

Top 5 biases to beat in recruitment.

Despite the well-known benefits of workforce diversity, bias persists in recruitment. A quick glance at the numbers reveals why it's essential for hiring managers to beat bias:

#### **6%**

top management positions is held by someone from an ethnic minority. (CIPD)

#### **50%**

Job candidates with 'distinctively black names' were 50% less likely to asked to interview. (Bertrand and Mullainathan)

#### **2**x

Men are twice as likely to be hired as women. (Reuben et al)

#### 1/4

Only 1 in 4 leaders says their organisation recruits from a diverse talent pool. (DDI)

#### **26%**

Global GDP could increase by almost a third if the world's workforce became gender diverse. (McKinsey)

#### 22%

Of autistic adults are in employement in the UK. (Office for National Statistics (ONS)

#### **2**x

Black and Asian ethnicities are twice as likely to be unemployed. (BuiltIn)

#### **5**x

Blind applications lead to five times as many women being selected. (Diversity for Social Impact)

#### 20%

Diverse companies see 20% higher innovation revenues. (Boston Consulting Group)

To benefit from diversity, businesses must fix their broken recruitment processes. For Talent Acquisition professionals, this means tackling the issue of unconscious bias.

#### What is unconscious bias?

In a recruitment setting, 'unconscious bias' refers to social stereotypes formed outside of a hiring manager's awareness when presented with information such as the gender, race, disability or age of a candidate. Since stereotypes are formed automatically, it is incredibly difficult to dispel them. People can be prone to believing that effective decisionmaking can be based on their intuition. But intuition feels innate to us because it relies heavily on unconscious biases. These can consist of our beliefs, stereotypes, attitudes and life experiences.

#### Why is unconscious bias important in recruitment?

It takes just 0.1 seconds for the brain to form an opinion about someone, which means that your recruitment decisions are likely to be skewed by unconscious bias. As little as a 1% gender bias in recruitment can result in 32 failed hires and a £2.3 million annual loss in productivity for firms recruiting 8,000 employees a year, according to research by Oregon State University.

This figure doesn't include the losses linked with low organisational diversity. Diverse senior management teams are more likely to introduce product innovations (*Nathan & Lee*). Diversity also leads to better decision-making in teams (*Levine*). Top companies for diversity are more likely to financially outperform industry averages (*McKinsey*). Credit Suisse also found that companies with female board members outperformed those without by 26%. Aside from the ethical imperative for fair hiring practices, firms simply can't afford to overlook these numbers.

With Generation X and Z bringing a new set of expectations to both work and marketplace, organisations that aren't making strides in diversity hiring risk falling behind. PwC found that a company's level of diversity is fundamental for talent attraction, with 80% of jobseekers taking this consideration. Diversity is a business imperative, and the global labour shortage has intensified competition for talent, yet organisations are still screening out diverse candidates.

#### Real world impacts of unconscious

#### bias in recruitment

Older women are more likely to be excluded from job interviews, with older black women experiencing the greatest difficulties. Those selected tend to be shortlisted for lower status jobs (*Paraskevopoulou et al.*) A Yale University study showed that even scientists, who are trained to be objective, are more likely to hire men, rank them higher in competency and pay them £3,300 more a year than women (*Moss-Rancusin et al.*). Unconscious bias training was scrapped for British civil servants at the end of 2020 due to a lack of evidence that it improved workplace diversity.

Unconscious bias is holding organisations back by preventing them from benefitting from diversity. So, this is a practical guide to beating bias in recruitment for talent acquisition and HR professionals.



#### Top 5 biases to beat in recruitment

Psychologists study how cognitive biases shape, and often distort, the way we perceive the world. For companies looking to reap the benefits of workforce diversity, the challenge is that these biases are largely unconscious, and operate regardless of our conscious intentions. Here are the top 5 biases that affect recruitment and the tools you can use to beat them in your organisation.

