Systematically ensuring diversity: Science in human decisions

Human Capital Management

Diversity can mean different things to different people, but whatever it is by definition, it is an important factor in human capital management in every organization. A McKinsey report found that companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians.[1] According to the report, this positive result is based on diverse companies being better able to win top talent and drive a cycle of increasing returns. This suggests that companies that can attract and retain diverse talent can expect above average performance.

HR leaders need to understand how a data-driven hiring solution can help in overcoming personal bias, while building and sustaining diversity in the workforce. Research shows that an objective, data-based hiring solution can impact diversity goals as set by the organization, both by what the system does, and what it doesn't do.

When we don't have a rigorous, replicable set of criteria from which to evaluate a potential hire's merit, we fall back on our most immediate instrument: ourselves.

Diversity through science?

Diversity in the workforce is important for optimal success. But some organizations have trouble envisioning the advantages of using evidence-based, Big Data technology through scientific interpretation of the data to select new employees, and can't quite understand how that technology might actually help balance the company's diversity position in the marketplace. Without a standardized source of objectivity, diversity within a particular job may eventually be limited to a narrow selection of people due to human bias in the hiring process.

To solve this conundrum, millions of dollars are invested each year to create, support, or increase diversity. The advantage delivered by new technologies proven to improve performance and tenure, while building a more inclusive work environment cannot be ignored. Your business can benefit by getting the best of both worlds: by focusing the hiring process on behavioral fit and performance, workforce diversity can systematically be improved and sustained.

How talent analytics helps reduce subjectivity with objective data

Subjective hiring practices can allow bias to be a primary decision influencer. Have you ever been part of a hiring process that selected interviewees primarily by their résumés? It is a natural inclination to select people according to what we are familiar with, such as: what college they attended; having the same home town; familiar references; same fraternity in college; and other relatable connections.

Hiring professionals also often make judgments based on cultural biases. Again, it is simply human nature to select people that look like you. The subjective decision of hiring someone who reminds us of ourselves is common according to Business Insider, which found that "…when we don't have a rigorous, replicable set of criteria from which to evaluate a potential hire's merit, we fall back on our most immediate instrument: ourselves."[2] Using a data-based talent solution can systematically increase diversity for organizations that need it, or sustain healthy diversity for those that have it.

According to the data, Talent Science helped create an average increase of 26.61% in minorities hired to the target position.

Why technology users have a more diverse candidate pool

A technology solution like Infor® Talent Science adds the ingredient of objectivity to the inherent subjectivity of hiring new people. It begins with the assessment, a time-tested and proven battery of questions that determines the work behaviors of every incumbent in the target position (or the largest sample that can feasibly be tested). The assessment has been purged of color, age, gender, or any other potential bias through the analysis of millions of assessments and constant improvement over more than a decade.

The insights provided by the assessment are matched against the performance metrics most important to success in the target position. This blending of behaviors and performance is captured in a custom Performance Profile with weighted core characteristics; this then becomes the benchmark as new candidates answer the same battery of questions during the application process.

Up to this point in the hiring journey, there are no opportunities for subjective bias to creep into the selection of new hires. It is hard science and Industrial-Organizational Psychology that delivers to management a "best fit" score that highlights those candidates most likely to excel in the position. No one is excluded based on any criteria; candidates are simply listed with their fit scores for sorting by the hiring manager. This methodology makes the largest possible candidate pool available for interview selection.

Interviewing for behaviors, not stereotypes

When your hiring solution is a science-based, objective, and proven instrument that measures behaviors in conjunction with your unique set of corporate KPIs, it greatly alleviates the interjection of personal biases and stereotypical assumptions within the selection process. Talent Science presents to the user a list of assessed candidates that can then be sorted by best fit to the role. Now selections for interviews can be made without reliance on resumes, appearance, references, age, race, or any other potential influences that dilute the diversity of an organization.

Talent Science uses job specific performance data to capture the behavioral preferences most conducive to success in a role. Through research, this process is proven to increase the probability of identifying higher performers who will stay longer in a given position, thereby attaining their full potential and contribution level. As described earlier, by focusing on behavioral preferences early in the screening process, candidates with the highest probability for success and tenure in the role are moved forward in the selection queue. This automatically supports organizations in creating a diverse workforce.

Employers that use Talent Science can pursue candidates that have the highest probability for success based on their behavioral preferences statistically determined from performance data. The behavioral information can then be used systematically by the organization in the selection, onboarding, coaching, and future succession planning throughout the employee life cycle.

As part of the candidate report, Talent Science also generates bias-free interview questions that are linked to the science-driven behavioral insights of the tool, and nothing else. The questions explore any disconnects that were revealed in the survey, and give instructions on how to dig into any opportunity areas that might affect job performance.

Research: Talent analytics helps create a more diverse workforce

As proof of its ability to improve the diversity equation, Infor Talent Science completed a study of diversity in the workforce. The objective of the study was to determine if Talent Science improved the ethnic diversity in a given position, after being used in the selection process over a reasonable amount of time. The focus of the study was centered on minority job candidate groups. Talent Science was installed in the positions being studied, with the primary goals being to improve job performance and increase tenure in the position. The data was collected and studied as archival data.

Prior to the study, it was hypothesized that selecting candidates based on behavioral preferences would provide a much more diversely inclusive and systematic way of narrowing the candidate pool. This is because behavioral preferences are fundamentally shared across diverse populations. For example, all demographics groups possess varying levels of attention to detail, objectivity, etc. By using the Talent Science technology during selection, the interviewer enters into the process with the confidence that the candidate is a good behavioral fit based on actual performance data and has the highest probability for success.

Talent Science provides a deeper level of insight into why the candidate does or does not fit the role. By using Talent Science, an organization systematically provides the structure for meaningful job related decisions during the interview process. This method deters making snap judgments based on ethnicity or other diversity-limiting factors.

Research

Infor recently conducted research on jobs where:

1. Talent Science was installed into a position, and then later a post-deployment study was conducted. This strategy allowed for the collection of demographic data before Talent Science was installed into the job. New demographic data was collected on the hires generated from the process as time passed (post-deployment). It was important to the study process to ensure that samples from the various positions were collected during a similar time frame. This provided greater insight into the influence of Talent Science over other possible initiatives.

2. Positions that had large sample sizes for both pre- and post-deployment data collections were used to avoid potential error for roles with low sample size.

3. Profiles were selected from varying job types and industries to ensure a comprehensive view, not industry-specific. The research design focused on comparing minority rates for African-American and Hispanic hires. The data was collected from restaurants, call centers, retail, hourly warehouses, and management, with a sample size of 51,106 hires studied.

Findings

According to the data, after deploying Talent Science in positions for over 51,000+ hires, there is an average increase of 26.61% in minorities hired to the position. Further descriptions show that regardless of industry, there is an increase in diversity after rolling out the Talent Science solution as part of the selection process.

Better science, less bias drive workforce diversity

There's no question that increasing diversity in the workplace is important. Systematically sustaining or increasing diversity, while improving performance, has traditionally been tough to accomplish. However, with new methods and technology, systematic diversity is now a reality. By leveraging Talent Science and its objective approach to evaluating the candidate pool, organizations have the ability to increase the odds for high performance, while increasing the opportunity for workplace diversity, so they can remain competitive in a global, interconnected economy and reflect the society they serve.

References

1. Vivian Hunt, Dennis Layton, and Sarah Prince, "Why Diversity Matters," McKinsey & Company, January 1, 2015.
2. Drake Baer, "If You Want To Get Hired, Act Like Your Potential Boss," Business Insider, May 29, 2014.

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