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Recruiting a Diverse Workforce: How You Hire and Why It Matters

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Agenda

- What does it mean to have a diverse workforce?
- Why does diversity matter?
- What rules govern diversity efforts?
- Creating a more diverse pool of qualified workers
- How can recruiting be used to create diversity?
- How can the hiring process be designed to create diversity?

Polling Question

What is the most pressing reason to create greater diversity in your organization?

- ☐ **Obligations from being a federal contractor**
- ☐ **Other affirmative action requirements**
- ☐ **Public image or attractiveness to candidates**
- ☐ **Direction from high level stakeholders**
- ☐ **Other**

What Does it Mean to Have a Diverse Workforce?

Diversity in a general sense

- Is some degree of differentiation between people on important characteristics
- For example:
 - A product development team may need creativity and analytics
 - A market research team may need people who understand the demographics of the market
- Important aspects of diversity must exist in an organization before they can be utilized

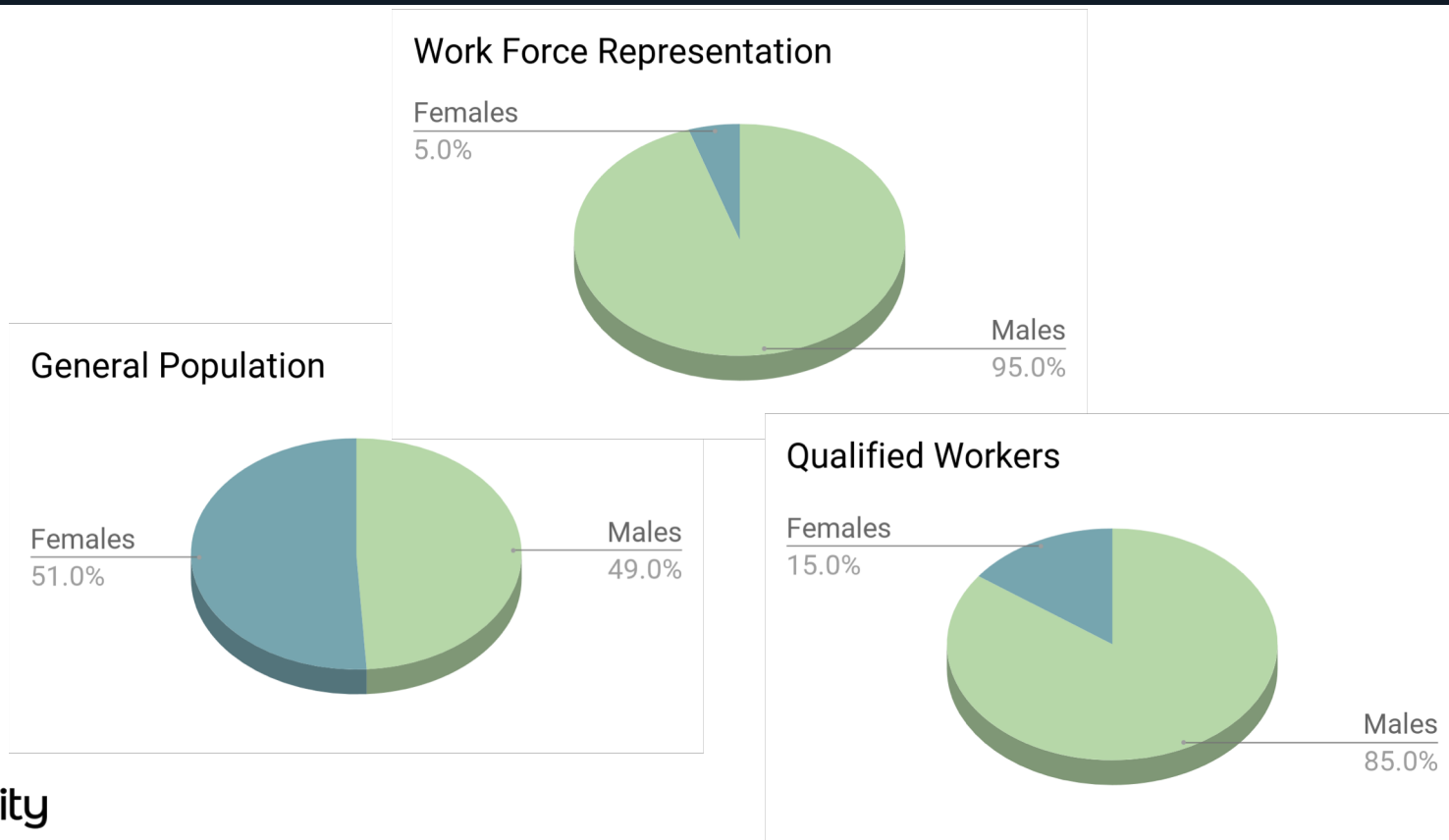


What Does it Mean to Have a Diverse Workforce?