#### **Confirmation bias**

The tendency to gather evidence that confirms pre-existing expectations is known as 'confirmation bias', and typically involves emphasising supporting evidence whilst omitting contradictory evidence. Since we pay more attention to information that supports our beliefs, stereotypes can easily influence our decision-making. Unfortunately, this includes decisions made in hiring contexts. Preconceived notions about the competencies of different social groups could rule out the best applicant, disadvantaging both candidate and company.

Organisational norms that seem innocuous to the majority may alienate employees who could increase the group's diversity. If they fail to challenge such norms where appropriate, senior members of the organisation risk perpetuating exclusion. A seminal study showed that in ambiguous situations (such as hiring decisions), people tend to fall back on stereotypes (Devine). The tendency toward bias in recruitment may be why a shocking 57% of new hires aren't working out in some capacity, according to our 2021 Spotlight Research Report.

# How can you overcome confirmation bias in recruitment?

45% of employers say their recruitment tools are ineffective at securing diverse talent (Robert Walters). Blind CV screening can be helpful for minimising confirmation bias relating to age, race and gender, but perceptions of prestigious education or work experience can still bias a recruiter. Creating a role profile that includes key behavioural traits and competencies at the outset of the process provides an objective measure of candidate suitability. Recruiters can then compare insights from subsequent Behavioural and Personality assessments with the ideal role profile.

Assessing hiring managers' emotional intelligence can help to improve both their self and social awareness.

An awareness of psychological factors will also help hiring managers to probe beneath candidates' surface characteristics at interview. Assessing hiring managers' emotional intelligence can help to improve both their self and social awareness, enabling them to adjust their behaviour where necessary. It can be helpful for senior leaders, who model behaviour for the organisation, to undergo a similar assessment. Both hiring managers and leaders have a role to play in disseminating an emotionally intelligent approach to difference in your organisation.

In one study on bias, 46 departments of a university were given training on gender bias. Post intervention, staff were more aware of their gender bias and likely to actively promote gender equality. But their implicit gender bias did not change. *Carnes, M., et al.* 

#### **Affinity bias**

We tend to favour those who are most like us. If an interviewee is similar to us, we are more inclined to hire them. When we have things in common with a candidate, such as our background, social class or even a

preference for a particular football club, we are likely to prefer that candidate over one with whom we do not share those similarities, regardless of who is better qualified for the job. This kind of bias often affects organisations in which the ethos is to hire people who are a good "culture fit", and hiring managers are especially at risk of "hiring in their image".

Research shows that affinity bias is most detrimental in the screening phase of the recruitment process. In an article, economist Dorothy Dalton cites Philippe, a French investment banker, whose team had all been educated at top-ranking universities. Though his firm was open to hiring people from more diverse backgrounds, similar individuals were felt to be a better "fit". At current rate of change, it will take half a century for females to be equally represented in leadership positions in FTSE100 companies (Green Park). This glacial pace of change is partially due to affinity bias.

### Fact File:

#### Does 'Culture Fit' Constrain Diversity?

**Supplementary fit**: Hiring for divergent traits to bring new perspectives. Creativity, innovation and new ideas are likely to flourish in this hiring environment. Varied perspectives improve problem-solving quality. However, conflict may increase and must be managed constructively.

**Complementary fit**: Hiring for similar traits to maintain 'culture fit'. Irrespective of demographic background, studies show that teams need to have enough in common to collaborate effectively. Hiring for values alignment may improve cohesion but risks "cookie cutter" recruitment decisions that can inhibit problem-solving, innovation and ultimately profitability.

If an interviewee is similar to us, we are more inclined to hire them.



#### How can you overcome affinity bias in recruitment?

A study found that when African American and Asian candidates 'whitened' their CV, they received up to 50% more invitations to interview (Gerdeman). CVs can be exclusive, and though anonymising them can help to minimise affinity bias, introducing assessments in the hiring process provides an objective measure of suitability. Especially insightful areas to measure are candidates' speed of learning and personality, which have been shown to be a reliable predictor of future performance (MacCrae & Furnham). Use of 'aptitude' assessments at the screening stage can also broaden your talent pool, making it more inclusive of less privileged but fast learning applicants.

