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Building the future of work together

Diversity is good for business: Support growth by embracing best practice in recruitment

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A new focus has been brought to the debate about diversity and inclusion in the workplace by the vivid examples of poor practice we have seen recently. But there is much more to achieving workplaces that work for everyone than just tackling the worst excesses of behaviour. Men continue to dominate the highest paid roles while women, people with disabilities, working parents, older people and those from different ethnic and social backgrounds are under-represented across many sectors.

For a business to thrive and continue to compete successfully both nationally and internationally, it must maximise all the resources available. And the most important asset of any organisation is its people. Talent acquisition has increasingly become more challenging for organisations as labour and skills shortages intensify. Central to attracting and recruiting the right person for the role is the awareness that greater diversity and inclusion is the right and financially wise thing to do, with diverse teams producing better results across sectors. The organisations who fail to embrace best practice in recruitment risk falling behind competitor organisations who do. Importantly, utilising the talents of people from diverse backgrounds and rewarding their contribution across sectors and occupations in the workforce will benefit not only the businesses but the national economy as a whole.

Research has found that organisations with diverse leadership teams, in terms of gender, age and ethnicity, tend to perform better than competitors with homogenous teams, for a number of reasons. A diverse team means a more extensive range of backgrounds and experiences, which leads to more creative and innovative solutions to problems, better quality decision-making and more far-reaching insight into a wider range of customers. One other reason for the increased success of diverse organisations is their ability to attract, develop and retain a talented workforce because of the broader talent pools they use to recruit people (McKinsey & Company, *Delivering through diversity*, 2018).

But diversity in the workplace does not emerge in a vacuum. Organisational cultures and biased recruitment practices that prevent talented people from applying for both entry-level roles and more senior roles must be constantly reviewed and evolve to allow the creation of a diverse and inclusive workforce. In this way, organisations will significantly increase their ability to compete effectively in the market and the principles of diversity and inclusion to be built into the fabric of organisations, reflected throughout and extended to all levels of the organisation – in all internal and external communication, campaigns and the organisation’s brand.

Embracing best practice in recruitment

Good recruitment plays a vital role in the process of creating a more diverse and inclusive workforce, as this is the first step in the relationship between employer and employee. Essentially, good recruitment is the foundation upon which a fair, gender-balanced and diverse organisation is built. Only when an open, accessible and inclusive recruitment process is in place, diversity at the workplace can be accomplished.

As the experts in hiring strategies, recruiters and HR professionals have invaluable insight to share with the wider business community and are ideally placed to help drive change in organisations. From conscious and unconscious biases, poor flexible working arrangements to direct and indirect discriminatory practices at various stages of the hiring process, recruitment professionals are in a good position to call out bad practice.

The recruitment industry is best placed to raise awareness on gender-related biases and help to enact strategies that will improve the gender balance and performance of organisations. Asking the right questions is paramount to driving change. Does the job specification appeal more to male candidates than females ones? Is the organisation a champion of flexible working and enhanced maternity and paternity leave? Are the selection criteria used to screen candidates transparent, impartial and fair?

Good intentions must be translated into tangible action at each and every recruitment stage.

- **Correcting gender inequalities**

Greater diversity and gender equality are not only the right thing to do, but they also make business sense as they can drive economic growth. Yet, gender inequalities in the workplace persist. These are reflected in the current makeup of the workforce, long-standing models of early careers and career progression, and the differences in the average remuneration of male and female workers. Embracing best practice and closing the gender pay gap are considerable challenges, but they are essential to making progress.

For instance, in the UK, the median pay gap across the economy is 18 per cent in favour of men. It has been estimated that if the country’s gender gap were to be closed, this could potentially generate an additional £150 billion to gross domestic product (GDP) by 2025. Meanwhile, private sector employers are increasingly predicting the detrimental impact of the gender pay gap on perceptions of their organisation among potential recruits, current employees and other external stakeholders including clients, suppliers and investors. Half (53 per cent) of private sector employers in the UK believe that if they had a large gender pay gap this would have a very or fairly negative impact on perceptions of their company among current or prospective staff (Government Equalities Office, *Interim gender pay gap employer insights survey*, 2018).

ACTION

From organisational structures to pay and benefits, assess what the organisation offers female candidates and scrutinise job adverts to ensure these appeal equally to male and female candidates.

- **Tackling unconscious bias to drive inclusion and diversity**

Unconscious bias is an ongoing issue in the workplace and it continues to drive inequality in the workplace. An interviewer at a close-knit firm may be looking for someone who will fit in with their colleagues and might unconsciously discount candidates who are female, disabled or from different ethnic and social backgrounds.

Hiring in one's own image – like for like – is a real phenomenon. This presents a problem not just for the candidate but also the employer, who may have missed out on someone with the potential to be a great asset to the organisation. Unconsciously discounting candidates from other backgrounds precludes varied insights and hinders creativity and innovation.

ACTION

Establish objective criteria for the role, reflected in the job specification, assessments and interviews. Challenge unconscious bias on the basis of evidence.

- **Flexible working supports diversity and growth**

There is a strong, positive correlation between flexible work and diversity in the workplace. Offering flexibility from the outset can be key in allowing employers to reach groups of candidates they previously found difficult to engage and encourages applications from candidates of diverse backgrounds including those with disabilities and mental health problems, working parents and older workers. Flexible working practices help those returning to work after a break in employment, providing the flexibility needed to help carers balance work and home lives as well as those with disabilities who are unable to work full-time.

Although more employers see achieving a diverse and inclusive workforce as important or vital to their future success, the proportion of jobs that are advertised as being open to flexibility remains in sharp contrast to the increasing number of candidates looking to work flexibly.

ACTION

Reach out to a wider pool of talent by advertising roles with flexible options, where applicable, and make flexible working for both entry-level and senior roles available at the point of hire.

- **Using the right recruitment channels**

There are multiple channels for employers to use to advertise and attract candidates. From the use of recruitment agencies and advertising on the organisation's website to social media and word of

mouth, using the right channels to advertise for each role is crucial for attracting a wider pool of talent.

REC monthly surveys of the past year reveal that the most widely used method of recruiting amongst UK employers is in fact through former employees and word of mouth. However, employers should avoid recruiting exclusively through internal referrals, former employees and word of mouth as such methods encourage hiring like for like. Advertising jobs in different recruitment sources will help to attract a wider pool of talent including candidates from diverse and under-represented groups.

The recruitment platforms used must reflect the diversity and inclusion principles as well as the policies the organisation pursues. For instance, if advertising through a recruitment agency, the recruitment partner should echo a genuine commitment to promoting diversity and inclusion.

ACTION

Be diversity conscious – use a varied range of platforms to advertise jobs and to reach out to a larger and more diverse pool of talent.

For more information, see REC reports '*Increasing opportunity, supporting growth: The role of good recruitment in gender diversity*' and '*Diversity is good for business*'. Available at: rec.uk.com

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