



DIVERSITY & INCLUSION HANDBOOK



This downloadable handbook covers everything from how to influence internally, attract a diverse pool of candidates and create a fair assessment process. The information has been collated from working closely with clients and from the webinars that we have run over the past year, each featuring expert guest speakers.

Instant Impact
In-house diversity and recruitment experts

INTRODUCTION

"Improving diversity should not be about quotas or box ticking but instead it is about ensuring your company is a fair and inclusive place to work where people feel 100% comfortable to be themselves".

Felix Mitchell, Founder and Co-CEO

Instant Impact

In-house recruitment and diversity experts



This document provides a number of practical suggestions and methodologies that HR teams and in-house talent teams can use to meaningfully improve diversity through recruitment. That said, it is important to remember that the whole business needs to prioritise DE&I in order to effect real change.

ABOUT

instantimpact



Recruitment has a bad rep: it's expensive, time consuming and sometimes you just don't know who to trust. At Instant Impact, we're reinventing outdated recruitment and RPO models by taking a truly people-focused approach. We work as part of your team to transform your hiring, saving you time, frustration and wasted money.

No hidden costs or annoying surprises, finally a team you can trust.

Find out more at instant-impact.com



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Part 1 - Influence internally & build the business case

1. Do you need a mindset shift?



Before making any changes in HR or recruitment, it is critical to get buy-in from the board and from the wider business.

With hiring it can seem like the safer option to stick with what you've always known. It is our job as leaders within HR to challenge the traditional way of thinking and to educate the people in the wider business that a diversity-centric recruitment approach is about hiring the best quality talent without being blinded by the background and privilege that some people are blessed with as they grow up.

Build your business case



In order to get the leadership team on board, it is essential that you build a strong business case.

McKinsey's Business Case - in their 2020 report, [Diversity wins: How Inclusion matters](#), they found that:

- Companies in the top quartile for ethnic diversity were 36% more likely to have a financial return above their national industry median than companies in the bottom quartile
- For gender diversity, that financial outperformance was 25%
- There is a 48% likelihood that a gender diverse executive team will outperform the least diverse executive team (see the graph on the next page for more information).

Part 1 - Influence internally & build the business case

The business case for diversity in executive teams remains strong.

Likelihood of financial outperformance,¹ %

■ Bottom quartile ■ Top quartile

By gender diversity

Why diversity matters²

+15%



2014

Delivering through diversity³

+21%



2017

Diversity wins⁴

+25%



2019

By ethnic diversity

Why diversity matters⁵

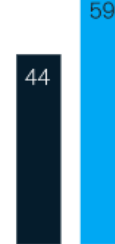
+35%



2014

Delivering through diversity⁶

+33%



2017

Diversity wins⁷

+36%



2019

¹Likelihood of financial outperformance vs the national industry median; p-value <0.05, except 2014 data where p-value <0.1. ²n = 383; Latin America, UK, and US; earnings before interest and taxes (EBIT) margin 2010–13. ³n = 991; Australia, Brazil, France, Germany, India, Japan, Mexico, Nigeria, Singapore, South Africa, UK, and US; EBIT margin 2011–15. ⁴n = 1,039; 2017 companies for which gender data available in 2019, plus Denmark, Norway, and Sweden; EBIT margin 2014–18. ⁵n = 364; Latin America, UK, and US; EBIT margin 2010–13. ⁶n = 589; Brazil, Mexico, Singapore, South Africa, UK, and US; EBIT margin 2011–15. ⁷n = 533; Brazil, Mexico, Nigeria, Singapore, South Africa, UK, and US, where ethnicity data available in 2019; EBIT margin 2014–18.
Source: Diversity Wins data set

McKinsey
& Company

It's impossible to argue with the numbers - **diverse teams perform better.**

Further reading and resources

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Instant Impact hosted a webinar with EY and Applied for some practical steps that businesses can take to build up the commercial case for diversity.



Here's that McKinsey report in full. It's full of compelling research and stats so well worth a read if you need to start from the business case.

