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Diversity Recruiting: Employer Benchmark Report

Move Your Company's Diversity
Recruiting from Status Quo to Leading-Edge
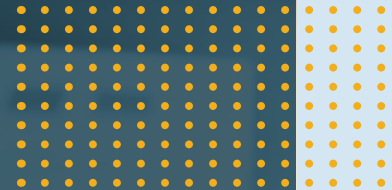
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Introduction

Recruiting is the practice of attracting, engaging, interviewing and hiring the right talent at the right time for the right job. Diversity recruiting involves the same, with one additional goal: giving all candidates – without bias – an equal opportunity at each stage of the recruiting process. It sounds easy, but according to *Diversity Recruiting: Employer Benchmark Report* respondents, it's not.

Inherent diversity includes traits such as gender, age, race, and sexual orientation and preference. Acquired diversity includes traits such as education, skills, experience, values and knowledge.

While diversity has been recognized as important since the 1960s, employers are still struggling to make it a priority in the workplace. Conscious and unconscious biases — inherent in business policies, people and processes, including recruiting — still exist. Diversity-related basics, like pay equity and representation of women and minorities in leadership, moved into the national spotlight in recent years.

Despite the best of intentions, building a diverse workforce takes time and requires deliberate action throughout an organization, starting with recruiting. To reap the rewards of a diverse workforce, employers must first successfully attract, engage, interview and hire talent from underrepresented groups. Once aspirational, the need to master diversity recruitment has become a very practical matter driven by external forces:

- **Employers are facing the tightest labor market in almost 50 years.** They've lost the luxury of getting to choose the talent they want; talent gets to choose their employer.

- **U.S. workforce demographics are changing, fast.** Women already make up almost half the labor force. Within three decades, people of color will make up the majority.

- **The regulatory environment continues to evolve,** moving beyond non-descrimination efforts to actively promote parity in employment.

- **Building a diverse workforce isn't just the right thing to do — it's good for business.** A recent study found that diverse companies produce 19% more revenue.

Together, these factors put added pressure on employers to double down on building a diverse workforce, or risk not being able to compete for coveted talent.

Diversity efforts have been a part of the landscape for well over half a century, and employers fall on a very large spectrum in terms of strategies, action and progress, so we decided it was time to take stock of where diversity recruitment stands today.

We invited 250 talent acquisition professionals in the U.S. to share their insights on diversity recruiting support, strategy, tactics, barriers and success measures.

Results of the *Diversity Recruiting: Employer Benchmark Report* can help you gauge where your organization's diversity recruiting efforts stand in relation to others, identify what's working, and find opportunities to improve.

Get ready. Results of this survey raise more questions than they answer, and challenge employers to move beyond the status quo to bring diversity recruiting to the next level.

Here are the results.

Diversity Recruitment:
A Must-Have in 2019

For any company initiative to get off the ground, much less succeed, senior leadership buy-in is essential. Most survey respondents have successfully surpassed this hurdle, with 87% indicating that their organization's leadership team believes diversity recruitment is important and should be a priority.

Does your organization's leadership believe diversity recruitment is important and should be a priority?

87%	13%

Yes   **No**

Perhaps even more encouraging is the fact that leadership support appears to be translating to action, with 81% of respondents saying their organizations have diversity recruiting strategies.

Do you have a diversity recruitment strategy?

81%	19%

Yes   **No**

At the Leading Edge

Employers at the forefront stopped thinking of diversity as a human resources initiative and started making it everyone's responsibility. Diversity is part of the fabric of their organizations, embedded into their values, business strategies and brands, and is a natural, ongoing way of doing business.

Take Diversity Recruitment
to the Next Level

Determine your starting point. If your organization:

- **Doesn't have leadership support:** You've got some serious catching up to do. Kick-start efforts by educating leaders about the current diversity recruitment landscape.

- **Doesn't have a diversity recruitment strategy:** Now's the time to get one. While diversity recruiting goals may be aspirational, progress requires deliberate actions.

- **Has both leadership support and a diversity recruitment strategy:** Make sure both are up-to-date and that you're maximizing ROI on your diversity recruitment efforts.

