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The DEI Guide:

Leveraging technology to turn ideals into action

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LEVERAGING TECHNOLOGY TO TURN IDEALS INTO ACTION

Demands for diversity, equity, and inclusion (DEI) aren't new, and the fact that they're business imperatives is no longer up for debate.

DEI's impact on business performance has been validated by countless studies. According to HR thought leader Josh Bersin, "more than 200 studies show how diversity in business leads to greater levels of innovation, customer service, employee engagement, and long-term growth."[1]

Meanwhile, younger generations entering the workforce are demanding a substantial commitment to DEI initiatives from potential employers, making it clear that a "do no harm" approach to DEI is no longer enough to win competitive young talent.[2]

HOWEVER, DESPITE THE ABUNDANCE OF EVIDENCE, ACTIONABLE PROGRESS IN DEI REMAINS SLOW.

As part of the Global Hiring Landscape Survey we conducted earlier this year, HireVue discovered that 100% of the 1,142 hiring leaders surveyed consider the topic of DEI "extremely relevant" or "very relevant" to them. Nonetheless, at least 33% of those respondents have no plan in place to execute DEI goals.[3]

Of the respondents who do have defined goals, the majority had plans to expand recruiting networks, to partner with outside organisations, or to recruit from universities with diverse student bodies; however, fewer than half had concrete plans to make changes *within their organisation*.

THERE'S A DISCONNECT BETWEEN WHAT BUSINESS LEADERS WANT TO SEE AND WHAT THEY FEEL ABLE TO EXECUTE.

When it comes to DEI, we often don't know what to do, how to do it, how long it should take, or how to measure results. And when it comes to biases that reside within our organisations, we often don't know what we don't know.

The problem, rooted in centuries-old systemic issues, can feel daunting - and the task of finding a solution can feel paralysing.

At HireVue, we believe that increasing DEI starts with dismantling biases in the hiring process, from end-to-end, one step at a time; and that doing so is one of the most powerful ways to create economic opportunities that result in a more equitable and just society.

> **"We can only tackle what we can tackle,"** says Lindsey Zuloaga, Chief Data Scientist at HireVue. "When it comes to making workforces more diverse, inclusive, and equitable, we have to keep in mind that lasting change often happens one step at a time; not overnight."

In this guide, we provide five ways organisations can leverage hiring technology to back up DEI initiatives with action, based on the following three principles:

- ✦ **Improving DEI isn't just about changing people's minds; it's also about changing the processes that make actionable progress possible.**

- ✦ **Technology will never replace human decision making; but when used in tandem, it can offset human error.**

- ✦ **Recruiting teams have the power to lead organisational transformation by finding tech solutions that make DEI gains easier, faster, and more effective.**

INCLUSION COMES FIRST

Many organisations fail to meet DEI goals when they inadvertently invite diverse talent into a company culture in which the new employees don't feel included.

For example, external activities such as recruiting from underrepresented communities can have a positive impact on DEI. But what happens when those candidates apply for a role in your company, just to be screened out by a process wrought with unconscious bias?

The best way to diversify your candidate pool is to become the type of workplace where a diverse set of candidates *want* to work. Where individuals of all backgrounds, races, genders, and ages can visualise themselves belonging.

Ultimately, any gains made in diversity outside of an inclusive culture will fail. But where inclusion is found, diversity follows.

> "DEI is about being **more open** in your sourcing, and being **less discriminatory** in your hiring," says Nathan Mondragon, Chief IO Psychologist at HireVue. "If you can accomplish both, you'll improve DEI."

WHERE TO START: INCREASING DEI FROM END-TO-END

You can't completely untrain unconscious bias in people - but you can counteract it.

According to a McKinsey report, organisations making the largest gains "are adopting systematic, business-led approaches" to DEI.[4] To make lasting change, there must be a connection between individual effort, organisational change, and access to the right tools.

Here's an overview of the five steps that will help you leverage technology to build an actionable approach to DEI:

1. **Acknowledge** where bias creeps in
2. **Signal inclusion** when sourcing
3. **Replace CV reviews** with skills-based assessments
4. **Structure interviews**, and link to job criteria
5. **Engage with candidates** continuously

Acknolwedge where bias creeps in: Where humans are involved, unconscious bias will always exist at some level. The first step in mitigating the negative impact it can have on people from historically marginalised groups is to create awareness around the many shapes bias can take.

