

Make Diversity & Inclusion a Core Part of Who You Are



Bottom Line:

The more diverse and inclusive any organization becomes, the easier it becomes to retain the best talent, create creative, compelling products, attract and hire A-players, and deliver above-average revenues and profits, even in a tough economy.

Consider your organization and its values. Put yourself in the shoes of someone interested in working for you.

The values you stand for today, intentionally or not, are who and what your business will be tomorrow. Every organization needs to rethink its talent-management strategy if it is going to survive in that environment.

This white paper is aimed at helping you with that rethinking, especially when it comes to **diversity & inclusion**. It aims to provide you with ideas that together form a framework for ingraining diversity & inclusion into the DNA of your company, DNA whose strands remain in both recessions and expansions.

Brilliant Minds Are Color and Gender Blind—and Key to Your Future

The more diverse and inclusive any organization is, the more profitable and innovative it is. McKinsey's study *Delivering Through Diversity* finds that organizations in the top quartile for ethnic/cultural diversity on executive teams were **33 percent more likely** to have industry-leading profitability. A study by the American Sociological Association found that companies with the highest levels of racial diversity attain **15 times the sales revenues** of those organizations with the lowest levels of diversity. A Forbes study found that **56 percent** of international business leaders say that diversity is a catalyst for greater innovation.

These and hundreds of other studies conclusively prove that diversity & inclusion delivers lasting, measurable gains to the innovative strength and profitable growth of any business.

Organizations and the CHROs leading them are measuring diversity & inclusion progress beyond new patents and profits, however. They're intensely focused on how the less-easily-quantifiable aspects of a successful diversity & inclusion strategy are redefining the very nature of their businesses. The most-successful CHROs are transforming the DNA of how their businesses operate. They shared these insights in recent conversations:

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Expanding the available base of candidates starts with a solid, scalable diversity recruitment strategy that, combined with bias prevention, delivers lasting results. Once an organization gets committed to making diversity & inclusion an integral part of its identity, it's more likely to expand the total available base of candidates it can hire and keep on board.

CHROs are passionate about this point. They define diversity by the ability to attract, nurture, recruit, and retain candidates regardless of race, gender, age, educational background, culture, ethnicity, or physicality. One CHRO says that diversity initiatives in talent management must also take into account the experiential aspects of each candidate, including their life experiences, education, relationships, previous and current job roles, and innate neural characteristics including emotion, personality, and cognitive styles. Inclusion is a characteristic of a corporate culture where the candidates and employees know they are valued, and their insights and opinions matter.

CHROs are unanimous in saying their most effective talent programs are built on a foundation of diversity, and that their organizations' efforts at inclusion are a work in progress. A survey of 1,200 CEOs and CHROs by Harris Interactive Media in collaboration with Eightfold further supports these findings. The majority of CEOs and CHROs—**78**

percent of them—see recruiting and talent programs as critical, but **56 percent** say theirs are not effective.

The reason: diversity & inclusion programs aren't delivering results because the numbers-driven approach to recruiting based on collecting as many resumes as possible in an ATS or HRIS system doesn't remove the biases and barriers that get in the way of hiring the most brilliant brains.

“Brilliant minds are color and gender blind, and the key to our future.”
—An anonymous CHRO.

New digital business models require skill sets their organizations have never hired for before. CHROs speak of partnering with line-of-business leaders, including general managers, VPs, and C-level leaders, to assist with staffing new business units and entire divisions that are predicated on digital transformations. They may have tens of thousands of resumes, but without **knowing the job requirements** desired to make that transformation, they can't hone in on the right matches.

Organizations competing in flat- and no-growth industries are struggling to reposition their most popular products to attract younger, more affluent customers who have trouble relating to product designs created by previous generations. The majority of the world's most successful consumer products still reflect the preferences of Baby Boomer and Gen X product designers. Organizations selling these products see sales histories that underscore the urgency of repositioning these products as more relevant to the preferences of the fastest-growing minority groups, millennials, and market segments that didn't exist when the products were first created. CHROs are given the task

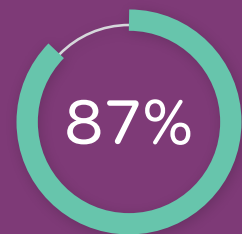
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of finding design, engineering, and service teams that can revitalize products that are showing signs of being out of touch with customers' current and future needs. It's one of the most pragmatic, practical reasons why diversity & inclusion needs to become part of the core fabric of any business. Without it, an organization and its products will increasingly become less and less in touch with the current and future needs of customers.