What Employers Hope to Achieve & How

When asked to select the top reasons why diversity recruitment is important, enhancing culture and increasing job satisfaction are at the top of the list for employers. Interestingly, both focus predominantly on what employees get out of a diverse team.

What the business gets out of diversity recruiting (enhanced productivity, innovation and business competitiveness) and how society is impacted (pay equity and community citizenship) rank virtually the same, but lag behind employee impact.

Why is diversity recruiting important?

56%   **To enhance company culture among employees (i.e., employees are collaborative and engaged)**

49%   **To increase job satisfaction among current employees (i.e., increase employee retention because employees are content at work)**

34%   **To enhance productivity and innovation (i.e., teams perform better and achieve improved results)**

33%   **To further pay equity (i.e., sex and race discrimination in pay is reduced or eliminated)**

28%   **To increase business competitiveness (i.e., ability to provide products/services more effectively)**

28%   **To increase community impact (i.e., increased contributions to the surrounding community)**

While our benchmark survey explored a sampling of the many diversity recruiting activities employers use today, results show that activities related to reporting and legislation have more traction than others. Most respondents' companies invest in pay policies, benefits and workplace accommodations, which all link to employment law in one way or another. Fewer undertake discretional initiatives, like offering flexible work options, training, mentoring and pronoun preferences.

Which of the workplace diversity initiatives below does your company invest in?

57%   **Compensation policies that ensure fair and equal pay for employees who perform at the same level**

56%   **Accommodations for differently-abled people (e.g., accessible parking and workspaces, flexible schedules)**

47%   **Maternity and paternity benefits and accommodations for working parents**

43%   **Employee benefits that accommodate the needs of employees in same-sex marriages or relationships (e.g., health insurance, life insurance)**

34%   **Flexible work options (e.g., work from home policies and flexible schedules)**

28%   **Provide diversity training for employees**

23%   **Mentorship programs to connect employees from underrepresented groups**

**14%**   **Asking about pronoun preference**

At the Leading Edge

When you ask leading organizations what they're hoping to achieve with diversity recruiting, you may get responses involving net profit, innovation, revenues and more. Rather than seeing diversity recruiting as only solving a micro problem (employee satisfaction and doing the "right thing"), leading-edge companies correlate the diversity of their workforce with business results and societal impact. Not surprisingly, these organizations go way beyond standard anti-discrimination policies to invest in innovative solutions that proactively make way for a more diverse workforce — like flexible work options, professional development training for underrepresented groups, public advocacy and more.

Take Diversity Recruitment to the Next Level

Today's leading employers understand that a focus on diversity recruiting goes beyond doing what's right. Not only does building a more diverse workforce make for a more positive employee experience, but it can drive business results and set a new standard for what the future of work looks like.

Where does your company stand? Engage leaders to evaluate where your organization is on this spectrum, and where it needs to be. The gap between those two points can help you identify and prioritize next steps for driving progress.
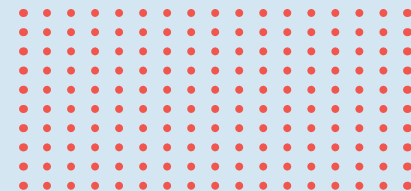
Diversity Recruiting Is Still a Challenge in 2019

Our benchmark survey reveals that diversity recruiting has leadership support, most companies have diversity recruitment strategies, and companies are investing in a variety of diversity initiatives. Get ready for the big disconnect: nearly 70% of respondents indicate it's a challenge to increase workplace diversity.

### *Is it a challenge to increase workplace diversity?*

68%	32%
Yes	**No**

Are diversity recruitment strategies working? What's standing in the way of progress?

According to benchmark survey respondents:

1 Leaders are not willing to try new recruiting practices.

2 Recruiting pros don't have the time and resources to create and execute a diversity recruitment strategy. (Since earlier findings reveal that 81% of respondents have a strategy, it's safe to assume that either the strategy is outdated and/or the issue rests in execution.)