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QUESTIONS TO ASK ABOUT YOUR HIRING FUNNEL:

- **Where are diverse candidates currently coming from?**

- **How many diverse candidates receive job offers? How many accept? How does this compare to offers made to candidates from non-marginalised groups?**

- **Where is diverse talent getting stuck? Is there a point at which diverse candidates move through the hiring pipeline, then drop off?**

- **Is employee retention higher or lower for diverse candidates than it is for the employee population as a whole?**

SIGNAL INCLUSION WHEN SOURCING

When searching for new candidates, many recruiters unknowingly discriminate against people from minority groups simply by ignoring the places where they'll be found.

For example, by sourcing only from certain postcodes, neighborhoods, or university campuses where the population is predominantly white, recruiters will inadvertently decrease the number of diverse candidates they attract. The recruiter's intention may not have been to exclude racial minorities; however, that's still the impact their actions had.

Likewise, a woman who is initially excited about applying for an open role may be turned off when reading a job description that uses jargon, slang, or other language traditionally associated with men. She may decide it was not written for her...so why even apply?

By using open sourcing tactics that widen the candidate pool to include as many candidates as possible, hiring leaders not only increase the diversity of their recruits, but also the quality.

HOW TO SIGNAL INCLUSION WHEN SOURCING

1. **Create a DEI Style Guide for your recruiting team.** In order to connect with a broad range of identities and perspectives, specify exclusionary language your team should avoid. Exclusionary language may take the form of explicit references to race, gender, or age, but may also come out in implicit, or "coded" ways, such as language that defines someone by anything other than their personhood (i.e. "a minority.").

2. **Avoid listing unattainable job requirements.** According to a Hewlett Packard internal report, men apply for a job when they meet 60% of the job's qualifications, while women will generally only apply if they meet 100%.[5] Many have used this report to encourage women to work on their confidence; but a follow up study surveying over one thousand men and women found the majority of those women weren't less confident in their ability to succeed in the role -- they just didn't believe they'd make it past the interview.

   Listing job requirements is a good and necessary way to communicate about the role with potential candidates; but to attract a higher number of qualified applicants, level the playing field by making it abundantly clear which skills are actually necessary to succeed, and which ones would be nice to have.

3. **Get a statement on DEI from your CEO.** A CEO's explicit commitment to diversity has a significant impact on candidates who apply. In fact, according to The Science of Diversity and Inclusion Initiative (SODI), "Direct messaging from senior leadership that diversity is critical signals to underrepresented groups that they are valued, while generic EEO statements can actually backfire because they signal tokenism." To leverage the impact of company leaders' support, consider adding the statement to job postings, your careers page, or even your job application.

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REPLACE CV REVIEWS WITH SKILLS-BASED ASSESSMENTS

Too often, hiring teams expand their sourcing, only to invite diverse candidates into a biased hiring process that inadvertently screens them out.

CV's are not only the most biased hiring tool; they're also the least predictive of job performance.

When recruiters are required to review a high volume of resumes in a short period of time, they're prone to bias. One common type is similarity bias, where interviewers unconsciously favor candidates similar to themselves. Another is name bias, wherein names associated with white males progress at a higher rate than do names associated with females or people of color.

In contrast to CV reviews and phone screens, skills-based assessments evaluate candidates based on their job-relevant skills. By identifying the critical competencies that align with success in each role, assessments deliver the insights you need to find the best-matched candidate. And when administered in conjunction with the interview, they can also create a more engaging experience that gives candidates room to tell their stories.

The key factors that distinguish pre-hire assessments from other employee selection methods are scale and validation. A single recruiter cannot consistently and objectively screen thousands of applicants; but a pre-hire assessment provides a consistently objective evaluation that can be deployed on a large scale.

This is especially important for groups such as neurodivergent candidates, who are highly analytical yet may struggle with the social skills traditionally associated with successful interviews.