2. Why are businesses more successful when they are diverse?



- **Ideas** - if you are not a diverse organisation you will be missing out on different perspectives and opportunities
- **Talent** - When talking about talent, high quality employees come from different backgrounds. Another study by Deloitte found that Gen Z, more so than any other generation, prioritise diversity when considering where to work, so companies that fail to adopt a forward-thinking approach to recruitment will see their traditional talent pools dry up
- **Retention** - As millennials and Gen Z make up over half of the workforce, this expectation to work in a diverse organisation will affect retention too
- **New business** - companies that already take diversity very seriously, especially FTSE 250 and the public sector are starting to focus outside of their own business and on their supply chain. RFPs and procurement teams increasingly ask about the diversity of suppliers' organisations and we expect this trend to continue

Part 1 - Influence internally & build the business case

- **Brand** - failure to meet DE&I expectations has become increasingly newsworthy (e.g. FT Adviser) whilst businesses with balanced leadership teams are often positioned as the future of the industry. This sort of branding doesn't just help attract traditionally overlooked employees but will encourage talent from all backgrounds to apply

These are all important factors when putting your business case together. You also need to make your case accessible by applying it directly to your business.

Ask the question - **How is your business doing?**

Consider the areas that your business could be losing out to competitors as a result of lack of diversity and use those specific examples to make this tangible pain point for your leadership.

3. Influence stakeholders / using the business case



- Explain to your senior leaders why it is so important - not just because it is the right thing to do but also because it is the best thing for the business
- Outline the current diversity metrics within your organisation, using data where you can to support your point

Part 1 - Influence internally & build the business case

- Give examples of what competitors are already doing
- Then after this, set the parameters for this improvement project. Make it clear that you won't compromise on quality, that you are still focused on attracting the very best talent, that you want the assessment process to be just as, if not more rigorous, than it currently is. Finally, make it clear that you're working towards diversity of background, diversity of thought and diversity of opportunities for your business.

There are two ways that we have seen HR teams / D&I departments approach the question of cost:

- Make it clear that the business case presents a fantastic return on investment
- Combine your plan for diversity into a wider audit of your recruitment practices

There are also internal groups that you need to engage - Hiring Managers, your internal recruitment team, and the wider business:

Many of the points that you have made to the leadership team are still relevant but there are some nuance changes to the messaging that will help to get their buy in:

Part 1 - Influence internally & build the business case

- With **Hiring Managers** - make it clear that you won't be demanding more of their time nor will you be increasing the time it takes to hire top talent and you won't be asking them to make any hiring decisions that aren't in the best interest of the business
- If you have an **internal recruitment team**, ask more of them and make them accountable for improving diversity. They should take any additional work that process changes bring rather than passing it on to the hiring managers
- **Wider business:** make it clear that you are not just focusing on new joiners and that these changes form part of a wider focus on inclusion to make sure that your company is a great company to work for regardless of background
- **Wider business:** give them opportunities to get involved in the project if it is something that they really feel passionately about

Once leadership and the wider business is on board, the next step is to create an action plan and to communicate it successfully to the board and the wider organisation.

This action plan should have three main elements which we'll cover in the following sections:

- Attracting a diverse pool of candidates
- Creating a fair assessment process
- Fostering an inclusive environment

4. Continual communication

- **Reporting** - gather high quality data on both the performance of your internal recruitment function and the impact that your changes are having on diversity
- **Continual education** - make sure that all relevant stakeholders are aware of the changes to the recruitment process and why they have been introduced. We recommend that everyone who is involved in the hiring process should take part in a training programme. It is not possible to train people out of unconscious bias but it is possible to make them aware that it exists so we would recommend that all hiring managers have this training
- **Celebrate success** - make sure to celebrate successes as you continually strive to improve things. The quest to be a diversity and inclusion centric business is never complete so it is important that this stays front of mind

Part 2 - Attracting a diverse pool of candidates

There are six different areas to consider when it comes to candidate attraction:

- 2.1 Removing barriers
- 2.2 Job board strategy
- 2.3 The right partners
- 2.4 Actively headhunting
- 2.5 Early career focus
- 2.6 Building diverse leadership teams
- 2.7 Employer brand

