Now there's a tested model for hiring the best

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There are a million vague bromides and breezy lists of best hiring practices but now there's also a scientific approach to ensure you're hiring the candidates who best meet your needs. Beware: your competitors may already be using it to steal the best talent.

Funded a grant by Walmart, the Equality Action Center (EAC) did 17 rigorous Bias Interrupters experiments within companies in partnership with The Conference Board. Five involved hiring, to ensure companies were hiring the most qualified applicants from each demographic group. EAC's simple formula produced dramatic results in short time periods (6 to 10 months). A large, well-known manufacturing company saw a 7-point increase in offers to men of color, a 5-point increase for women of color, and a 3-point increase for white women. A mid-stage tech start-up increased white women's representation from application review to offer by 8 percentage points, and URM (Black/Latina/Multiracial) women's by 7 percentage points.

After decades of companies spending in the range of $8 billion a year on diversity, equity, and inclusion (DEI) programs with few concrete results, it's big news that there's a tried-and-true formula that actually works to produce year-over-year progress.

There is a simple formula for hiring the best candidates. First, use objective metrics to get a clear picture of what you're doing. Second, show hiring managers what bias looks like and let them brainstorm ways they would feel comfortable interrupting it. Third, provide a consistent structure where candidates are rated on rubrics—competency by competency—with evidence to justify ratings. All too often companies do only one of these, or some departments do them all, but others don't. Our experiments showed that if you use these three elements—and use them consistently—they work.

BUT WE'RE A MERITOCRACY!

A lot of talk right now says what we should be focusing on is meritocracy. We totally agree – we've always agreed. But our evidence shows something some folks seem to be unaware of: current hiring practices often aren't meritocratic. At a mid-stage tech start-up, we compared the overall ratings hiring managers gave each applicant, and found that demographic groups were treated very differently. White men were getting offers with lower ratings than any other group. Basically, white men's cut-off was lower than any other group and white and URM women had to have higher ratings than everyone else to get an offer.

The company was shocked to see that it wasn't hiring the strongest candidates. Has your company checked your data? If not, you might be in for a surprise.

Our research over the past decade suggests that this is a common problem. In our database of nearly 20,000 people, in industry after industry, we find that white men are two to three times as likely as women of color to report they need to prove themselves more than their colleagues of similar education and experience, with other groups falling in between. Forty years of rigorous lab experiments provide objective evidence that bias exists *in the world;* our data show that the same biases are reported *in today's workplaces*.

Is it even possible to run a company without bias? It is. When we looked at university recruitment of a large energy company, and compared the interview scores of candidates who got offers, we found that candidates hired had very similar interview scores regardless of their demographic group. They were hiring the best. It's possible to get hiring right—but you won't know whether you're doing so unless you look at your data.

DON'T FORGET: HIRING IS A FIVE-STAGE PROCESS

We also looked at blue-collar jobs at a large manufacturing company, which highlighted an important point too often ignored. The hiring funnel typically is a five-step process – assembling the pool, resume review, interviews, offers, and start-up packages. If your data show a problem, you'll need to pinpoint where things are going wrong.

One problem at the manufacturing company was that one group dominated their initial pool of candidates.

First, men were 80% of the pool and we found an invisible escalator *up* for white men, who got a huge 28-point boost from application reviews to offers. Meanwhile an invisible escalator *down* for men of color meant they faced a 28-point decrease. The end result: white men got 70% of the offers, while men of color got only 11%.

Once the company knew where to focus its efforts, it put best practices in place by recruiting from multiple networks, like forging strategic university partnerships. This paid off, resulting in an 8-point increase in men of color in the applicant pool. There was also a slight increase for women of color.

But these efforts, admirable though they were, did not fully address the invisible escalator problem, i.e. bias that occurred as candidates moved through the hiring funnel. Fixing that required a workshop to teach hiring managers what bias looks like on the ground. Our Fair and Effective Hiring workshop presented the evidence from decades of lab studies as well as data from the company's own past hiring.

The company also put more structure in place to ensure that every demographic group is judged consistently based on relevant criteria. Some departments were doing well, but others were not; our experiment put best practices in place consistently across departments from assembling the initial pool, to resume reviews and interviews.

Here's what the manufacturing company did to add more structure to their hiring process:

- Consistent job ads. Beforehand, they sometimes advertised the same job role with wildly different job ads.

- Consistent process. They created a standardized hiring process with steps all sites can follow to ensure the same experience across locations.

- Consistent questions. They worked to create behavioral questions that could be asked of all interview candidates, rather than leaving interview questions up to the individual interviewer.

- Accountability. This company always had objective hiring criteria, but until they received our bias training, hiring managers didn't always grasp the importance of sticking to identified standards consistently, for all groups. A ton of research shows that white men tend to be judged on their potential, whereas every other group is judged on skills demonstrated.