Use of 'aptitude' assessments at the screening stage can also broaden your talent pool.

Black women continue to be underrepresented in leadership roles across the UK workforce, with 92% calling for systemic change. *(LSE)* 

#### **Attribution bias**

Attribution bias involves drawing a conclusion about a situation without noticing how it is affected by its circumstances. Originally studied during the American Civil Rights Movement in the 1950s and 60s by psychologists Fritz Heider and Harold

Kelly, attribution bias is characterised by a perceptual error. Heider noticed that when we lack information, we draw conclusions based on previous experience. He observed that people tend to mistakenly attribute behaviour to an individual's own disposition, whilst overlooking environmental factors.

This may cause an interviewer to mistakenly draw conclusions about a candidate based on limited or erroneous information. Attribution bias skews the hiring manager's opinion of the candidate to their advantage or detriment. Fraudsters such as former Theranos CEO Elizabeth Holmes and former Chairman of the NASDAQ Exchange, Bernie Madoff may have capitalised on this effect. Investors attributed both individuals' prestige to the inherent veracity of their propositions, overlooking contextual evidence to the contrary.

## How can you overcome attribution bias in recruitment?

Insights into the underlying motivations, cognitive speed and behavioural traits of prospective employees provided by psychometric assessments can help to counteract attribution bias. 67% of recruitment managers say that CVs are a poor indicator of future success (*Cranfield School of Management*). Using aptitude assessments at the screening stage is a more reliable predictor of future performance, revealing candidates' speed of learning and cognition.

However, attribution bias can also affect interview performance. Whilst more privileged applicants may be able to cite impressive work experience, this may be circumstantial, rather than a true reflection of the candidate's potential. Focusing questions on the behavioural preferences and personality traits relevant to the role profile will help to deconstruct unfounded assumptions that may have been made about an applicant's character, facilitating more effective job interviews.

45% of employers believe their recruitment tools are ineffective at securing diverse talent (*PwC*).

Attribution bias skews the hiring manager's opinion of the candidate to their advantage or detriment.

#### **Halo and Horn Effect**

Halo and horn effect are types of cognitive bias in which an overall impression of a person influences how we view their character and abilities. The phrase was first coined by psychologist Edward Thorndike in the 1920s to describe

the way that commanding officers rated their soldiers. If your initial impression is that someone is friendly, you are likely to assume that they would also be clever and good at their job. Horn effect is the reverse, where the perception of a person as being too loud or shy leads to negative assumptions about their professional capabilities. Either way, unconscious bias obscures the evidence.

Linked with these effects, Thorndike observed what he called 'leniency bias'. Where an interviewer feels that a lower rating would reflect unfavourably on themselves, or affect their relationship with a candidate, they are likely to overate them. Research by Kings College London links leniency bias with the Big 5 Personality Types, showing that extroverted, agreeable and emotionally stable individuals rate others more generously than people who are lower in these traits. Recent studies have also focused on related effects like the 'General Tendency Effect', in which a panel sticks to moderate ratings to avoid bias, irrespective of a candidate's suitability for the job.

## How can you avoid halo and horn effect when assessing performance?

Identify the key competencies for a role from the outset, both in terms of competencies and behavioural traits. Rather than risking halo and horn bias by relying on first impressions, a Workplace Personality assessment measures a candidate's level of the traits shown to have the greatest bearing on success. These are; conscientiousness, acceptance of ambiguity, adjustment to change, approach to risk and competitiveness. Comparing the results against your ideal role profile will help you quickly rank candidates for interview and beat bias.

Unconscious bias obscures the evidence.



Given the Kings College research into the effect of personality traits on our assessment of others, it may be beneficial for Talent Acquisition professionals to undergo Behavioural assessments. This will equip your recruitment team to explore candidates' suitability at a behavioural level, rather than relying on gut feel, which is very likely to be biased. Increased awareness of their own behavioural biases will help your team minimise them in hiring decisions.

