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Build an inclusive hiring process as you scale

A COMPREHENSIVE GUIDE

Contents:

Inclusive hiring means shaking up the traditional way of doing things

The days of writing poorly performing job posts, skimming CVs and conducting unstructured interviews are over.

This guide is designed for companies **looking to build a fairer hiring process** and **increase diversity of thought within their teams.** You'll find a **series of actionable recommendations** to help you overcome biases, make better quality decisions and welcome more diversity into your talent pipeline.

Small changes can add up to make a huge impact. We've covered the essential building blocks across your hiring process: posting a job vacancy, screening candidates and giving job offers.

IT ALL STARTS WITH THE
job posting

Never underestimate the power of first impressions. Your job posting will likely be candidates' first glimpse into life at your company. The language you use in job postings sends strong signals about who 'fits in'. Here are some tips to attract a diverse range of applicants to apply.

1. Distinguish between essential and desirable requirements, and encourage candidates to apply even if they don't tick all the boxes.

Some people tend to think the list of requirements is more rigid than it really is. Women and other minority groups tend to apply only to 'safe bets' – jobs where they definitely meet all of the criteria.

A lengthy list of requirements may put (less-confident) candidates off from applying. **Be crystal clear about must-haves and nice-to-haves** in the job description. And **add a short statement encouraging people to apply,** even if they don't tick *all* the boxes.

> **DID YOU KNOW?**
>
> Candidates who identify as **women are 21% less likely to apply for a job after viewing it** compared to candidates who identify as men (analysis from Otta)

2. List company benefits in your job posting

Advertising **paid time off, family policies and flexible work** can attract candidates who may otherwise be excluded from opportunities due to their personal circumstances. Women are particularly attracted to flexible working arrangements, so **if you want to attract more women to apply for (senior) roles, make this the default.**

> **DID YOU KNOW?**
>
> Over two-thirds of candidates who identify as women and candidates from minority backgrounds **pick 'flexibility and well-being' as their top priority when looking for a new role** (analysis from Otta)

3. Include the salary range

Publish your salary bands in your job posting to give candidates a clear idea of what they can expect. And if you allow negotiation, be clear about this upfront.

This ensures that everyone gets paid at a fair rate and, according to the research, encourages women to negotiate at the same rate as men.

Job postings with a public salary range see a

51%

uplift in the number of saves on Otta

Job postings with a public salary range see a

42%

uplift in the number of applications on Otta

4. Check job posting for biased language

When candidates read your job posting, one question will be at the front of their mind: **'Will I fit in here?'**. And the language you use can subtly alter their perceptions.

If you overuse masculine-coded words (Ambitious, Aggressive, Superior, Confident) you may put off women from applying to your roles. The reverse is also true. Avoid feminine-coded words (Affectionate, Compassionate, Interpersonal, Sensitive) if you want to attract more men.

By **changing the word choice** to more gender-neutral (or feminine) language, you can increase the volume of applicants and attract a more diverse pipeline of talent.

DID YOU KNOW? Job ads for tech roles containing both masculine and feminine-coded words **received 44% more applications** than ads with only masculine-coded words

FIND WAYS TO

broaden your reach

To welcome more diversity to your company, you need to start at the top of the funnel. If you rely on traditional word-of-mouth or passive hiring, you're probably tapping into the same circles again and again, which is bad news for diversity. Here are some tips to broaden your reach and get through to the top talent that others might overlook.

1. Set up a diversity referral programme

Referrals typically reflect the existing demographics of your organisation. If you're looking to add more diversity to the top of the funnel, you'll want to break out into wider social circles. It can be as simple as prompting people to think outside the box.

Keep the positives and avoid the pitfalls of referrals by **rewarding employees for referring candidates from underrepresented backgrounds.** Be clear about what you consider a 'diverse referral' – are you focusing on gender, ethnicity, or something else?

DID YOU KNOW?

When Pinterest tried out a diverse referral programme, they saw a 24% increase in women referred and a 55x increase in referrals of candidates from underrepresented ethnic backgrounds.

2. Set the rule for at least 30% representation of minority groups on your shortlists

When we're faced with tough decisions and limited time to make them, we tend to revert to the status quo. This puts minority-group candidates at a disadvantage, especially if they're represented in small numbers on your shortlist. It sends the message that majority group candidates are the norm.