These best practices eliminated the invisible escalator *up* for interviews, so that white men now got offers in line with their representation in the interview pool. The invisible escalator *down* for men of color didn't disappear, but it decreased from 13 points to 6. As always, interrupting bias is not one-and-done: even after the experiment was completed, white men still got a huge advantage in application review. Why? It remained an off-the-cuff, informal process. To truly level the playing field, you need to interrupt bias at each of the five stages of the hiring funnel.

REFERRALS ARE INDISPENSABLE—BUT MAY ALSO BE A PROBLEM

Two other companies' data showed they faced quite a different problem. In both a unicorn tech start-up and a financial services company, Asian candidates were vastly overrepresented in the referral pool; they represented 86% of referrals at the financial services company and 58% in the tech company. This mattered not only because the pool matters, but also because referrals were almost three times as likely as other candidates to receive offers. Note: the advantage was even stronger for Asian men than Asian women in both companies.

Eliminating referrals was not on the table at this company and it's probably not at yours either, for a simple reason: referrals in effect have been pre-vetted at no cost to the company. Yet this large an advantage for one group virtually guarantees that you're not hiring the most talented members of each group. When employees of Asian descent are the group artificially advantaged, a second problem arises for the business: in both companies, as elsewhere, Asian employees faced an invisible escalator down, forming a decreasing percentage at each level of seniority. Meanwhile,

white men predominated at the most senior level. When a company disproportionately hires Asian employees who then face stunted promotion prospects risks, they risk driving out a disproportionate amount of the talent they've managed to attract.

BIAS INTERRUPTERS NOT ONLY WORK – THEY ARE ALSO THE BEST WAY TO CONTROL FOR LEGAL RISK

As a result of recent Executive Orders and Supreme Court opinions, companies have become gun-shy about DEI initiatives: some HR or DEI managers are even nervous about things like announcements of Hispanic Heritage Month or Lunar New Year celebrations—activities that present virtually no legal risk.

For all the worry that's swirling around these days, one thing remains crystal clear. If a company uses data to uncover a business problem – that they're not hiring the best – and then uses evidence-based strategies that apply equally to all groups to solve the business problem, they are on rock-solid legal ground. Bias Interrupters are both effective, cost-efficient measures that promote meritocracy and help companies hire the best-qualified talent. They're also precisely what you need to do to control for legal risk.

Three simple steps: metrics, structure, workshop. But not any old workshop. One company we worked with in the past changed our workshop almost completely, eliminating the key components: a dispassionate, science-based description of how bias commonly plays out in hiring, combined with short 6-minute breakouts where colleagues discuss in groups of six how they would feel comfortable interrupting bias in a specific scenario the next time they see it.

One scenario: "You are sitting in a hiring committee meeting, and you see men being judged on their potential; women on their performance. How do you intervene?" People typically come up with things like, "I'd suggest we go back to the top of the pile and judge each candidate first on potential and then on skills to ensure we're treating people consistently."

People love this format: 92 to 100% of participants in our workshops say they have learned strategies they will use going forward. They like it because it does not require you to "get comfortable with being uncomfortable," to quote a common adage of diversity trainings. Quite the contrary: it puts people *inside* their comfort zones, being asked to use evidence to solve a business problem in a way that works for them, without spending too much political capital in the process.

But in the company that changed our workshop to a more standard-issue approach—shying away from the data on racial bias and eliminating the short breakouts on problem-solving scenarios in favor of one 15-minute breakout that asked people who had suffered bias to share their experience—they saw no change at all.

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The core conclusion of our experiments in more than 20 companies is best summarized by a *New Yorker* cartoon that shows a grumpy cook bringing a revolting looking platter to the table, complaining, "This recipe turned out awful despite the fact I substituted every major ingredient." The Bias Interrupters formula works, but only if all three elements are used, and used consistently, throughout the hiring process and throughout the company. No substitutions, folks. Just three simple steps.

> **Ten Powerful Bias Interrupters**
> 1. Decide in advance what competencies are important for the job.
> 2. Give each candidate a separate rating for each competency, then average the ratings to identify the highest ranked candidates.
> 3. Keep track of referrals; if one group predominates, reach out proactively to other groups.
> 4. Hire candidates from multi-tier schools, not just elite institutions.
> 5. Make sure to give everyone—or no one—the benefit of the doubt.
> 6. If you waive job requirements, do so consistently and require an explanation.
> 7. Don't insist on likeability, modesty, or deference from some but not others.
> 8. Don't make assumptions about what mothers—or fathers—want or are able to do, and don't count "gaps in a resume" against someone without a good reason for doing so.
> 9. Don't use "culture fit" without a clear definition of specific work-relevant qualities—and keep track to ensure such concepts aren't artificially advantaging one group.
> 10. Hand out this guide so people know what bias looks like.