58% of the CEOs of Fortune 500 companies are over 6 feet tall, but only 14.5% of men are over 6 feet tall. (Economic Times)

#### **In-group bias**

We are more favourable towards people with whom we share a group identity, whether this identity be ethnicity, gender, class, age or other factors. Research by University College London suggests that deferring to the group takes decision-making

pressure off the brain. Sociologists colloquially refer to this type of bias as "mob mentality". Due to the phenomenon of 'social proof', studies show that we are 'programmed' to follow the crowd. Though not without its application to business, as explored in Malcom Gladwell's bestseller The Tipping Point, in-group bias is an obstacle to group functioning in many contexts, impeding problem-solving, business ethics and impartiality in hiring.

Mimicking the behaviour of others in a group may once have been an adaptive strategy that helped us survive. In a recruitment context, it means that you are likely to be swayed by the majority opinion of a candidate. Consensus also tends to make individuals' opinions more extreme, leading to polarisation (*Caldini*). Further revealing the potency of norms, a different study found that a third of individuals from minority groups also show preference for the majority group (*Morin*). As majority groups are better represented among recruitment decisionmakers, in-group bias serves to maintain low levels of diversity in organisations.

"Human beings are profoundly social and our brains are specialised to process social information. It appears that the brain uses more resources when it is in disagreement mode than agreement." Professor Joy Hirsch, University College London, Yale School of Medicine

## How can you beat in-group bias in recruitment?

Thoughtful reflection on ourselves and our perceptions of others requires more cognitive effort than hunches, but it is essential if companies want to beat bias in recruitment. More objective data about a candidate's capacity to outperform in your organisation can be obtained from personalit, aptitude and behavioural assessments. A study by F.L. Schmidt showed that using a combination of assessments, or multi-measure tests, has a much greater correlation with success in a role than using just one, or even none. Look for assessment providers who are able to give a holistic overview of individuals across multiple facets, such as behaviour, personality and aptitude.

When dealing with senior hires, it can be helpful to compare their profile with those in the existing leadership team. Having the profiles openly shared and discussed by the team helps to avoid 'groupthink', especially if facilitated in a workshop example by a coach. This provides a vocabulary with which to talk about difference in a nuanced way that doesn't fall back on social characteristics. There is no 'right' or 'wrong' in personality and behavioural assessments and teams benefit from a range of different styles. Providing insights into team and individual behaviour can help to reduce reliance on stereotypes and unlock deeper discussions about candidate suitability.

Heterogenous groups are better at solving problems. Hoffmann

Assessing Emotional Intelligence is especially helpful for HR and leadership roles.

# Beating Bias in Recruitment in the real world

"It's helpful to understand why people do the things they do, because sometimes they have different drivers to yourself. We put Thomas' Personal Profile Analysis (PPA) out to the entire workforce, and we now use it for recruitment to give us a good understanding of how someone is going to behave when they are here, as well as where the gaps are in a team." "The partnership with Thomas supported our department leaders across the business. Managers liked that they were in control of the recruitment process and felt better equipped to make unbiased and objective decisions."

#### **Neal Verman**

GROUP HR DIRECTOR CHESTERTONS REAL ESTATE

#### **Michelle Butler**

**DIRECTOR OF HR** 

SOUTHAMPTON FOOTBALL CLUB

"We wanted to try and build a set of machinery that was very resilient that would be able to operate in a way that we build to try remove as much bias from the process as we possibly could. Professionalising and standardising our recruitment process has helped in attracting better top-end funnel and conversion in terms of diversity hiring."

#### **lain Kendrick**

PEOPLE DIRECTOR

CANONICAL SOFTWARE

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#### Aptitude

The Aptitude assessment provides an objective picture of a candidate or employee's speed of cognition and learning. The assessment can also assist in removing bias from recruitment processes and widening your talent pool.



#### Behaviour

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