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The increasing influence of globalization and ongoing demographic shift require focused attention on matters of diversity in order for any organization to thrive today and into the future. Merriam-Webster’s online dictionary defines “diversity” as:

1. The condition of having, or being composed of, differing elements; the inclusion of different types of people (such as people of different races or cultures) in a group or organization;

2. An instance of being composed of differing elements or qualities; an instance of being diverse; a diversity of opinion.

According to Edward J. Erler (2018), professor emeritus of political science at California State University, San Bernardino, “The Civil Rights Act of 1964 was sound legislation, authorized by the Fourteenth Amendment and designed to abolish racial discrimination in employment. However, the administrative agencies, with the full cooperation of the courts, quickly transformed its laudable goals into mandates that required racial proportionality in hiring and promotion. The Immigration Act of 1965 was a kind of affirmative action plan to provide remedies for those races or ethnic groups that had been discriminated against in the past.”

Well-intentioned directives, whether from governments or executives, may never realize their objectives if they lack the required analysis and support. When an executive instructs HR to implement a new initiative, but does not give that initiative his or her full and intentional support, frustrations arise. For example, deciding to create a Diversity and Inclusion (D&I) program without full executive endorsement is likely to devolve into a game of demographic statistics. By contrast, a comprehensive (D&I) strategy will prepare an organization to fully leverage cultural shifts. Organizations can choose to prepare or be left behind.

Today’s business leaders are at a crossroads. They can: 1) Take the path of least resistance and only address diversity in terms of racial proportionality; or 2) Forge a new path that is gaining considerable traction by adopting a forward-thinking mindset that broadens their view of diversity. The Latin root of diversity is divertere, which means “to divert or to change course or direction.” PAIRIN helps our clients return to the original intent of the word “diversity” – to include people who are different and influencing their organizations to think and act differently in a way that helps adjust course or direction in order to follow the currents of globalization and demographic shift.
This approach allows companies to connect with, and forge relationships with, their diverse workforce and consumer groups, as opposed to the first path, which is fraught with traps, as companies unknowingly create more tension points with the talent and the consumers on which their businesses depend.

According to Insights from the Conference Board Council on Workforce Diversity (2008), 10 years ago, the word “inclusion” was rarely used. Today, diversity and inclusion have their own acronym – D&I. Companies have moved from simply tracking workforce diversity numbers to focusing on a much more comprehensive and strategic approach. Smart companies focus on the impact diversity has on cornering new markets, building effective and efficient global teams and managing brand reputation. The Conference Board Council wrote: “Clearly, the 21st century D&I practitioner, embracing this more public, decidedly strategic role, requires a challenging new set of competencies.”

The hiring landscape has changed, creating an environment where talent is more difficult to find. To compete in this new environment, companies must broaden their view of talent to include all forms of diversity, not just diversity of race. When companies approach this level of “true diversity,” which includes diversity of thought, they enjoy greater benefits across all measures of success.

Foundational to achieving this level of success is the limitation of bias in the hiring process and criteria, which require companies to move beyond traditional hiring practices that only include resumes and interviews. Hiring practices rooted in science, that utilize modern technology and competency-based hiring practices rather than focusing solely on resumes, experience and interview skills, are proven to be an effective method of increasing diversity at companies of all sizes.
Globalization and Demographic Shift
Globalization and Demographic Shift

The Conference Board Council on Workforce Diversity (2008) reported that many believe that accelerating globalization is one of, if not the most, significant trend impacting human resources today. As a result, it is essential to have a workforce capable of working with team members, business partners and customers from around the world. Increased cultural competence, also known as cultural intelligence, is imperative for success. Creating and maintaining an effective D&I program requires a great deal of work and intentionality. On the other hand, companies who ignore it do so at their peril, as they may be starving themselves of talent and may never reach their true potential as a result.

Some question whether the demographic and resulting cultural shift is truly significant. According to Glenn Llopis (April 23, 2016), by 2050, Hispanics, African Americans and Asian Pacific Islanders will reach 54 percent of the U.S. population, making them the “minority-majority.” In 2010, minorities surpassed the one-third mark. Llopis (July 21, 2014) also reported that as this cultural demographic shift continues to transform the face of America, business leaders are increasing the priority of their Diversity and Inclusion efforts. Marian Salzman, CEO of Havas PR North America and Forbes contributor (July 1, 2014), recently noted, “Some 52 million Americans today identify as Hispanic, and 50,000 of them will turn 18 each month for the next two decades. These millennials have real clout, both for their spending power now and for their ability to influence what comes next.”