The research shows that 30% is the golden number where decision-makers deviate from the status quo and start to consider minority-group candidates as seriously as the majority group. **Set the rule to meet this benchmark on all your shortlists** to increase the likelihood of hiring a candidate from an underrepresented group.

Let's say you have a shortlist of 4 candidates, and 1 is a woman. You might assume she has an equal chance as any other of getting the job (25%), but researchers found that the likelihood of hiring her is statistically close to zero. **However, if 2 out of 4 candidates are women, the chance of hiring a woman jumps to 50%.**

3. Make your recruitment materials inclusive

Your external company image sends strong signals about your workplace culture and the kind of person who would fit in with it.

If your recruitment materials are filled with jokes that only make sense if you've watched a certain movie, or played a certain video game, then you're probably scaring away people who don't 'get it'. Instead, be inclusive of a diverse range of interests and backgrounds.

In photos, showcase the diversity you've got in your company. If you're just starting to add more diversity to your team, then **include a diversity commitment in your external-facing materials.**

Avoid copy-and-paste statements. The best performing companies on Otta include an authentic diversity commitment on their company profile.

And don't worry about scaring people away. <u>The research is clear</u> — everyone, including white men, is drawn to these statements.

DID YOU KNOW?

67%

of candidates **consider a diverse workforce an important factor** when evaluating companies and job offers

A BETTER WAY TO

interview

Interviewers make lots of snap judgements when they meet a candidate, often totally subconsciously. If left unchecked, these judgements might mean you discount a candidate because they didn't meet your expectations – maybe they didn't look or sound the part – even if they're a great fit for the role.

These recommendations will help you limit the influence of bias and give you the most accurate picture of candidates' potential.

1. Prepare relevant questions

The art of fair interviews lies in preparing a set of questions that focus on the skills and values that are essential to the role.

Always check the job description and **decide what attributes you're looking for in an ideal candidate.** Come up with 5–7 questions that invite longer, 'story' answers that explore these attributes. To get a clear idea of candidates' abilities, focus on past experiences with specific examples rather than asking them to respond to hypothetical situations.

EXAMPLE BANK

Interview Questions

❌   If you were stuck on a desert island and could only pick three people on earth to have with you, who would you pick?

✅   Tell me about a time when you had to motivate a group of people towards a goal? How did you go about it?

❌   Imagine your boss needs to take unexpected leave and asks you to lead a big project. How would you lead the team?

✅   When you have multiple tasks on your to-do list, how do you prioritize what to work on first? Describe an example.

2. Use a rating scale

Before kicking off your interviews, you need to know what you're looking for. Stereotypes can fill in the gaps if you leave evaluation down to intuition. **Using a rating scale mean that candidates get fair and consistent treatment**, no matter who's interviewing them.

After checking the job description and defining the attributes of an ideal candidate, you can use this to create a rating scale. It's important that these attributes are measurable and relevant, so be specific. Decide on a consistent rating scale **(0–10, ⭐ to ⭐⭐⭐⭐)** and define what a poor, ok and great response looks like.

DID YOU KNOW? Objective and clearly defined rating scales level the playing field and even **eliminate gender gaps in ratings.**

EXAMPLE BANK

Interview Rating Scale

Attribute: Collaboration

1. **Poor:** Complains about previous team or managers, doesn't demonstrate ability to work cooperatively.

2. **Okay:** Demonstrates ability to work in a cross-functional team with specific examples but no experience resolving difficult situations.

3. **Great:** Demonstrates enthusiasm for team work and has experience resolving complex interpersonal problems effectively and sensitively.

3. Run structured interviews

Unstructured interviews might feel natural, but they open the door to bias. If you have a casual chat with a candidate, you might get a good sense of whether or not you'd like to get a drink with them after work, but you won't understand how well they'll perform on the job.

Standardising the interview procedure is the best way to make sure that interviewers evaluate candidates consistently and fairly. It's easy to do: **just ask all candidates the same questions in the same order.** This simple trick gives all candidates an equal opportunity to prove themselves and prevents interviewers from straying off-topic into subjective territory.

DID YOU KNOW?

Unstructured interview styles are poor predictors of job performance, explaining **only 14% of employees'** performance. Structured interviews are much more reliable, predicting 26% of job performance.