Diversity as defined by classification

- Gender
 - Male
 - Female
- Race/Ethnicity
 - Asian
 - Black or African American
 - Hispanic or Latino
 - Native American or Alaska Native
 - Native Hawaiian or Pacific Islander
 - White
 - Two or More Races
- Age
 - Under 40
 - Over 40
- Individuals with Disabilities
- Protected Veteran Status

What Does it Mean to Have a Diverse Workforce?



Why Does Diversity Matter?

First, diversity matters for workforce development and productivity in both individual and team tasks:

- Diversity in Class tends to produce diversity in useful traits and skills, which sets an organization up for success.
- A workforce gains a lot by existing in a diverse environment
- Having others around who are more like you, even if it's only a few people, increases psychological safety, which is increasingly recognized as being important for good performance.



Why Does Diversity Matter?



Second, diversity matters for workforce quality:

- A diverse organization is more attractive to a greater number of people
- This increases the size of the talent pool and gives greater opportunity to select individuals who are on the high end of the talent range
- Such talent is also more likely to stay in an organization it sees as welcoming and accepting
- At the end of the day, companies live and die by their talent

Why Does Diversity Matter?

Third, diversity matters for profitability:

- Diversity also seems to be strongly related to better overall company performance
- McKensey & Company's now famous report on Delivering through Diversity
 - Better gender diversity on executive team 21% more likely to have above average profitability
 - Better gender diversity on executive team 27% more likely to have industry leading performance on long-term value creation
 - Better ethnic/cultural diversity on executive team 33% more likely to have above average profitability
 - Better ethnic/cultural diversity on board 43% more likely to have higher profits



What rules govern diversity efforts?

Fourth, diversity matters as a matter of equal employment opportunity law and regulation:

- EEOC (Equal Employment Opportunity Commission) - For most employers
 - Civil Rights Act of 1964 and 1991
 - Age Discrimination in Employment Act
 - Americans with Disabilities Act
- OFCCP (Office of Federal Contract Compliance Programs) - For Federal Contractors
 - Executive Order 11246
 - Section 503 of the Rehabilitation Act
 - Vietnam Era Veterans Readjustment Assistance Act

What rules govern diversity efforts?

What do these rules mean for recruiting and hiring?

- You must pay attention to how your processes and decisions affect protected groups
- For federal contractors, an obligation to increase representation is adopted
- You may prefer veterans and individuals with disabilities
- You may not prefer or treat differently people in other protected classes
- You are also prohibited from expressing a preference in job postings or recruitment materials for a particular gender or race

So, how do you change the diversity of hires when you can't show a preference?



Creating a more diverse pool of qualified workers

An Example: Oil Refineries



Some Methods:

- Scholarships
- Outreach
- Internships
- Internal Training
- Employee Resource Groups (ERGs)

How can recruiting be used to create diversity?



The Lighthouse for the Blind, Inc.



Employment Referral Resource Directory

<https://ofccp.dol-esa.gov/errd/index.html>

How can recruiting be used to create diversity?

Things to watch out for:

1. The source does not increase applicant diversity
2. Diversity is increased but the applicants are not appropriate
3. The applicants are qualified but not competitive
4. Recruiting efforts in one area have adverse effects in others
 - a. Veteran Recruitment

The primary tool for ensuring good recruiting sources is to regularly conduct a recruiting source analysis and adjust efforts.



How can recruiting be used to create diversity?

Sourcing Analysis

25% of applicants are female, 2% of applicants were hired

Source	F Hires	Hires	Not Selected	F Apps	M Apps
Company Job Board	2	38	1,862	474	1,426
	5.26%	2.04%	97.96%	24.94%	75.06%
Professional Organization Outreach	10	20	355	175	200
	50.00%	5.33%	94.67%	46.67%	53.33%
College Fairs and Outreach	1	17	518	35	500
	5.88%	3.18%	96.82%	6.54%	93.46%

How can recruiting be used to create diversity?

