However, it is also imperative for the companies to understand that diversity recruiting is just the first step in building a functioning diverse organization where everyone feels included and that their voice is heard. That's why diversity should always go hand in hand with inclusion.

Make data-driven hiring decisions.
Eliminate bias from you pre-selection.

[Request a demo](#)

or visit **our website**
for more information

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