3 Leaders resist investing in diversity recruiting.

What is the biggest challenge to diversity recruiting?
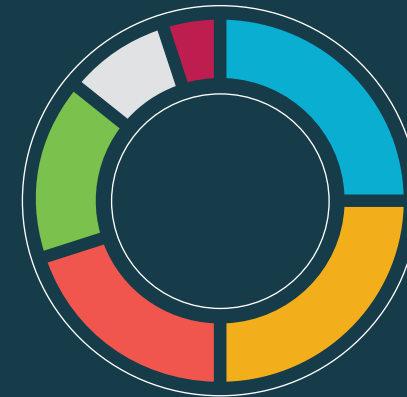
25% ▪ *Unwillingness among leadership to deviate from existing recruiting practices*

25% ▪ *Lack of time and resources to devise and execute diversity recruitment strategy*

20% ▪ *Lack of buy-in from company leadership to invest in diversity recruitment*

16% ▪ *Difficulty identifying diversity recruiting tactics that work*

9% ▪ *Difficulty understanding success in diversity recruiting*

5% ▪ *Other (please specify)**

*Other: "Finding the candidates interested in the roles we offer, lack of applicants, lack of qualified diverse candidates, living in a rural area with low diversity"

At the Leading Edge

CEOs have picked up the gauntlet and are literally leading the charge by publicly committing to drive diversity (CEO Action for Diversity & Inclusion), pay equity (Employers for Pay Equity) and results—we're talking total transparency, with periodic public reporting on workforce demographics, goals and progress.

Take Diversity Recruitment to the Next Level

According to LinkedIn, only 12% of the workforce is actively looking for work. So yes, the labor market is tight and, yes, diversity recruiting… any recruiting…is a challenge. Using outdated tactics and not having the time, resources or financial support to drive progress only exacerbates the issue and widens the gap between winners and losers in the war for talent.

Digital recruiting solutions not only help companies reduce costs associated with attracting, engaging, interviewing and hiring talent, they also free up recruiting staff from non-value added activities (like spending countless hours scheduling and rescheduling interviews, tracking down interview feedback, scouring paper resumes and evaluating outcomes on spreadsheets) to focus on more strategic and impactful endeavors.

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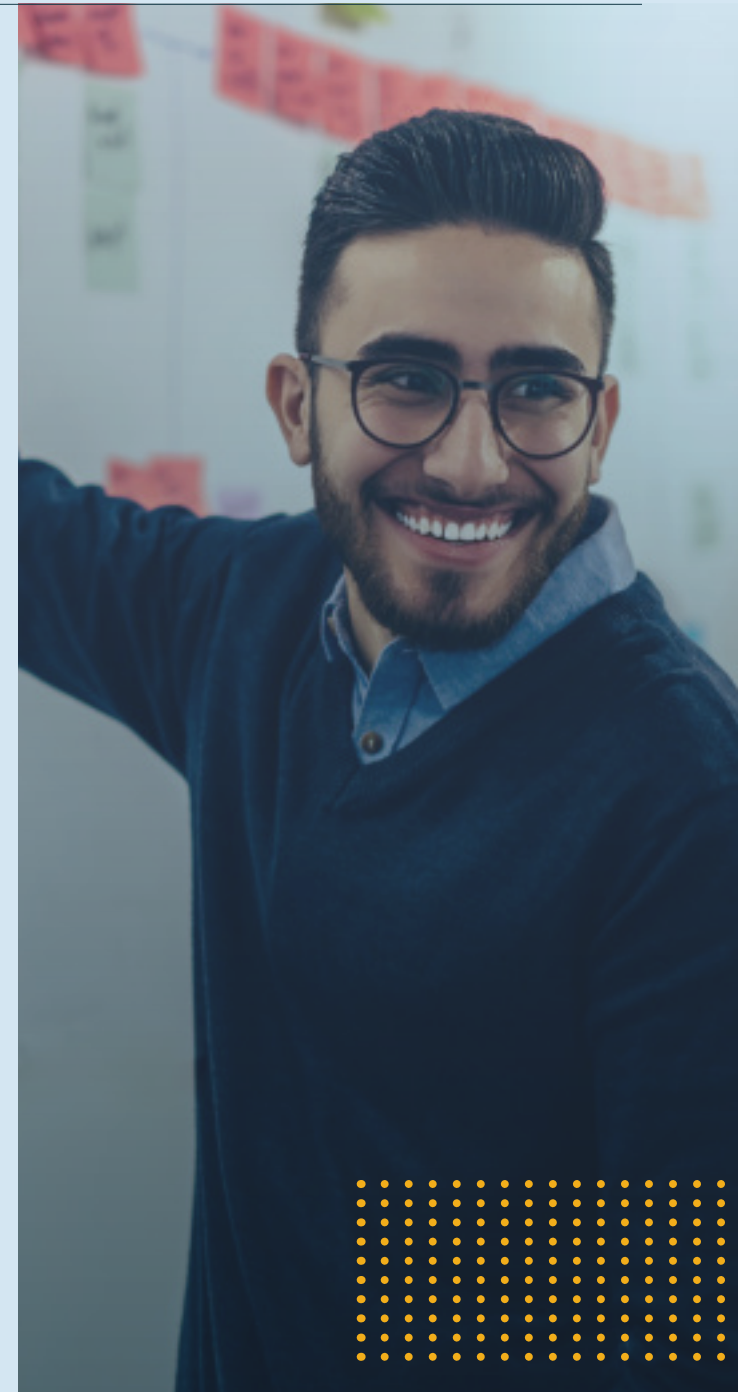
Diversity Recruiting: The Execution