Dispositions:

A disposition indicates the last Step a person got to in the hiring process, what happened to them or what decision was made about that applicant, and the reason for the decision.

Step - Status - Reason

Step 1 - Applicant Screen

- Rejected - BQ Experience
- Rejected - BQ Certification
- Rejected - BQ Education
- Withdrew - travel
- Withdrew - Hours

Step 2 - Interview

- Rejected - BQ Knowledge
- Rejected - Other Candidates More Qualified
- Rejected - Other Candidates More Experienced
- Withdrew - Salary
- Withdrew - Location

Step 3 - Offer

- Hired
- Withdrew - Hired to Other Company
- Rejected - Failed Background Check
- Rejected - Failed Drug Test

How can recruiting be used to create diversity?

Disposition Analysis - (25% of applicants are Female)

	Female	Male	Total
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Step 1 - Applicant Screen

1	Rejected - BQ Experience	100 (40%)	150 (60%)	250
1	Rejected - BQ Certification	10 (2%)	490 (98%)	500
	Rejected - BQ Education	75 (25%)	225 (75%)	300
2	Withdrew - travel	60 (30%)	140 (70%)	200
2	Withdrew - Hours	150 (60%)	100 (30%)	250

Step 2 - Interview

	Rejected - BQ Knowledge	7 (11%)	53 (89%)	60
3	Rejected - Other Candidates More Qualified	30 (30%)	70 (70%)	100
3	Rejected - Other Candidates More Experienced	35 (29%)	85 (61%)	120
	Withdrew - Salary	2 (5%)	38 (95%)	40
	Withdrew - Location	3 (10%)	27 (90%)	30

Step 3 - Offer

	Hired	2 (5%)	36 (95%)	38
	Withdrew - Hired to Other Company	0 (0%)	7 (100%)	7
	Rejected - Failed Background Check	0 (0%)	2 (100%)	2
	Rejected - Failed Drug Test	0 (0%)	3 (100%)	3

How can the hiring process be designed to create diversity?

Applicant to Hire Study:

- Calculate expected minority hires based on racial composition of applicant pool.
- Express disparity as number of standard deviations where > 1.96 is evidence of statistical disparity.

Applicant Pool	Minority Applicants	Total Hires	Minority Hires	Expected Minority Hires	Difference	Standard Deviations
522	240	35	4	11.02	-7.02	-2.59

- $4/240 \times 100 = 1.67\%$ Hire rate for minorities
- $31/282 = 10.99\%$ Hire rate for non-minorities
- $1.67/10.99 = 15.2\%$ relative hire rate for minorities compared to non-minorities

How can the hiring process be designed to create diversity?

Selection Step	Females	Female Selection Rate	Males	Male Selection Rate	Adverse Impact (80%)
1. Expression of interest	100	----	100	----	
2. Determination of Internet applicant	75	75% (75/100)	70	70% (70/100)	107.14%
3. Phone Interview	15	20% (15/75)	60	86% (60/70)	23.26%
4. 1 st interview	12	80% (12/15)	40	67% (40/60)	119.40%
5. 2 nd interview	5	42% (5/12)	17	43% (17/40)	97.67%
6. Offer Extended	3	60% (3/5)	10	59% (10/17)	101.69%

How can the hiring process be designed to create diversity?

The hiring process can be tailored to increase diversity in a number of ways:

- Stages can be modified
- Stages can be combined and weighted
- Stages can be eliminated or replaced



Polling Question

Would you like an Affirmity representative to reach out to you with more information on how we can help you with your recruiting or hiring process reviews?

☐ **Yes**

☐ **No**

Final thoughts

1. The most effective way to look at diversity is holistically
2. The tools presented in this presentation don't need to be used in some specific way to achieve diversity
3. None of these techniques use quotas, as that would *not* be legal in most cases.
4. Check with legal before producing too much information.
5. Align recruiting and hiring efforts with other programs

Q&A

Questions & Answers



Upcoming Webinar:

Date	Time	Title
7/10	1 PM CST	Component 2 of the EEO-1

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