2.1 Removing Barriers

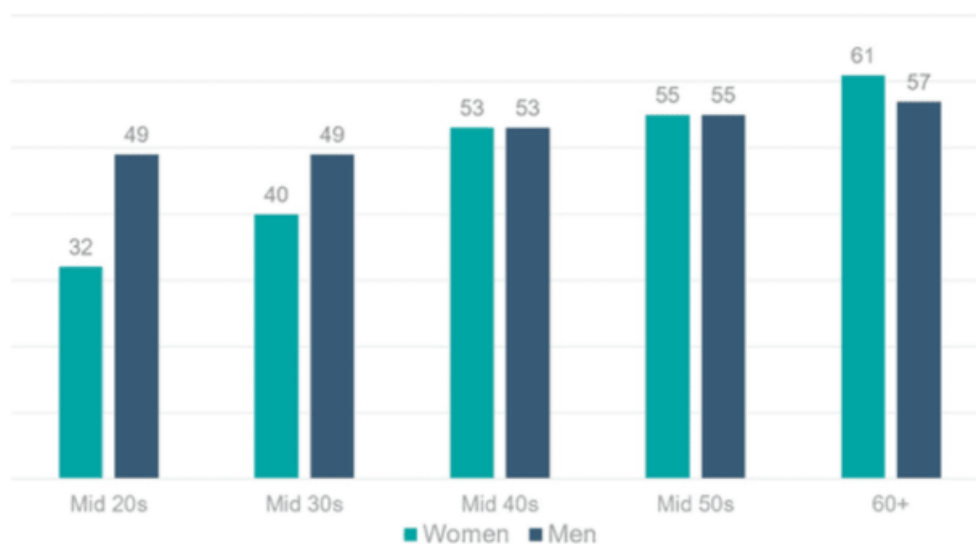


Job descriptions: The hiring manager's own perception of what makes a good hire and the job description that they write will shape the talent pool that you can tap into.

The first step when hiring is to step back and identify 'what good looks like' and question the key skills (and attributes/ values) required to do the role. and the corresponding requirements.

A [Hewlett Packard report](#) found that "men apply for a job when they meet only 60% of the qualifications but women only apply if they meet 100% of them". This is not down to their ability but rather the "decision not to try". As Zenger Folkman's research shows in the graph below, women's confidence increases more with age than men's.

Gender Confidence Over Time



The Confidence Gap in Men and Women: How to Overcome It - Zenger Folkman

By focusing on the skills that you're looking for rather than the experience, you can access talent from completely new talent pools.

Are you looking for an Oxbridge graduate or an ambitious, intelligent hire who can quickly get their head around new concepts?

Do you need 20 years of industry experience for your new Director or are you looking for an inspiring leader with the ability to open up a new market? (N.B. removing some requirements can seem like a leap for Hiring Managers so consider using 'preferred' or 'beneficial' experience as a first step.)

After agreeing on the substance of the job description, the next step is to focus on the language -

Gender coding: There is strong evidence that certain words can influence the likelihood of people from different genders applying so it is essential that the language you have chosen isn't unintentionally putting certain candidates off and that it can be understood by everyone. There are debiasing tools online to review your Job Description e.g. [Gender Decoder Tool](#)

This tool was influenced by a research paper written by Danielle Gaucher, Justin Friesen, and Aaron C. Kay in 2011, called [Evidence That Gendered Wording in Job Advertisements Exists and Sustains Gender Inequality](#).

The people conducting this research paper showed job adverts which included different kinds of gender-coded language to both men and women and recorded how appealing the jobs seemed and how much the participants felt that they 'belonged' in those particular roles.

As a result the researchers did find a list of words that they regarded as either masculine or feminine-coded. You can find the list [here](#).

Once you've put together your job description in the right way, you need to define and execute your advertising strategy.

Part 2 - Attracting a diverse pool of candidates

2.2 Job board strategy



If your current selection of job boards aren't bringing you a diverse pool of high quality hires it's time to reassess which job boards you use. It is important to use as broad a range of job boards as possible within budget constraints. This not only means that the job can be seen by a wider range of candidates but using the more generalist job boards like LinkedIn, Indeed, and Monster can help you attract candidates from other (potentially more diverse) industries.

