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WHY DIVERSITY & INCLUSION MATTER

While it has been proven time and time again that diverse and inclusive teams are more effective than teams who have the same experiences and perspectives (they generate more revenue, make better and faster decisions, drive more innovation), many employers have still made little progress with D&I. And less than 40% of recruiters say their function has implemented a D&I strategy. (Gartner 2019).

We are in an era of social change, where important movements like Black Lives Matter and MeToo have drawn increasing attention to companies where Diversity and Inclusion (D&I) is a statement, but not a strategy, demanding systemic change.

At the same time, the Covid19 pandemic has impacted our economies, demanding a level of business agility and sustainability unimagined just a short time ago — and D&I is one of the keys to making it through:

Research has found that companies that remained diverse and inclusive during the Great Recession (in terms of diverse workers' experience and representation in different ranks) did better financially during and after it, with as much as a 4x better stock return after the Great Recession than the S&P 500 at that time.



DEFINING DIVERSITY & INCLUSION

D&I is a company's mission, strategies, and practices to support a diverse workplace and leverage the effects of inclusion to achieve a competitive business advantage. You can think of Diversity as the "who," and Inclusion as the "how."

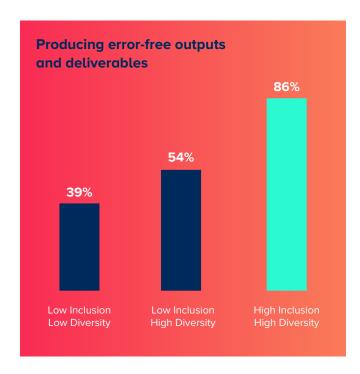


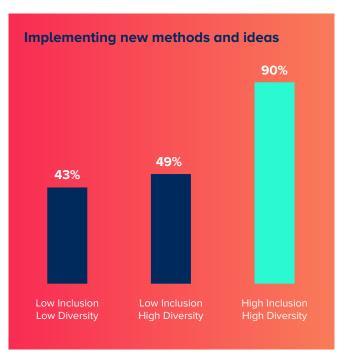
Diversity is about who you are sourcing, selecting, and hiring; who you are engaging, retaining, developing, and promoting. Diversity is any dimension that can be used to differentiate groups and people from one other, such as age, gender, ethnicity, religion, disability, sexual orientation, education, national origin, first language, and so on.



Inclusion is about how you are culturally and socially accepting and welcoming everyone, how you are creating a sense of belonging for all, and how you are ensuring everyone feels valued.

As illustrated in the charts below, achieving both Diversity and Inclusion is key to driving the best performance. So, how do you make progress with both in recruiting? The following pages share strategies you can adopt.





Gartner 2019

CANDIDATE ATTRACTION

Making Job Descriptions Gender Neutral

From the very beginning of the candidate search, you could already be limiting your applicants: if you use gendered language in your job descriptions, and/or include a long list of "nice to have" requirements, you could be dissauding one gender from applying.

Here are two steps to take to remove gender bias, creating more inclusive job postings:



1. Remove gender-biased words and superlatives.

Studies have found certain words to be gender-biased, and to be more likely to deter women from applying. For instance, a seminal <u>study</u> by the Journal of Personality and Social Psychology (January 2011) "found that job ads for stereotypically male jobs had more masculine wording, which led women to think more men worked there, believe they would not belong in that position, and find the job less appealing."

When writing job descriptions, avoid the use of gender-biased words. For instance, words like "hacker," "rockstar," or "ninja" are masculin in tone. Similarly, consider the superlatives you use: words like "expert" and "world class" can result in less women applying.



2. Remove "nice-to-have" requirements.

<u>Research</u> has shown that women will typically apply for a job if they meet 100% of the requirements, whereas men will apply if they meet just 60%. By limiting the number of requirements you include in a job posting to the must-haves, you can achieve more applications from female candidates.

Oleeo Recruit includes **Intelligent Writing**, a capability that helps recruiters de-gender job postings by identifying gender-biased words and suggesting replacements for masculine words that are known to deter female candidates.



CANDIDATE SELECTION:

Being Aware of Gender Bias in Resume/CV Reviews

At Oleeo, we focus a lot on data, and we wanted to know: do the words candidates use in their CVs/resumes perpetuate the unconscious biases of recruiters?

To find out, we partnered with University College London and conducted the first large-scale statistical linguistic analysis of male and female CVs/resumes across multiple industries, looking at 200,000 applications and CVs/resumes from the UK and US. We looked at the lexical, syntactic, and semantic differences in the text to establish "features" that differentiate a male resume from a female resume. Then, for each industry, we determined which words on CVs/resumes were most likely to be associated with female and male candidates. Here are the top 10 lists by industry.

Financial Services

P Female	O Male
Organize	Equity
Event	Portfolio
Volunteer	Investment
Assistant	Capital
Social	Analyst
Student	Finance
Marketing	Market
Community	Stock
Department	Interests
Plan	Technical

Technology

Q Female	O Male
Volunteer	PHP
Event	С
Assistant	Software
Organize	Linux
Analyze	C++
Plan	Computer
Student	Have
Social	Developer
Conduct	Engineer
Excel	Network

Consulting

Q Female	O Male
Volunteer	Engineering
Assistant	Sport
Event	Investment
Social	Finance
Organize	Analyst
Write	Club
Community	Cost
Student	Financial
Communication	Technology
Research	Technical

Retail and Buying

Q Female	O Male
Art	Football
Child	Play
Volunteer	Sport
Shop	Business
Assistant	Club
Assist	Technology
Social	Computer
Design	Mobile
Organize	It
Create	Leadership



Removing Identifying Candidate Details

Think of the show The Voice. The concept of the show seems fairly new — the judges are turned around with no preconceived notions or stereotypes of the performers. The contestants are judged purely on their ability to wow the audience and judges with their singing voice.