In his April 29, 2014 article titled “NBA Controversy Is A Lesson in Cultural Ignorance Vs. Cultural Intelligence,” Llopis wrote, “It’s time for leaders to start investing in cultural understanding and education to build the required intellectual capital to grow new markets, develop emerging talent, create new products/services and design an innovation pipeline to serve the demographic shift.” It is no longer enough to hire a diverse workforce. Companies today must consider ways to engage and build strong relationships with new and diverse employees and consumer groups. This is a paradigm shift where it’s becoming less about the business defining the individual and more about the individual defining the business. Companies need to rethink:

- How they communicate both internally and externally
- How they operate across departments and functional areas
- Where they fit in to their industry and how they can be leaders in growth, innovation and opportunity
Benefits of Diversity for Companies and Business Outputs
Benefits of Diversity for Companies and Business Outputs

A study published by the Peterson Institute for International Economics (February 8, 2016) found that firms with more female executives:

- Are more profitable
- Are more creative and innovative
- Have greater skill diversity, which benefits the firm

Encountering people with different ideas and different perspectives boosts creativity. According to Ronald Burt (2004), University of Chicago, people with more diverse sources of information consistently generate better ideas. Sara Ellison (2014, Massachusetts Institute of Technology) found that mixed-sex teams can produce more diverse sources of information and generate better ideas than teams dominated by either men or women. Finally, in the November 4, 2016 issue of *Harvard Business Review* (HBR), David Rock and Heidi Grant reported that diverse teams are smarter.

Another form of diversity is neurodiversity, or diversity of thought. An article in HBR’s May-June 2017 issue described how neurodiversity creates a competitive advantage. Pioneering companies in the technology industry are addressing their workforce shortages by seeking out neurodiverse, or “differently abled,” talent. Among the neurodiverse are individuals on the autism spectrum. While they may need certain accommodations, such as headphones or a workplace “buddy,” to help them maneuver the professional setting, many people with neurodiversities have higher-than-average abilities.

Research included in the HBR article shows that “autism and dyslexia often confer special abilities in pattern recognition, memory or mathematics. These individuals often struggle with the traditional hiring practices used by prospective employers, so companies are modifying their HR processes in order to access neurodiverse talent.” Traditional HR hiring practices emphasize utilizing interviews to determine whether the applicant feels like a good fit. A neurodiverse individual may be quite gifted at performing the job, but very poor at interviews. The reverse is also true; an individual who interviews very well may not be competent to do the job.
Some of the companies who have modified their HR hiring practices to better support neurodiverse candidates include:

- SAP
- Hewlett Packard Enterprise
- Microsoft
- Willis Towers Watson
- Ford
- Ernst & Young
- Caterpillar
- Dell Technologies
- Deloitte
- IBM
- JPMorgan Chase
- UBS

HBR’s May-June 2017 also mentions Specialisterne, a Danish consulting company that originated such programs as outlined above, and as a result, has realized very positive results. In the four years the program has been running, managers report they are seeing productivity gains, improvement in quality and innovative capabilities, and significant increases in employee engagement. HBR also reported that these findings align with those from Australia’s Department of Human Services, which found that the neurodiverse were 30 percent more productive than the average population.

Obviously, such benefits create a company culture that becomes increasingly D&I friendly. At these companies, leaders are expected to utilize a management style that places individuals in roles that make the most of their unique abilities. Employers encourage employees to bring their uniqueness to work in order to increase innovation and diversity of thought.

A comprehensive D&I strategy prepares an organization to leverage today’s reality of a rapidly growing diverse workforce and diverse consumer groups – and the previously unseen opportunities associated with them. In today’s marketplace, employers and employees need to be culturally intelligent.
Llopis, (April 23, 2016) wrote that ignoring cultural demographic shifts creates tension in clients, employees and strategic partners. When diversity of thought is embraced, creativity, innovation and initiative combine to propel intellectual capital and maintain competitive advantage. When a company’s reputation is distinguished by creating authentic D&I practices and mindsets, individuals feel encouraged to courageously support and express the uniqueness of their diverse backgrounds. This further encourages diversity of thought, creating a continuous advancement in intellectual capital and competitive advantage.