We'd also recommend looking at diversity-centric job boards like [Vercida](#) that attract 30% more diverse candidates and provide useful tips to improve. Here are other specialist job boards to consider:

- [The Black Young Professional Network](#)
- [Evenbreak](#) (specialist job board for disabled jobseekers)
- [Creative Access](#)
- [Diversifying](#)
- [BAME Recruitment](#)

The final tip on job boards is to use data and follow the results.

- **Analyse** the success of your application sources not just in terms of hires but also in terms of diversity and volume of applications
- **Experiment:** Adapt the advert if it's not working and particularly focus on the job title that you use as it's highly influential in who clicks to find out more
- **A/B test** to see what's working

2.3 The right partners

Working with partners that support minority or disadvantaged groups can be a brilliant way to get your company in front of diverse candidates. There are a number of amazing organisations out there:

- Universities, schools, apprenticeship training partners
- Professional groups such as Women in Finance, Coding Black Females, 10,000 Black Interns and Charities like The Amos Bursary.

It's important to note that when partnering with organisations like these that you need to consider what you can give as well as take – it can't just be a box ticking exercise.

For example, 10,000 Black Interns partners up with firms from 24 different sectors and delivers internships across a range of internal business functions. If your company is able to offer an internship then you could help to change an individual's life.

2.4 Actively headhunting

Not only will headhunting open up a pool of talent that is not actively job seeking, it will massively reduce your reliance on recruitment agencies and can also have a positive influence on diversity.

Part 2 - Attracting a diverse pool of candidates

Make sure to encourage your recruitment team to present a diverse panel of candidates for each vacancy. That said, you need to make sure that any headhunting you do is proactively diverse rather than headhunting exclusively from groups that are underrepresented talent pools for your business. That way you can avoid employment law traps and the world of positive discrimination.

2.5 Early career focus



We also highly recommend focusing on your Early Career Programmes if you hire at that level. We have found that these programmes can be very powerful in establishing the roots of diversity in an organisation. Here are some statistics to show why that is:

- In the UK **only 9.7% of executive positions are filled by women** compared to 57% who are at university and 50.1% who are starting apprenticeships
- **Only 6% of top managerial positions are filled by BAME employees** compared to 20% of students at university who identify as BAME and 12.3% of people starting apprenticeships

With such a richly diverse talent pool, early careers hiring can be a fantastic place to start and given that it can be a large proportion of a company's annual hiring, it's also a great way to make a big difference quickly.

2.6 Building diverse leadership teams

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It is difficult to hire diverse talent at the top of an organisation but that does not mean it is any less essential. If you want the whole business to be bought into your Diversity & Inclusion strategy then the leadership team should be a prime example of your methodology.

All of the steps listed above apply to senior hires as well as more junior hires. Some other things to consider when it comes to hiring at executive level are:

- **Representation** - Make sure that the panel involved in the selection is balanced to make sure that you're seeking diverse perspectives
- **Introduce a scoring system** - There are high stakes in leadership recruitment and there is comfort in the status quo so make sure you challenge your own bias and put objectivity at front and centre of the process
- **See some wild cards** - If you aren't seeing diverse candidates with your existing job requirements consider relaxing them and seeing some candidates who aren't the finished article but could be with a little support

Part 2 - Attracting a diverse pool of candidates

- **Culture fit vs culture add** - What does "fitting in" really mean? and do you want leaders that fit with the status quo? We know that diversity of thought is critical in innovation and creativity so instead of culture fit, think about character and values fit more objectively. It is crucial to consider your own bias here and recognise what dynamic they could add and bring to the team.



Naomi Barton, Principal, Global HR Practice from Savannah Group explained about the importance of this in a webinar we hosted - click the button below to watch the recording



Part 2 - Attracting a diverse pool of candidates

2.7 Employer brand

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Employer Brand is the element that ties your diverse attraction strategy together. It is the window that you provide potential employees into your business, showcasing what you do and what you believe in. It can be really influential in determining which candidates apply and which don't feel welcome. This is not a case of fake it until you make it - the External Perception needs to reflect the Employee Reality, otherwise you will be quickly found out.