It seems like a new idea, yet this "blind audition" concept stems from decade old studies. Before the 1970s, symphony orchestras were made up of almost all white men. Directors would brush off the statistic by saying these white men were simply the most qualified. However, when (in the 1970s) The New York Philharmonic and The Boston Symphony Orchestra held auditions behind screens, so the judges couldn't see what musicians looked like, studies by Harvard and Princeton found that 25-45% of female musicians were more likely to be hired.

Indeed, studies since have shown that human bias, whether conscious or unconscious, can limit the selection of diverse applicants. For instance, a 2003 study by MIT and The University of Chicago found that applicants with a white-sounding name versus a black-sounding name were 50% more likely to get a first-round job interview; and a follow up study in 2015 found that applicants with black-sounding names who went to elite universities were selected for a first round interview at the same rate as applicants with white-sounding names from less selective schools.

As a result of these issues, removing identifying information from resumes/CVs (such as name and education) is a tactic to consider, keeping in mind that it is only one part of the puzzle.



Widening your Candidate Reach

If our goal is to put the right people, at the right time, in the right jobs... how are we determining who the right people are? And how many candidates are we not even considering simply due to lack of time?

Research by Oleeo has found that the average time from apply to hire runs at 6 weeks with little variation by industry segment, and involves an average of 91 actions in the hiring funnel. This means that, for many employers, numerous applicants aren't even considered, due to recruiter time constraints and high volumes of applicants.

At the same time, human bias is built into the selection process: recruiters and hiring managers bring both objectivity and subjectivity to the table when reviewing candidates, and — even those with the best intentions — can down-select candidates influenced by those biases.



Objectively, candidates may be screened based on "hard data" related to their educational background, work experience, location, and so on.



Subjectively, candidates may be screened on keywords that the recruiter or manager feels indicate a fit for the role, and on biases related to factors such as name, nationality, gender, age, and so on.

The result of these factors — lack of time, high volumes of applicants, and human bias in selection — is a narrower, less diverse pool of candidates being considered.

This is where the use of intelligent selection — the use of artificial intelligence and data science — comes in, providing a way to widen the pool of applicants considered, while also removing bias from the selection process.

Instead of relying solely on humans for selection, intelligent selection uses data science, applying machine learning to historical data — such as the resumes/CVs of past applicants coupled with outcomes like hires, retention, performance, etc. — to score candidates. Candidates with top scores can be fast-tracked to the interview stage, while recruiters further assess the lower scoring candidates.

Done well, using well-designed algorithms that have been checked and validated, intelligent selection helps companies consider a wider, more diverse pool of candidates, and increase diversity in hiring, without introducing adverse impact — defined by the US Equal Employment Opportunity Commission as "a substantially different rate of selection in hiring which works to the disadvantage of members of a race, sex, or ethnic group."

As a result of these issues, removing identifying information from resumes/CVs (such as name and education) as a tactic to consider, keeping in mind that it is only one part of the puzzle.

Oleeo Recruit includes **Intelligent Selection**, a machine learning capability that leverages your historic data and advanced analytics to automatically score candidates for selection, while removing bias from the equation.



Knowing your Baseline and How to Improve It

As the adage goes, "if you don't measure it, you can't improve it." Critical to success with D&I is understanding your baseline (where you are today) and the levers you can pull to achieve your goals. For instance, answering the following important questions:

What is the diversity in our recruiting funnel?

How does the diversity in hiring funnels vary by recruiter, hiring manager, role, location, and so on?

How do diverse candidates move through the funnel?

What are our diversity hiring results?

Do diverse candidates withdraw from the process at higher rates? At what stages?

What are our diversity trends over time?

Are diverse candidates rejected at higher rates? At what stages?

You can then use the insights gained from answering these questions to inform your D&I strategy and tactics, as well as to gain buy in for your programs and initiatives.

Oleeo Insights: Diversity is an "out of the box" solution that provides pre-built metrics, analytics, and visualizations, answering best practice questions about diversity in recruiting.



INCLUSIVE DIVERSITY AS A HIRING STRATEGY

D&I is not just a set of tactics. It's a strategy that, when successfully implemented, can create significant business impact.

Diverse and inclusive workforces:



Are more profitable:

McKinsey studies found that the profitability difference between the fourth and first quartile of performers due to executive-level diversity was +21% for gender diversity, and +33% for ethnic diversity.



Perform better:

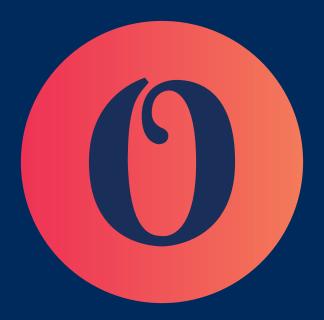
Research by CEB found that gender diverse and inclusive teams outperformed gender-homogenous, less inclusive teams by 50%.



Are more innovative:

Research published in Harvard Business Review found that more diverse companies deliver 19% higher average innovation revenue.

We have the opportunity to remove bias and get back to being human.



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