With the shift of workforce demographics and the emergence of global markets, workplace diversity is increasingly a business necessity. Diversity provides both tangible and intangible benefits to employees, and savvy employers recognize that D&I initiatives no longer represent a mere numbers game to ward off Equal Employment Opportunity Commission (EEOC) complaints. In contrast, these initiatives form a core aspect of corporate initiatives. Llopis (April 23, 2016) also notes that in the face of these cultural changes, companies are thinking about such things as:

- Authentic engagement
- Strategic implications
- Embracing diversity of thought
- Creating distinctions and building corporate reputations
AUTHENTIC ENGAGEMENT

When organizations value inclusion and diversity, employees are encouraged to be themselves and are, therefore, more engaged. Embracing diversity also fosters employee loyalty (Kimberlee Leonard, June 29, 2018). The resulting reduction in turnover reduces human resources costs, and the stability of team members increases mutual trust and productivity. Being part of a team and company that values diversity and inclusion not only produces innovative ideas and creative solutions, but the resulting culture is one where everyone feels able to perform.

Authentic engagement in D&I practices creates mutual respect. When varied work styles, cultures and/or generations become the norm, employees are able to see firsthand the strengths and talents that diversity adds to the workplace. Those observations naturally lead to mutual respect. While conflict is a part of life, the acknowledgment of individual differences and value that diversity produces makes conflict resolution easier to achieve (Ruth Mayhew, June 30, 2018).

STRATEGIC IMPLICATIONS

In a diverse workplace, the employer is afforded the value of many perspectives, views and ideas strengthening their ability to strategize, communicate and deliver. Eric Feigenbaum (2014) reported that understanding a customer base is improved by having employees from different market sectors and demographics. Diversity also provides guidance for tailoring sales and services approaches as well as product development. Markets are diverse, and it seems obvious that a diverse workforce facilitates customer engagement and satisfaction.

Feigenbaum (2014) wrote that workplace diversity dramatically enhances an organization’s ability to reach foreign markets. Additionally, employees benefit from opportunities for promotion and development as opportunities become available to those interested in learning multinational business strategies.
CREATIVITY AND IDEA GENERATION ARE AMONG THE MOST VALUABLE ASSETS TO GROWING COMPANIES, ACCORDING TO FEIGENBAUM (2014). THEY HELP TO INCREASE INNOVATION AND THE POTENTIAL TO TAKE THE LEAD IN A MARKET. HAVING AN OPEN MIND AND VALUE FOR DIVERSITY COULD BE THE DIFFERENCE BETWEEN HIRING WELL AND HIRING THE BEST.


EMBRACING DIVERSITY OF THOUGHT

Diversity exposes employees to different cultures, workstyles and work perspectives. The impact is especially strong in organizations having multigenerational employees. Employers are exposed to, and learn from, the differences found in millennials, Generation Xers and Baby Boomers. Exposure to different habits, methods of doing things and ways of speaking encourages new ideas about how to improve procedures, sales processes and fulfillment operations (Kimberlee Leonard, June 29, 2018).

Creativity and idea generation are among the most valuable assets to growing companies, according to Feigenbaum (2014). They help to increase innovation and the potential to take the lead in a market. Having an open mind and value for diversity could be the difference between hiring well and hiring the best.

Network Rail’s diversity and inclusion team (awarded as the 2017 “Best Employers for Race” by “Business in the Community”) wrote, “We expect the number of people using the railway to double over the next 25 years. To meet this challenge, remain cost-competitive and deliver for our customers, we need a diverse workplace with innovative ideas and creative solutions, as well as a culture where everyone feels able to perform” (Ruth Mayhew, June 30, 2018).
Diversity builds a company’s reputation, leading to greater profits and employee opportunities. When companies utilize aggressive outreach and recruiting efforts, they prove that they are serious about workplace diversity. “An organization known for their efforts, fair employment practices, and appreciation for diverse talent is better able to attract a wider pool of qualified applicants” (Ruth Mayhew, June 30, 2018). Thinking about D&I in the same way as any other business priority creates sustainable growth.