While most respondents agree that diversity recruiting is a challenge, the majority also indicate that their companies have specific diversity hiring goals and they expect to meet those goals.

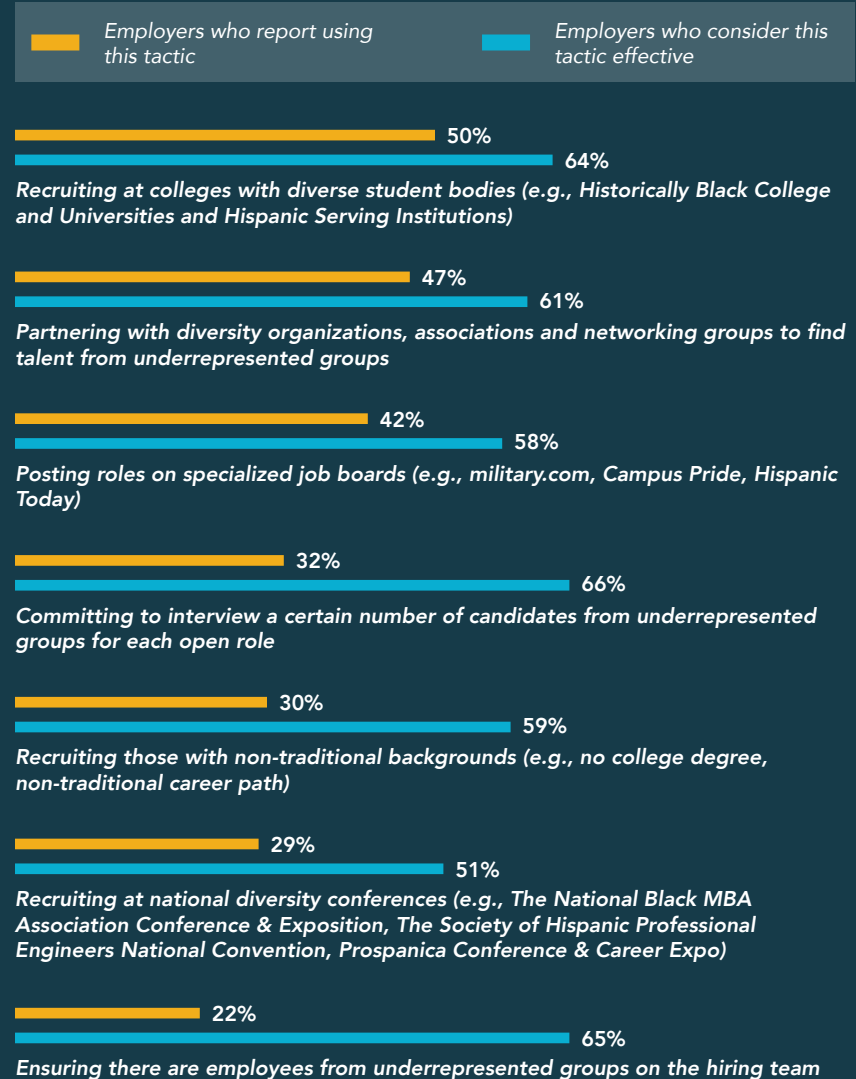**Do you/your company have specific goals for diversity hiring?**

68%	32%
Yes	**No**

Do you expect to meet these goals?