HIREVUE ASSESSMENTS

HireVue Assessments are designed to evaluate candidates on job-relevant skills, dramatically increasing recruitment efficiencies. HireVue's team of occupational psychologists work with you to find an existing relevant assessment - or customise your own - that fits your job needs while mitigating bias. By combining the assessment and the interview, candidates get a single, unified experience that can be completed in less than 20 minutes.

STRUCTURE INTERVIEWS

When highly structured, standardised, and linked to the job at hand, interviews are the single best predictor of job success.

Even the best, most highly-trained interviewer can have a bad day - which is why unstructured interviews do not consistently provide quality, fair results. "An interview is only as biased as the structure of the questions being used, and the quality of the person or tool doing the interview," says Mondragon.

For example, imagine a skilled, experienced hiring manager who hosts one interview on a Wednesday morning, and another on a Friday afternoon. If the interviewer is more tired during the second interview, will both candidates have a consistent experience?

Technology doesn't get tired. By training human behaviour, then relying on technology to keep people accountable to that training, the two can work in tandem to ensure interviews are reliably creating consistent results.

TO COMBAT THE BIASES THAT OCCUR DURING THE INTERVIEW PROCESS:

1. **Offer interviews on-demand.** Forcing interviews to occur during "traditional" business hours can unintentionally include people with certain privileges, while excluding people from other groups. For example, some people experience scheduling restraints that make it especially difficult for them to interview during traditional hours, such as mothers of young children. That's one reason why women, who typically undertake 75% of childcare responsibilities globally, were disproportionately affected by the COVID-19 crisis.[7]

In 2020, 60% of the nearly 5 million interviews conducted at HireVue were completed outside of "traditional" business hours, indicating that by excluding these windows of time for interviews, recruiting leaders are missing out on a higher number of qualified candidates.

Alternatively, on-demand interviewing creates broader access to opportunities, and scalable fairness for people from all walks of life.

HIREVUE ONDEMAND

By standardising the interview process at scale, HireVue OnDemand equips hiring teams to rely only on criteria that predicts job success - not on CV's or subjective assumptions. What's more, the asynchronous nature of video interviews gives more candidates access to opportunities, both widening and diversifying the talent pool.

2. **Ask questions relevant to the job.** Predicting the performance of a potential hire starts with a rich understanding of what makes someone successful in the role. Making hiring decisions based on anything but key indicators of success will not only decrease the quality of the hiring decision - it could also mean that decision is more biased.

For example, many hiring managers spend time focusing on candidates' employment gaps, despite the fact that there's no evidence linking the gaps with poor job performance. Doing so unfairly discriminates against certain groups, such as new mothers who chose to take an extended maternity leave.

By determining which competencies are needed to excel in a role before the interview takes place, hiring managers are then able to link those same competencies to the appropriate assessment, which will gauge which of the candidates' skills are most aligned with the job at hand.

Hiring teams can then more accurately identify top candidates, as well as minimise many biases found in more subjective methods.

3. **Evaluate fairly.** The final step in conducting a fair interview is ensuring the evaluation process is structured and standardised. Just like job competencies should be predetermined before interviews begin, so should the criteria for which candidates will be evaluated.

For example, when multiple interviewers are involved, it's common for two of them to have different opinions on a candidate's answer to a question. Is Interviewer A's opinion "correct," or Interviewer B's? Why? Who decides what the "right" answer is?

To evaluate candidate responses fairly and objectively, create a structured rating guide that prompts interviewers to look for specific behaviours and types of answers, instead of relying on their personal responses to the candidates.

HIREVUE BUILDER

HireVue Builder empowers hiring teams to build high-quality, structured interview templates for more consistent, more fair interviews. HireVue Builder's library - created by occupational psychologists and audited independently - makes the interview creation process quick and consistent, automatically mapping relevant job competencies, generating the best interview questions, and consistently evaluating based on predetermined criteria.

ENGAGE CANDIDATES FROM BEGINNING TO END

A recent study found that just by offering encouragement at the beginning of the process, university admissions leaders were able to reduce the gap between black and white candidates who completed the process by a staggering 52%.

Why? When confidence begins to wane that they will actually progress through the hiring process, groups who have historically faced prejudice and discrimination - such as racial minorities or women in tech and engineering - tend to withdraw.