Diversity & inclusion involves CHRO-CEO collaboration. It's interesting to speak with CHROs regarding how they and their CEOs worked together to transform their organizations to make them more diverse and inclusive. The most common strategy they are relying on includes first creating a series of feedback and planning sessions of each C-level executive with their direct reports and teams. The goal of these sessions is to define practical, pragmatic ways greater hiring diversity can be achieved by creating a more inclusive corporate environment. One CHRO confided that it took a year for the major financial services company he was working for at the time to translate the insights gained from the planning sessions into outcomes and actionable goals. The effort was worth it: today, this company has made diversity a core part of its DNA and has a single-digit attrition rate across all diversity-based hires since the planning sessions delivered solid results.

Inclusion is Another Word for Innovation

If an organization is looking to innovate faster and with greater acuity of insights, investing in creating a more inclusive culture is key. The study Hacking [Diversity With Inclusive Decision Making](#) by Cloverpop finds that the more diverse a team, the better decisions it makes **87 percent of the time**. The study shows unequivocally that a more inclusive approach to making decisions delivers better results. Decisions that were both made and executed by gender-diverse teams performed **6 percent better than average**. Adding age diversity increased performance to **45 percent above average**. When geographic diversity was added, decision-making performance jumped to **60 percent**. Many leadership and management theorists call this the Medici Effect, where innovation is created from the deliberate integration of diverse cultures, ideas, and disciplines.



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The concept and book reinforce the common premise that the greater the diversity of inputs, the greater the depth and scale of innovation. Researchers who specialize in the **Medici Effect** cite the exponential gains in art, astronomy, science, and engineering in Florence, Italy during the 15th century.

Lessons Learned From CHROs on Balancing Diversity With Inclusion

CHROs who have successfully created diversity & inclusion programs speak of the balance between each that is essential for the success of an overall program. Concentrating too much on diversity and not enough on inclusion can backfire and lead to diverse candidates feeling more like they are part of an experiment or socially driven cause than being respected for their unique capacities and skills. When diverse candidates sense that the effort at inclusion is secondary, unconscious biases often emerge, and conflict begins, often with the newly recruited candidates looking for work elsewhere.

One of the most elusive aspects of turning inclusion into innovation is creating a culture where **"groupthink"** is challenged, and individual, dissenting views are encouraged. This is one area, CHROs say, that is often the most difficult to measure and scale. It requires organizational leaders to change their internal mindsets first. Subordinates look to senior managers' and leaders' behaviors for cues as to what is and isn't acceptable behavior. CHROs say that when C-level peers and their direct reports choose to model a more open, inclusive way of communicating and operating their business units, the greatest results are achieved.

Changing organization-wide behaviors and achieving diversity goals starts with C-level executives being emotionally committed to diversity & inclusion, and it becomes a core part of the organization. Divisions, departments, and teams will only change if they see C-level executives buying completely into the direction diversity & inclusion needs to survive and thrive.



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Organizations that excel at diversity & inclusion create their change-management roadmaps first. Next, the many often siloed HR, recruiting, and talent-management systems are integrated with an **AI-based Talent Intelligence Platform**. The more siloed legacy systems are, the more challenging it becomes to become more diverse, inclusive, and to create a better work culture overall.

The next section explains the many benefits of adopting an AI-based **Talent Intelligence Platform** that enables corporate-wide DI initiatives to flex, grow, and scale as a business does.

The Benefits of Taking a Platform Approach to Diversity & Inclusion

Closed, siloed systems lead to closed, limited thinking that limit an organization's potential to attain its diversity & inclusion objectives. A new, AI platform-driven paradigm is needed that can evaluate new candidates on their capabilities and direction of their future growth. AI-driven Talent Intelligence Platforms are providing **personalized** career experiences. Each applicant is immediately matched with the open positions they are the best suited for based on their capabilities. One of the most important design goals of an AI-based Talent Intelligence Platform is to provide all applicants with personalized experiences that can scale as their capabilities are improved and new skills emerge. The personalized career experience needs to include a prioritized list of the positions the applicant is a "best match" for today.