Llopis (April 23, 2016) quotes Caballero, who said, “Diversity plays a critical role in everything that we do, including the diversity of thought that we bring to serve our clients.” According to Caballero, two-thirds of Deloitte’s hires in 2015 were women and minorities. He emphasized that hiring a diverse workforce was not enough; leaders must also be developed from that diverse workforce so that the organizational leadership also benefits from diversity.

Caballero continues by citing evidence showing how much more effective well-integrated, diverse teams are than non-diverse teams. Top-performing teams are open with each other, feel valued, and bring their authentic and unique selves to the dynamics of the team.

Llopis (April 29, 2014) wrote, “It’s no longer just about ‘diversity’ per se, and it’s no longer just a numbers representation game.” Hispanics are at the forefront of this tidal demographic shift as the fastest-growing minority group, and Caballero believes that will impact business strategies and enable growth, innovation and opportunities as companies across all industries strengthen their talent and consumer engagement.

The fact that many businesses have been slow to act on this demographic shift has made a huge opportunity even greater. Those that take the lead now will find themselves with an unprecedented competitive advantage and a highly loyal consumer base – particularly with Hispanics – that others will find difficult, if not impossible, to dislodge.
The Importance of Diversity
According to a report on CNN’s Fareed Zakaria GPS (June 28, 2014), “Where America Works,” in many ways, Houston was the first and most successful city in America to rebound after the 2008 recession. At that time, 20 percent of the city’s population was comprised of people who were born outside of America. As Houston Mayor Annise Parker explained, jobs were created and filled by attracting “some of the best and the brightest from around the world” (CNN’s Fareed Zakaria GPS, June 28, 2014). During the period 2012 to 2016, the foreign-born population in Houston was 22.9 percent, Dallas’ was 17.8 percent, Chicago’s was 17.7, and Atlanta’s was 13.4 percent. Houston’s foreign-born population remains the highest of all the midwest and southeast cities, with the exception of Miami, which was 39.4 percent. The importance of attracting “some of the best and brightest from around the world” is increasingly important.

In Forbes’ June 30, 2014 issue, Llopis reported that effective change management efforts require an understanding of the demographic shift at its core. Without sufficient understanding and preparation, employers will remain vulnerable to the continuously changing marketplace and their unique and growing needs. Llopis (March 10, 2014) reported that it is important for leadership to embrace all of the strategic implications of the demographic shift, including cultural intelligence, marketing strategies, global competition, the new requirements for talent acquisition, innovative team building and consumer engagement. Attending to each of these issues will allow leaders to adopt a forward-thinking mindset, enabling them to connect with employees and the global marketplace (Llopis, April 10, 2014).

So what role does the cultural demographic shift play in your own successful change management strategy? It’s not a wholesale change but a required enhancement layered on top of existing strategies to ensure that the demographic shift plays a key role in all change management processes.

An Ernst & Young article titled, “Demographic shifts transform the global workforce (Noland, et al.)” described what this paradigm shift means to business: “As the market turns, skilled employees will want a better understanding of their employment options and a greater say in how work is assigned, assessed and rewarded. The employer will no longer define the workplace; rather, employees’ priorities and preferences will dictate what the future workplace will look like.” The article went on to say that: “Companies will have to craft methods to engage or re-engage the experienced base of talent. Companies that fail to respond to this change and do not succeed in redefining their employee value proposition will fail to attract, retain or develop talent effectively.”
This means that the way a business operates – its processes, systems and best practices – must integrate the growing diverse population and understand how these operations impact them. The demographic shift requires it, as it affects business on all fronts – the people who work for companies and are responsible for their brands; the owners of other businesses (vendors/suppliers) that companies work with externally; and the different consumer groups they must serve if they want to grow and compete.

In other words, it impacts every aspect of how a business is run. But if you don’t have the intelligence about the demographic shift and can’t articulate how the unique qualities of, say, the Hispanic culture, impacts business, it will be very difficult to get buy-in to the opportunity. This is why so many companies continue to try – and inevitably fail – to authentically engage and sustain a two-way dialogue with their employees and consumers/clients to feed the right kind of cultural intelligence into the business model. They mistakenly try to lump the demographic shift into their total market strategy (Llopis March 13, 2013).