To demonstrate that you want candidates from all backgrounds to be part of your hiring process, engage with them continuously, from end to end, through the use of recruiting chatbots, emails, or phone calls from recruiters. By leveraging technology to quickly move candidates through the hiring process - via text reminders, follow up communication, and answers to FAQs - hiring teams have the ability to eliminate manual tasks and focus on elevating the candidate experience instead.

HIRVUE HIRING ASSISTANT

Simplify recruiting workflows and elevate candidate experience with HireVue Hiring Assistant. In this self-guided and personalised experience, candidates interact with a virtual hiring assistant to quickly find the job that fits, pre-screen for the role, seamlessly schedule an interview, and receive automatic status updates on their application. With candidate engagement taken care of, recruiters can focus on the most qualified candidates, quickly move them through the process, and spend more time on strategic priorities.

THE ROLE OF TECHNOLOGY: LEADING THE ETHICAL USE OF AI IN HIRING

So what role should technology play in a future-forward, fair hiring process? Are the algorithms used in hiring technology, designed by biased humans, inherently biased themselves?

"Technology is a benign tool," says Mondragon, "that can be used for "good" or "bad." Using any tool to screen, without continuously checking for bias, will only breed more bias."

The primary benefit of interview technology isn't that it's video, per se; it's that it's inherently structured. Computers don't care what someone's accent sounds like, which postcode they're from, or whom they love. The technology asks each candidate the same questions, in the same manner, and in the same order, every time. That structure not only makes each single interview more fair, but also makes it possible to scale that fairness.

At HireVue, as part of our rigorous adverse impact testing, each algorithm is analysed before it's put into production to ensure there's no bias present in regard to race, gender, or any other group differences. Once validated, the algorithm is rechecked annually for adverse impact.

Our AI technology has been audited by 3rd parties, including distinguished professor and CEO of Landers Workforce Science LLC, Dr. Richard Landers. Taking a holistic look at our processes, Dr. Landers concluded: "In general, HireVue reaches or exceeds industry standards for the creation of high-stakes assessments, and this audit exposed no weaknesses that critically undermine HireVue's approach."[8]

HireVue technology does not take into account the tone of a person's voice, the way their accent sounds, the way their face is shaped, or any other visual aspects of the interview.

Why? Because none of those qualities are predictive enough of job success to reliably include. Our technology analyses the content of candidates' answers to job-related questions, as well as their skills, through scientific assessments.

Finally, the algorithm helps determine which candidates are best-suited for each job. Those candidates then progress to a Live Interview with members of the hiring team.

HireVue has always been committed to good science that creates a level playing field for all candidates, and helps companies consider a larger and more diverse set of candidates than ever before.

> "The algorithm is not deciding whether or not you're worthy of a job; it's **working together with humans** so they can do their jobs better." — Lindsey Zuloaga, Chief Data Scientist, HireVue

Read more about Our Science

CAN WE REALLY BE BIAS-FREE?

It's hard enough to hire one person fairly; hiring hundreds or thousands of people is a different story. HireVue technology empowers leaders to hire fairly at scale, whether you're hiring five new employees, or 5000.

Still, science may never completely eliminate the bias that exists in human decision-making. It does have the ability to minimise human error, though, making the process much better than it was before.

"What we want to do," says Andy Valenzuela, Chief Human Resources Officer at HireVue, "is to arm our customers and prospects with a proven capability to move the needle."

We believe technology can amplify hiring power by combining AI & humanity for good. It may not happen all at once, but it can be better. And we'll keep working to make it better.

WHAT WE'RE DOING AT HIREVUE AROUND DEI:

- ✦ **Currently identifying our next office location based on diverse talent catchment**

- ✦ **Outreach & relationships; we're heavily connected with underrepresented communities**

- ✦ **Running regular inclusion training for Managers**

- ✦ **Creating community around our employee hubs, then focusing to hire in those hubs so that our globally-distributed people don't leave due to feeling excluded**

- ✦ **Less focused on gender diversity, more focused on racial / ethinic diversity**

Book a demo and see the power of HireVue in action.

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