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# Selecting a Diverse Workforce

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Based on a Frontier Software webinar  
with Martyn Rogers, Managing Director and Founder of the Rogers Group

## Studies support diversity

The pursuit of diversity in organisations is not just an ethical issue. Numerous studies show that companies with diverse workforces return higher profits.

Further evidence suggests that women in executive or director-level roles generate better returns to shareholders. In Australia, companies with boards comprising at least 25% women performed an average of 2% better per year than the top 200 Australian Stock Exchange companies, and more than 7% better per year than companies with no women on their boards.



# Diversity benefits are not just financial

Profit aside, diversity has been associated with several other business benefits such as:

- **Better market share**
- **More innovation & creativity**
- **Better capacity to recruit and retain staff.**

Employees typically support diversity within their workplaces. There is a common belief that a diverse group of colleagues adds greater perspective to the resolution of daily challenges. Diversity is reported to keep teams motivated and focussed for longer.



# Diversity and seniority

Diversity in senior leadership roles has been shown to produce better company results. Despite the documented benefits of diversity, a simple analysis of senior leadership in the US reveals an interesting statistic; around 60% of CEOs are male and stand more than 6ft (183 cm) tall. However, men of this height represent only 15% of the total population. Similarly, in Australia, a significant number of senior leadership roles are held by men who share first names, such as John, Peter or David.

Diversity studies in Australia also show a general decline in women holding senior roles in the top 200 Australian Stock Exchange listed companies.



# Why is diversity hard to achieve?

Human beings are hard-wired to discriminate. We seek to decide whether others are a part of our group, or outsiders. Driven by the amygdala located deep in our brain, this unconscious process of classification is linked to our survival instinct, but still impacts decisions made by recruiters. An obvious example of unconscious classification is skin colour, but others include groupings based on gender, education levels, place of residence, clothing, accents, etc.



# Unconscious bias. The enemy of diversity

As human resource professionals you must remember the influence of the amygdala. Individuals will often have a pre-conceived notion of the ideal candidate, against which they will then try, unconsciously, to compare applicants. This is an example of what recruiters refer to as an “unconscious bias”.

There are approximately 100 documented biases that can impact objective recruitment decision making. When activated, the biases push a recruiter toward selecting the candidate that meets their preconceptions.

With such a volume of biases working outside of conscious thought, but influencing decisions, the challenge to build a diverse workforce is made more difficult.



# Managing unconscious bias

One of the best ways to manage unconscious bias is to remove data items that might trigger them. Studies show that resumes with gender-specific names are treated differently by recruiters. A study gave recruiters identical resumes where the only difference was the applicant name. Typically, the applicants with male names were thought to have a greater depth of experience, were considered more likely to be hired and likely to earn a higher salary than their female named competition. Other studies have equated names with skin colour then extrapolated the likelihood of physical size and tendencies toward violence.

The simple solution to such an extrapolation is to de-identify resumes so they contain no: name, age, gender, race, ethnic origin, etc.



# Use objective data to trump unconscious bias

Human resource professionals can overcome bias by employing tools and techniques to objectively assess candidates on their skills and potential. Such tools include basic reviews of experience through to interviews and assessment centres. According to Frank L Schimdt (1998), each assessment technique has a predictive validity, or score, that shows how well the measure can predict candidate success in the role.

The validity ladder (page 24) shows various selection methods and their associated validities, based on decades of studies. Using higher validity processes in combination with former tool will maximise the objective information. If your hiring process relies on interviews, reference checks and personality tests, you are using fewer effective measures to ensure predictive validity.



By de-identifying resumes, using interview panels and selection methods with high predictive validity, you can overrule unconscious bias with consistent, measurable data. As a result, you create the opportunity for diversity as the best candidate is fairly selected. In fact, an orchestra that did so, via blind auditions, found that its female membership increased from 5% to 25%.



# Interview minefield

Relying on interviews alone to assess applicants is fraught with danger. In most organisations, interviewers are untrained and unprepared. They don't know how to conduct an effective behavioural interview and they don't use added measures, such as testing, to rank candidates. Hence, they are susceptible to unconscious bias. Organisations rarely require line managers to develop interview skills as a competency.

Applicants can access many websites that can coach them on interview questions and answers. Other websites reveal the questions specific employers will ask which permits the applicant to prepare beforehand. The interview becomes a performance where the applicant knows the right things to say and do.



Interviewing for objectivity seeks to gather evidence of an applicant's past performance to match the skills and competencies required in the advertised role. Applicants must prove their abilities so a recruiter can assess and determine future competencies.

One of the best ways to maximise your data is by using interviewer panel. This should comprise of a diverse range of people who can assess the candidate from different perspectives. Combined with objective data from other sources, recruiters can derive a more balanced view of the candidate.



## Conclusion

Pursuing diversity rewards organisations with better fiscal results, greater market share, more engaged teams and multiple perspectives on business challenges. Recruiting for diversity requires an approach that eliminates the hard-wiring and preconceptions that human beings bring to the process. Human resource teams must use techniques to remove unconscious bias and assess candidates on measures with high predictive validity. By doing so, they assess candidates using a consistent approach that creates the opportunity for everyone to take part in an unbiased, considered selection process.

## Validity Ladder

Validity of Various Selection Methods



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## MARTYN ROGERS

Martyn Rogers has been employed in Senior Leadership roles at a number of international companies since 1984, culminating in his appointment as National Sales & Marketing Manager for Bell South Australia in 1990.

The Rogers Group was formed In May 1991, upon securing the Australian distribution rights for The McQuaig System™, (which he had used continuously as a client since 1985).The Rogers Group focuses on hiring strategy and management techniques as its principal lines of business. Having started virtually from nothing, the company's extensive client list now includes many blue-chip national organisations such as Kellogg, Campbell Arnotts, A & G Insurance, CSR, Mantra Group, AP Eagers Group, Veolia,Glencore, Raine & Home and many local government bodies.

Amongst Martyn's many areas of expertise he specialises in behavioural issues in the workplace and understanding personalities. His subject areas range from recruitment and selection, through management of staff and teams, to senior leadership.

Martyn is a Fellow of the Institute of Sales & Marketing Management, an international organisation for senior sales managers, and a Fellow of the Australian Institute of Management, for whom he additionally acts as consultant and supplier of psychometric assessment and development services.

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The logo for Frontier software, featuring the word "Frontier" in a large, dark blue serif font, with "software" in a smaller, orange sans-serif font below it. A thin orange swoosh underline is positioned beneath "software".

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