86%	5%	10%
Yes	**No**	**Not Sure**

Respondents' diversity activities focus primarily on sourcing. Efforts to engage, interview and hire are used to a lesser degree. This may shed some light on the earlier finding that one barrier to diversity recruitment is leaders' lack of willingness to try new approaches. Sourcing through partnerships with diversity organizations and via specialized job boards has been around for decades, while recruiting those with non-traditional backgrounds and having a diverse hiring team are more recent endeavors.
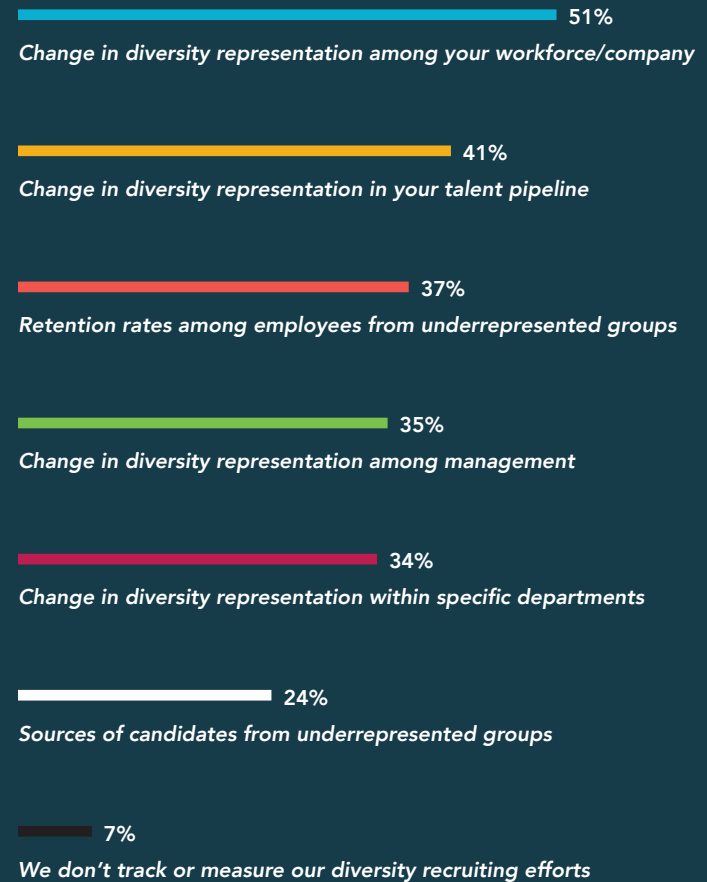
What steps are you taking to increase workplace diversity through diversity recruitment?

■ *Employers who report using this tactic*   ■ *Employers who consider this tactic effective*

50% / 64%
Recruiting at colleges with diverse student bodies (e.g., Historically Black College and Universities and Hispanic Serving Institutions)

47% / 61%
Partnering with diversity organizations, associations and networking groups to find talent from underrepresented groups

42% / 58%
Posting roles on specialized job boards (e.g., military.com, Campus Pride, Hispanic Today)

32% / 66%
Committing to interview a certain number of candidates from underrepresented groups for each open role

30% / 59%
Recruiting those with non-traditional backgrounds (e.g., no college degree, non-traditional career path)

29% / 51%
Recruiting at national diversity conferences (e.g., The National Black MBA Association Conference & Exposition, The Society of Hispanic Professional Engineers National Convention, Prospanica Conference & Career Expo)

22% / 65%
Ensuring there are employees from underrepresented groups on the hiring team

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Interestingly, results show that the most successful diversity recruiting tactics aren't necessarily the ones most survey respondents use. In fact, the most successful tactic (committing to interview a certain number of candidates from underrepresented groups for each open role) is only used by 32% of respondents, and the second most successful tactic (having employees from underrepresented groups on a hiring team) is the least used by survey respondents.