To that end, companies are at risk of losing top diverse talent and consumers/clients, especially to emerging small businesses and mid-market companies owned by Hispanics, Asians, African-Americans and other groups that have the innate cultural know-how to more easily foster relationships with their counterparts among the demographic shift. With a value proposition based on intelligence derived from the demographic shift, companies could instead be serving these diverse business owners with a platform to help them build their businesses – partnering with them instead of losing business to them. Through the acceptance of our differences and knowing how these differences can solve problems and create new types of opportunities, we will also solve the economic chaos and identity crisis that exists across the country.

A new, enlightened form of leadership must emerge that rewards individuality and has the wisdom, cultural acumen and insight to most effectively leverage our differences so that together, we can support common goals and values. The 21st century leader knows that assimilation is being replaced with accountability as a means of understanding the impact culture plays in strengthening human capital and business strategy. The right kind of thought leadership will position brands to leverage diversity of thought as a tangible enabler of opportunities previously unseen (Llopis March 10, 2014). The cultural demographic shift must be translated into intelligence and resources to create new revenue streams, strengthen an organization’s overall value proposition, and elevate engagement to secure top talent and earn trust and loyalty from emerging consumer groups that will commit to a brand once the brand commits to them.

Like many opportunities sitting right in front of us and previously unseen, this one can no longer be ignored. Organizations must start preparing their leadership for the demographic shift with a full-scale cultural intelligence strategy that acknowledges the operational and marketplace value and competitive advantage it can bring – and with a change management approach that no longer settles for losing top talent and ignoring new market opportunities.
Unconscious Bias, Implicit Bias and Imperfect Cognitions
Unconscious Bias, Implicit Bias and Imperfect Cognitions

These three terms – unconscious bias, implicit bias and imperfect cognitions – are used interchangeably in the research literature. As far back as 1954, Gordon Allport wrote that “prejudice is not the invention of liberal intellectuals...It is simply an aspect of mental life that can be studied as objectively as any other.” Jost et al. (2009) summarized 10 recent studies that agree with Allport’s findings. These studies “vividly illustrate the power of implicit racial, gender, and other biases to affect both judgments and behaviors of students, nurses, doctors, police officers, and employment recruiters.”

According to Bargh (1994), these studies established that people can have attitudes, stereotypes and prejudices without having the “intention, awareness, deliberation, or effort.” Jost et al. also reported that the discovery of implicit prejudice followed research on perception, memory and learning spanning the last hundred years. Research by Bargh (1994) and French & Cleeremans (2002) stated that an enormous amount of cognition occurs automatically, effortlessly and without conscious awareness.

While the preponderance of research findings align with Jost et al. (2009) and Tetlock and Arkes (2004) regarding the presence of unconscious bias, Tetlock and Arkes suggest that there are alternate explanations for its origins, intentionality and potential remedies. Setlock et al. believe that those researchers who agree with Jost and colleagues dismiss “ideologically dissonant alternative explanations.” To be clear, Tetlock et al. do not disagree with the reality of unconscious bias. Their focus is, instead, on the measurement of it, assumptions around it and methods for reducing its impact.

According to Tetlock and Mitchell (2009), Jost et al.’s findings are “Statist Interventionism” (using quotas and statistics to reduce racism). Arkes and Tetlock (2004) discuss alternative explanations to measures of implicit prejudice based on race-related stimuli and valenced (intrinsically positive or negative) words. In those studies, reaction time (RT) in response to valenced words is characterized by the demonstration of implicit prejudice. Tetlock et al. suggest three alternative explanations to what they call “the inferential leap from the comparative RT of different associations to the attribution of implicit prejudice.” Again, they do not question the existence of implicit bias, but they do challenge the most common methods of measuring it. They suggest that:

1. The data may reflect shared cultural stereotypes rather than personal animus
2. The affective negativity attributed to participants may be due to cognitions and emotions that are not necessarily prejudiced
3. The patterns of judgment deemed to be indicative of prejudice pass tests regarded to be diagnostic of rational behavior
As an example of their alternative explanations, they present a quote from Jesse Jackson: “There is nothing more painful to me at this stage in my life than to walk down the street and hear footsteps and start thinking about robbery. Then, look around and see somebody white and feel relieved.”