4. Run sequential one-to-one interviews

Panel interviews are popular – many people think they can even improve diversity in the pipeline. After all, if multiple perspectives are present on the interview team, then candidates will face a fairer shot at success.

In fact, **panel interviews amplify bias**. The loudest (or most senior) voice can easily dominate the conversation. Rather than forming their own opinion, interviewers get swayed by their peers, meaning one person's bias contaminates everyone else's assessment. Avoid falling into the trap of 'groupthink' by **opting for one-to-one rather than panel interviews.**

5. Rate candidates' interview answers immediately

The sooner you rate candidates the better. If you wait, you risk memory filling in the gaps, meaning answers that personally appealed to you will stick out.

Rate candidates against your rating scale as soon as possible. **Don't share scores with your peers until everyone has submitted their assessment** to avoid being swayed by the majority opinion.

USE FAIRER WAYS TO

assess candidates

It's not easy to get a sense of candidates' working styles through interviews alone. For that level of understanding, you need a closer look at how candidates approach their work. Here's how to identify the best fit out of your list of finalists.

1. Re-think how you use CVs and resumes

CVs and resumes can present recruiters with a truckload of noise. Things like name, gender, age, hobbies and the university that someone went to don't tell you anything about candidates' potential in a role, but they can cloud your judgement. Subconsciously, we prefer people *like us,* meaning you might accidentally give preferential treatment to those who share your favorite football team or went to the same university.

You could stop bias in its tracks by blinding all references to (at least) gender and ethnicity. Or consider ditching CVs and resumes altogether. Instead, **screen candidates with a short application survey outlining their skills and knowledge**.

Some companies use CVs and resumes to **identify and prioritize candidates from underrepresented backgrounds.** In this case, they can be a helpful tool to make sure you have a diverse shortlist. If you do decide to use this approach, make sure all candidates go through an identical assessment process so that you get a clear insight into their skills.

Even a name is enough to trigger our biases. One famous study revealed that employers favour candidates with 'white-sounding' names. 'Emily Walsh' received 50% more callbacks than 'Lakisha Washington' despite having an identical CV.

2. Use work sample tests

Work samples are basically a trial run for candidates. They give you a first-hand look into candidates' abilities to complete on-the-job tasks, and give candidates a realistic taste of what the role entails.

The work sample should capture a specific task that reflects the core responsibilities and skills in the job description. It could be a piece of coding, designing a product feature, writing a Twitter thread. Just make sure it isn't too time intensive – lengthy tasks are a barrier for candidates who have demands on their time.

Define a list of 5-6 skills that the work sample should capture. **For each skill, create a rating scale with clearly defined criteria for each score.** You'll use this rating scale to keep things accurate and fair when assessing the output.

DID YOU KNOW?

Work samples are up to **3x more predictive** of job performance than CVs or unstructured interviews.

EXAMPLE BANK

Work Sample Rating Scale

Skill: Technical Proficiency

1. **Poor:** Significant errors throughout report.

2. **Okay:** Slight errors in calculations, but report is not intuitive to read.

3. **Great:** No errors, report is well-structured and well-written.

3. Compare candidates' responses question-by-question

If your application or assessment process involves candidates completing written answers or short work sample tasks, it's important to limit the halo effect: when early opinions sway later judgements.

Let's say you ask candidates to complete 5 short written tasks for their work sample, and when it comes time to assess the answers, you go through them candidate by candidate. Maybe candidate A shows plenty of confidence and talent in their first response. You might think they have it in the bag. But once you get to the later skills-based scenario, they fall short.

You'll naturally look for information to confirm your early judgement rather than assessing the present information clearly. That means you'll hire based on first impressions rather than true potential.

An easy way to avoid the halo effect is to **rate all candidates question by question**. That means hiding candidate names and scoring all the answers to question 1, before moving on to question 2, and so on.

4. Hire for value fit, not culture fit

We all want to work with people we like, but assessing how well a candidate fits in with your company culture usually comes to opinion. Just because you 'click' with a candidate doesn't mean they're the best person for the job. And hiring people who already fit the norm means you'll hire similar people again and again.

Instead, look for how well candidates are **aligned with your company mission and values, and be explicit about how you assess this.** This removes ambiguity and leaves little down to interviewer preferences.