Finally, survey respondents were asked to identify how they measure diversity recruitment success. The good news is that the majority of benchmark participants do track progress; however, the measurements used provide little insight into what tactics are working, what aren't, and where there are opportunities to improve.

How do you measure/track the success of diversity recruitment?

51%
Change in diversity representation among your workforce/company

41%
Change in diversity representation in your talent pipeline

37%
Retention rates among employees from underrepresented groups

35%
Change in diversity representation among management

34%
Change in diversity representation within specific departments

24%
Sources of candidates from underrepresented groups

7%
We don't track or measure our diversity recruiting efforts

Take Diversity Recruitment to the Next Level

- Write down all of your company's diversity recruitment activities and then categorize them under each phase of recruiting: attracting, engaging, interviewing and hiring. Are you taking effective actions in each phase? Which activities are most successful? Which are least successful? What changes should you make to drive success?

- If attendance at certain diversity recruiting events is not reaping the rewards of yesteryear, explore how digital solutions for pre-event marketing, candidate check-in, resume uploads, interview scheduling, candidate assessments and more can help maximize your ROI.

Need help? Here's how to measure, modernize and maximize your process:

- **Measure sourcing ROI:** Learn which channels perform best and dedicate resources to the highest performers.

- **Modernize recruiting event experiences:** Eliminate paper resumes with a mobile-friendly check-in portal to capture candidate data. Empower staff to review, evaluate and follow-up in real time.

- **Maximize recruiting events:** Strategize, plan and share information across your organization, all in one place that includes an enterprise-wide event calendar, key relationship profiles, event expense tracking, and marketing materials and notes.

Key Takeaways

The majority of company leaders (87%) believe diversity recruiting is a priority, and most organizations (81%) have strategies to drive progress.

Recruiters know what goals they're striving to achieve and believe they can meet them. End of story, right? Not quite. That's like saying because a company is on track to meet projected business results there's nothing left to do. Being satisfied with the status quo can have devastating results on a business, not to mention its ability to win the war on talent.

While organizations are making progress with diversity and diversity recruiting, efforts seem to be guided largely by the regulatory environment and decades-old practices.

Some companies are stuck doing what they've always done, while others have crossed a great divide, getting leaders to think bigger picture and invest in more discretionary activities. This is increasing the gap between diversity recruiting leaders and everyone else.

Competition for talent is no longer limited by geography or industry.

All employers are competing against each other in the hopes that the best of the best in the limited pool of talent will choose them. Success will depend on deliberate, strategic and discretionary effort at each stage of diversity recruiting – from attracting to engaging and interviewing through hiring.

Action Plan

Considering there's almost equal representation of men and women in the workforce, and within a few decades people of color will be the majority, diversity recruiting needs to evolve from a special, one-off initiative to a standard way of doing business. Attracting, hiring and retaining people of a certain gender, race, ability, sexual orientation, religion, education level and more will become the norm, and diversity recruiting will become just recruiting.

How can you ensure your organization's diversity recruiting efforts are on track to meet staffing goals today and tomorrow?

1   Get up to speed on best practices. Remember, there is no finish line. New approaches are emerging every day.

2   Be prepared to show how investing in best practices – like digital recruiting solutions for sourcing, engaging and hiring – can help your company save money, drive productivity and improve diversity recruitment return on investment.

3   Legal, IT, business, R&D, sales, government and community affairs, and other leaders all have a stake in diversity recruiting success – it's not just an HR responsibility. So, engage them to help tell and sell your strategy to senior leaders.

2019 EMPLOYER BENCHMARK REPORT

Methodology

This survey was conducted online within the United States by SurveyMonkey Audience on behalf of Yello between September 16 and September 26, 2019. It surveyed 250 full-time talent acquisition or recruitment professionals, aged 18+ in the United States.

About Yello

Yello's talent acquisition platform allows the world's leading brands to deliver personalized candidate experiences to every job seeker, resulting in quality hires and faster fills. The centralized platform is easy to use, enabling recruiters to collaborate with one another to attract and engage top talent. Key hiring statistics provide meaningful insights that lead to more accurate, data-driven decisions while staying on budget.

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