By creating an inclusive Employer Brand to reflect and celebrate all of the work that you're doing to be an inclusive organisation creates a virtuous circle - more candidates will find you through your social media and other activity - those that do will be more likely to apply because they'll like what they see and when people join they will feel more welcome. This will make it easier to hire and retain more diverse employees.

It is important to be proud of the work that you're doing in this area and promote it online, whether they're the first steps or part of a long-term diversity strategy.

Here's [a link](#) to an article with more information on Employer Branding and for some easy to implement frameworks that will make an instant impact on your hiring.

Extra resources:

- [Attracting diverse talent webinar](#)

Part 3 - Creating a fair assessment process & removing bias

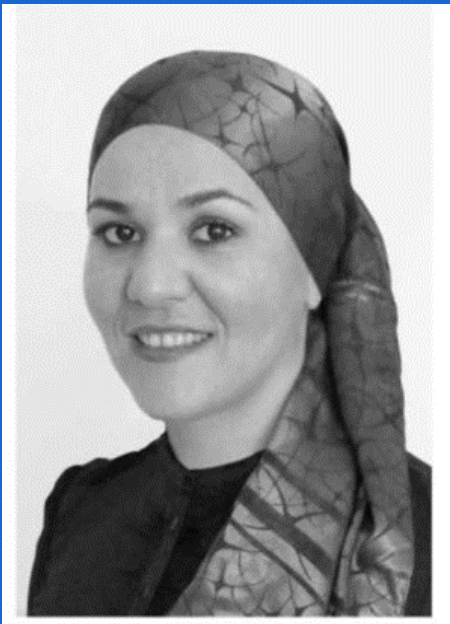
1. What's the problem?

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The problem is neatly illustrated in a study by Doris Weichselbaumer for The Institute of Labour Economics in Germany. In a piece of field research she applied for a wide range of jobs using almost identical CVs. The only thing she changed was the name of the applicant and the photo on the CV.

The three different applications were as follows

- Sandra Bauer (German sounding name)
- Meryam Ozturk (Turkish sounding name)
- Meryam Ozturk (same name as above but she changed the photo to have a headscarf - see image below)



Discrimination against Female Migrants Wearing
Headscarves, September 2016 - Doris
Weichselbaumer - <https://ftp.iza.org/dp10217.pdf>

Part 3 - Creating a fair assessment process & removing bias

The results were quite shocking:

- Sandra Bauer received interview requests for **19% of her applications**
- Meryem Ozturk with otherwise exactly the same profile, received interview requests for **14% of her applications**
- And when the photo had a headscarf but the CV was otherwise unchanged, Meryem Ozturk received interview requests for just **4% of her applications**

This means that Meryem would have to apply for 5x as many jobs as Sandra to get the same number of interviews and that is before you consider the bias that could appear throughout the rest of the process. It is clear that despite having exactly the same experience and skills, Meryem and Sandra are not operating on a level playing field.

A good free resource to use to challenge your own and your team's bias is [Project Implicit](#) which was developed by Harvard and measures participants' implicit associations about race, gender, sexual orientation and other topics.

The truth is we all have unconscious biases and it is important to know where and how this can affect our decision-making and the decision-making of others so that we can mitigate it in the assessment process. As mentioned in the Influencing Internally section, we would strongly recommend including unconscious bias training for anyone involved in the hiring process.

Part 3 - Creating a fair assessment process & removing bias

2. Different types of bias



Halo Effect - inferring ability from association with a previous employer or something else on their CV.

Confirmation Bias - this is the tendency to search for, interpret, favour and recall information in a way that confirms or supports one's prior beliefs or values. People select information that supports their views, ignoring contrary information.

Affinity Bias - this is the unconscious tendency to get along with or recommend others who are like us.

Stereotype Bias - this is the association of a person or a social group with a consistent set of traits. This may include both positive and negative traits.