Most important is the need to create a platform that removes the organizational and system barriers that stand in the way of achieving the most challenging diversity & inclusion objectives a business has. The benefits of diversity programs are proven. But without the right platform, diversity & inclusion initiatives and their many strategies can take on an optional, not-central role in any organization's current and future direction.



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Action Items

Today's workforce demands real and provable action. It's no longer just a good idea; it's the only direction to go.

From the perspective of recruiting and talent management, diversity & inclusion is critically important. CHROs are finding their organization needs to embed the right practices and mindset across the talent lifecycle.

Based on conversations with CHROs, here is what you need to do:

1 Define, implement, and drive diversity-based recruitment strategies on a single platform.

CHROs say that there needs to be a customizable, scalable way to target diverse candidates. As you build a Talent Network, you need to know that candidates meet the requirements and standards for diversity that your company has set.

A high priority should be to build candidate lists totally without reference to factors like age, gender, ethnicity, veteran status, and disability status. Get beyond hiring quotas by having a Talent Intelligence Platform that relies on capability matching first, **without regard to any potential biasing factors**. Having the ability to generate candidate lists based on capacities can help to meet hiring compliance requirements in the specific states, regions, and nations a company is operating in today as well.

2 Prevent bias during the candidate screening and interview phases.

Once candidates are in front of hiring managers, organizations need to do everything possible to prevent bias in the selection of candidates, throughout the hiring funnel. The best way to do this at the initial stage is through candidate masking. This is a great help, but it's still possible that bias can creep into hiring decisions. CHROs are **turning to AI-based Talent Intelligence Platforms to accomplish candidate masking**.

3 Include inclusive career pathing.

The first and second recommendations in this list are designed to improve recruiting and remove bias from hiring decisions. Recruiting needs to be balanced with an effective inclusion program to keep that diverse slate of talent in your organization. As much as seminars and training and special events can help, they ignore the big challenge, which is simply keeping people long enough to advance in the company.

AI-based Talent Intelligence Platforms provide inclusive talent management to everyone in the company so that the same information is provided, and the same opportunity, regardless of personal background. No employee should feel that another employee has more opportunities because they went to the same university as the CEO.

4 Use bias-free algorithms that are the heart of any effective AI-based Talent Intelligence Platform.

Bias-free algorithms are key to succeeding with diversity & inclusion strategies. An organization relying on an AI-based Talent Intelligence Platform can use Equal Opportunity Algorithms, which can guarantee the elimination of bias. Using this method, organizations can:

- Ignore any unwanted bias trends in its source data to deliver predictions that do not consider the biases that may be present in the source
- Explain how the predictions were arrived at
- Show that the predictions were irrespective of any bias in the source

One example: If most engineers in a company are men, and most of the applications are from men, being male still does not make someone a better engineer. The Equal Opportunity Algorithm approach will make sure that any talent recommendation does not consider gender as a qualification—the imbalance is just ignored

If the technology ignores imbalances, it starts to correct for them in hiring. If the culture is inclusive, it starts to correct for existing imbalances in the employee base. Eventually, an open and diverse culture will arrive. It takes the right decisions, the right actions, the right openness, and the right mindset every day.

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The Next Da Vinci

In 2025, the companies dominating your industry will be the ones investing in making diversity & inclusion initiatives, platforms, and strategies succeed today. Diversity & inclusion requires a balance between AI-based Talent Intelligence Platforms and excellent executed change-management programs to make inclusion a core part of a company's culture. Based on conversations with CHROs, the current approaches of "we're fine because we can attract a massive amount of resumes" as well as outdated keyword matching and other decades-old technologies to find candidates using an ATS or HRMS aren't working. ATS systems are so broken they would have missed **Leonardo Da Vinci based on his resume alone**. No one wants to miss the next genius who would be able to redefine an industry with their inventions, insights, and patents.

It's time for diversity & inclusion initiatives to move to a platform strategy, one that services applicants by providing unbiased opportunities so they and the companies looking to recruit them can grow and flourish.



Eightfold delivers the Talent Intelligence Platform, the most effective way for companies to identify promising candidates, reach diversity hiring goals, retain top performers, and engage talent. Eightfold's patented artificial intelligence-based platform empowers enterprises to turn talent management into a competitive advantage. Built by top engineers out of Facebook, Google, and other leading technology companies, Eightfold is based in Mountain View, California.

For more information, visit eightfold.ai