EXAMPLE BANK

Value fit questions

1. What is it about our company that made you apply for this role?

2. Describe a time when you helped a coworker overcome a difficulty they were facing.

3. What can I do to support you in this role?

5. Compare final candidates against each other

When it's time to make the final decision, always compare two finalists against each other to maximize your chances of hiring talent from underrepresented backgrounds. If you review in isolation, it's much easier for stereotypes to influence your judgements.

That's because our brains are naturally comparative. We can't see a tree and say "that's exactly 52 feet tall", but we can tell which is the tallest tree in the park. If you don't have a point of comparison, you're more likely to rely on inaccurate assumptions.

When you're left with 2 or 3 final candidates, **review their performance side by side** across each stage of the hiring process.

DID YOU KNOW?

Comparative evaluation can overcome the influence of stereotypes. **In one experiment**, when assessors evaluated one candidate at a time, they were more likely to assign roles based on gender. But when they compared candidates against each other, they shifted their focus onto individual performance.

DON'T FORGET ABOUT THE
offer stage

1. Never ask about salary expectations

On the surface, asking about previous earnings seems reasonable. Many companies assume it's a fair way to base salaries on candidates' previous performance and experience. When you look closer though, this practice perpetuates pay inequality.

Women on average get lower starting salaries and fewer raises than their male colleagues in the same job. If you use salary history as a primary factor to make pay decisions, it means that unequal pay will follow people throughout their careers.

Ditch the question altogether — **make fair offers based on well-researched benchmarks and salary ranges.** And if you allow negotiation, state so clearly.

DID YOU KNOW?

Entry-level software engineers in the US who identify as women set **their minimum salary expectation 14% lower** than those who identify as men. This gap **widens to 30%** for senior engineers (analysis from Otta)

2. Give candidates at least 3 days to consider the offer

Accepting a new job is a life-changing decision, and candidates should be given ample time to consider. Women and other minority groups are much more likely to accept the initial offer, even if this means accepting a lower salary than they had in mind. Instead, **encourage them to carefully consider so that candidates have time to gather the information they need to confidently negotiate.**

3. Ask for references for all finalists

If someone has reached this stage of the process by way of recommendation, it may seem unnecessary to ask for references. But if some candidates have to cross one more hurdle than others, the process isn't fair.

The best way to minimize unfair advantages is to ensure all candidates go through the exact same process. Even if a candidate landed in your recruitment pool by way of referral, **make sure you ask everyone to provide a reference.**

DID YOU KNOW?

Women and people of colour are much less likely to receive employee referrals than their white male counterparts. If you make things easier for referred candidates, then you might be shutting out people from minority backgrounds.

DOCUMENTS TO
anchor your processes

As you develop your hiring process and scale your team, solid documentation helps to keep things consistent. It gives talent teams and hiring managers across the company clear guidance on how to proceed. Here's a list of what you need to get started.

– <u>Hiring policy</u>

This document should formalize all of your procedures in the hiring process and outline your approach to equal opportunities.

– <u>Hiring guide for managers</u>

The hiring guide should walk managers through each step of the procedure. It should be concise and easy to follow with plenty of examples so that everyone knows how to adhere to your policy and candidates face consistently fair treatment.

– <u>Hiring checklist</u>

This should be an actionable version of the above document so that managers can easily keep track of their actions in the hiring process. Checklists are a great way to ensure consistency and keep everyone on the same track.

– <u>Guide for tracking diversity in the funnel</u>

Now that you've made so many changes to your hiring set-up, it's important to measure the impact. Tracking candidate diversity throughout the funnel will help you uncover dropout rates. If you see that minority group candidates are dropping out at higher rates than others at any point, you can fix the leak in your funnel with de-biased processes (like the ones in this guide!).

Ask candidates to self-report their demographic information (gender and ethnicity at least) in the initial application form. We also recommend asking candidates where they found the vacancy — that way you can prioritize job boards that give you access to the most diverse pool of applicants.

Important note: This is sensitive data. Make sure to store it securely and keep it separate from decision-makers.

"**Having solid checklists and documentation in place helps us keep processes consistent when we're scaling the team.** Everyone involved in hiring knows the high standards we hold ourselves to, and has access to all the documentation they need to feel confident."

AMY COWPE

Chief of Staff
CharlieHR

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FairHQ

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Otta is re-defining how the best candidates search for jobs. We're used by fast-growth and tech companies to hire mission-driven talent.

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