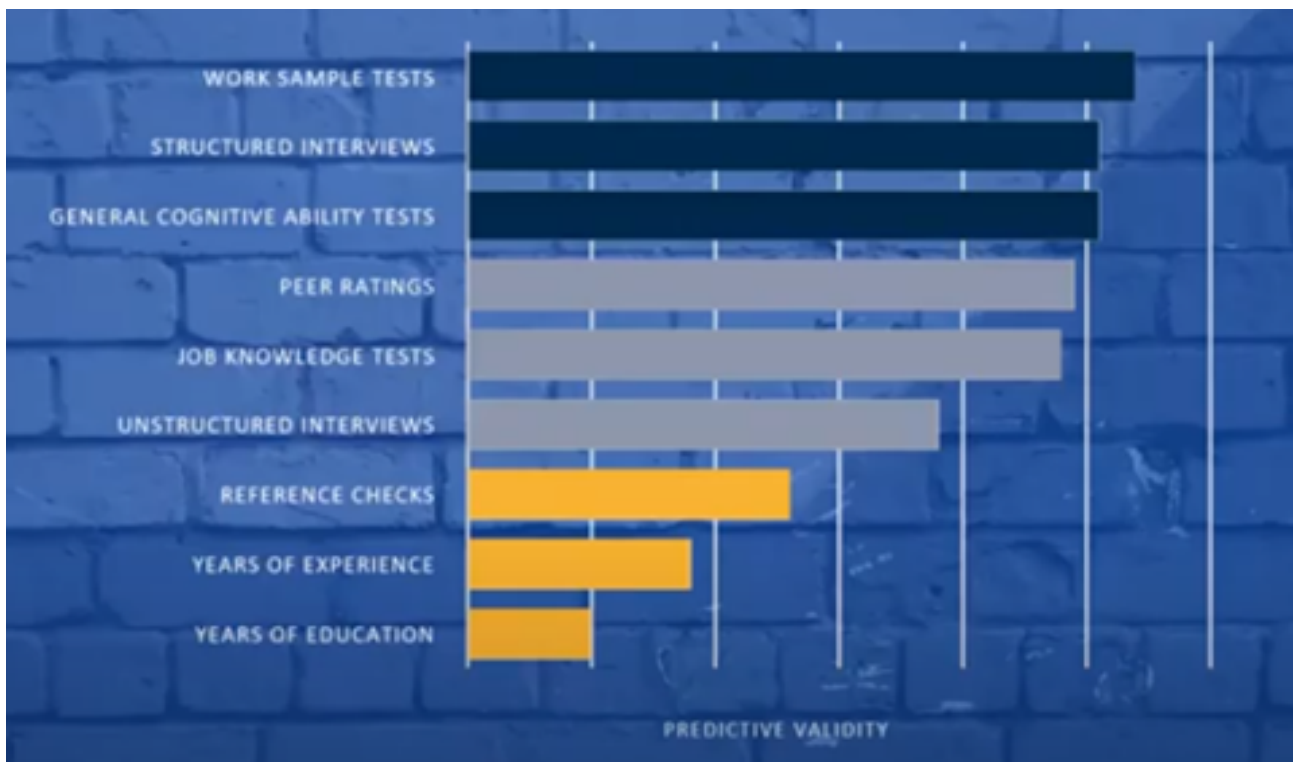
Groupthink - where did the CV come from? It is important to consider this because if your Manager told you to review it or said that X candidate looks good, you're more likely to agree.

Part 3 - Creating a fair assessment process & removing bias

3. Reworking the hiring process



A study by Schmidt / Hunter 1998, 2016 shows that traditional methods of assessment, particularly CV screening, are far less predictive of performance in the job than Work Sample Tests, Structured Interviews and General Cognitive Ability Tests. Using the findings of this study, it's possible to rebuild your assessment process and put diversity first.



Part 3 - Creating a fair assessment process & removing bias

Build an assessment process that puts skills, predictivity and values / mission alignment first by using data driven systems. These will be more predictive of how the candidate will perform in the role and mean there is less chance that bias appears.

Screening

CVs are one of the least predictive methods of assessment but are one of the most vulnerable to unconscious bias. Some businesses use specific skills-based questions to support or even replace CVs.

- **Online testing** - there are a huge range of businesses providing online testing from Cognitive Ability Tests and psychometrics to verbal and numerical reasoning.
- Consider adding in **work sample tests** to allow candidates to provide a snapshot into how they'd perform in the role. These ask candidates to answer 3-5 questions about how they'd approach certain workplace situations in 250 words or less. Screening on work sample tests has been demonstrated to be 4x more predictive of in-role performance than CVs.

Resources - Testing providers

- [Applied](#)
- [Arctic Shores](#)
- [Test Partnership](#)
- [Revelian](#)
- [HireVue](#)

Part 3 - Creating a fair assessment process & removing bias

Provide interviewers with objectivity and structure to help them get away from 'gut feel' decisions.

- Every interview should have a scorecard based on the skills, values, and behaviours that will make candidates successful in the role
- Build a structured interview around that scorecard - a set list of questions that interviewers should ask to provide everyone with the same opportunity
- Workplace role plays or scenario-based interviews are the most predictive as they provide real insight into how candidates will approach the challenges that they'll face in role

Finally, as reference checks are not very predictive and can sometimes result in biases appearing, we advise that you make hiring decisions before taking references.

4. Data & Reporting



The more data and reporting that you have, the better! In order to have data and reports, we need candidates' sensitive information and in order to get this it is important to make it clear to candidates that any data that they provide will only ever be used for reporting and to improve the assessment processes.

Part 3 - Creating a fair assessment process & removing bias

With this information, you can then breakdown candidate sources by diversity and see how candidates from different backgrounds perform throughout the assessment process. This is very useful to see where you need to continue making improvements.

Feedback: Provide candidates with high quality feedback on each stage of the assessment process if they want it. This will further improve candidate experience and employer brand in the process; having the additional benefit of driving more candidates in the future.

5. Continual improvement



It is essential that you use the data and reporting that you're able to access in order to drive continual improvement in your quest for an ever more diverse assessment process.

6. Positive Action



Under the Equality Act 2010 you cannot hire an individual based purely on their protected characteristic - you have to hire the best person for each role.

That said, Positive Action (or Affirmative Action) became legal in April 2011 to outline the legal possibilities for companies to take measures to support the recruitment and promotion of underrepresented minorities.

Part 3 - Creating a fair assessment process & removing bias

Positive Action allows employers to take measures to address any imbalance within the company that an employee or potential employee could face:

- We have covered the positive steps that you can take in the attraction phase
- It also allows you to choose to hire or promote an individual from an underrepresented background when they are as equally qualified as other candidates

The Rooney Rule: this was established in 2003 by the NFL and requires that American Football teams interview ethnic-minority candidates for all senior roles as part of their assessment process. There was no hiring quota, only an interviewing quota. It started with every team being required to interview at least one or more diverse candidates for each head coaching role and has since been expanded to cover more roles. It was brought in to address the underrepresentation of non-white head coaches in the NFL because whilst 70% of players were non-white, just 9% or 3 of the 32 head coaches were at the start of the 2003 season.

The rule has been widely applied at a variety of organisations with different interpretations covering all forms of diversity and increasing the requirement for example ensuring that at least one candidate at final round interview is from a minority background.

Part 3 - Creating a fair assessment process & removing bias

If your organisation suffers from a fundamental and deep rooted issue with diversity (as is well documented to be the case with the NFL), implementing the Rooney Rule and requiring that at least one candidate from a minority background is interviewed for every role could be a great first step.

However, Positive Action alone will not level the playing field. Unless you address the underlying issues, Positive Action in the assessment process, like the Rooney Rule can become a box ticking exercise. To create real long lasting change, you need an assessment process that will assess which candidates have the potential for high performance whilst removing the bias that blinds judgement.

Resources:

[10,000 Black Interns](#)

Internships & work experience

If you'd like to you can also provide internships and work experience specifically for candidates from under-represented groups. This can be a great and highly targeted way of opening up opportunities to those starting their careers.



GET IN TOUCH WITH instant impact.



To find out how your HR and in-house talent teams can meaningfully improve diversity through recruitment, schedule a consultation with one of our Co-CEO's Felix Mitchell or Rob Bythe below

[Schedule consultation](#)