The success organizations can achieve to ensure equal opportunity hinge on their beliefs about the potency of prejudice. However, Tetlock and Mitchell (2009) claim that if that was true, equal opportunity would be confirmed by equal result. Sadly, that has been “impossible because objective inequalities inevitably stamp into our minds subjective associations that inevitably contaminate personnel judgments that require the exercise of discretion.” Tetlock and Mitchell “challenge the notion that anti-discrimination norms combined with legal sanctions are able to keep unconscious prejudice in check.”

Tetlock et al. discuss the “political psychological context of the debate.” They point out that numerous groups in American society identify by, among other things, ethnicity, language, religion and race. They also present statistics regarding differentials in family breakdown, education test scores, crime rates, socioeconomic achievement and mortality statistics as reasonable explanations for differential reactions to groups. They do not condone those differential reactions, they merely draw attention to them and their potential origins, pointing out that not all prejudice has its roots in animus. According to them, “nearly everyone will exhibit implicit prejudice and the residues of a racist culture.” The debate regarding origins in today’s society, and methods of correcting racism, according to Tetlock et al., are part psychological, part philosophical and part political. To them, the point is not whether racism exists, but rather, that it does exist with conscious choice in some situations, but has unconscious origins in others. By definition, racism arising from unconscious origins is outside the awareness of those who manifest it.
The Costs of Implicit Bias
Jules Holroyd (2012) investigated responsibility for implicit biases and the actions resulting from them. Holroyd considered three conditions for responsibility of implicit bias, and her goal was to distinguish between justified belief and opinion. She concluded that we should have observational awareness of the effects of implicitly biased behavior. In other words, being aware that our behavior has some morally undesirable property, in this case, being discriminatory. According to Holroyd, the issue is not whether people should be aware, but whether they should be responsible for not having that awareness. Drawing on empirical work, Holroyd argues that we can be aware of our discriminatory thoughts and behaviors that are based on implicit attitudes. Holroyd believes that we should not only be aware, but we are also responsible for behaviors manifesting biases because biased actions are guided by our implicit cognitions.

According to Holroyd (2012), “There are philosophers, who have claimed or implied that individuals are not responsible, and therefore not blameworthy, for their implicit biases.” He reported that the reasons for this belief include that implicit biases are:

- Below the radar of conscious reflection
- Out of the control of our deliberation
- Not rationally revisable in the way many of our reflective beliefs are
Holroyd refers to the findings of empirical psychology, and to the conditions for blameworthiness, stating that the claims of those philosophers are not supported by research. She argues that viewing implicit biases as something for which individuals are blameworthy could be constructive in that they would be encouraged to be aware of and to evaluate any attitudes, stereotypes and prejudices that they may have.

In an article titled “Color Blind or Just Plain Blind? The Pernicious Nature of Contemporary Racism” by Dovidio and Gaertner (June 21, 2017), they use the terms “Overt Racism” and “Aversive Racism” in their discussion of the issue of one’s awareness of racial bias. Their view is that overt racism is much easier to address, whereas “aversive racists” are more difficult to identify, and are unaware of their biases. They will consciously endorse equal opportunities and deny negative feelings about minorities. Nevertheless, their biases will discriminate, even if unintentionally. Their emotions, such as anxiety, create avoidance and social awkwardness, but not overt antagonism. Individuals with aversive prejudices find implications of being racist offensive. Being offended, however, does not change the fact that aversive prejudices exist.

Perry, Murphy & Dovidio (2015) found that with increased awareness, whites are more enabled to recognize and address unconscious and unintended racial biases. An important first step toward personal awareness, internalizing the fact that you may have subtle biases, is self-awareness. At times, self-awareness will reduce subtle biases and correct unintentionally hurtful behavior. Self-awareness of unconscious bias helps to develop what they refer to as “concerned awareness.” They say that “if you accept these things in yourself, you’re on the road to making things better.”

Dovidio and Gaertner (June 21, 2017) wrote: “In conclusion, we can no longer be passive bystanders to racism. We have to hold ourselves responsible. Abstaining from wrongdoing that is immediately obvious to us is not enough. It doesn’t begin to address the now convoluted and confusing nature of contemporary racism. In order to address contemporary racism, even and especially among well-intentioned people, it is necessary to establish new, positive norms for action that replace our current norms for avoidance of responsibility.”
The Current HR Landscape
At the present time, HR best practices in application selection include resume screening and interviewing. Resume screening alone can be a monumental task. In the 1970s, for example, it was estimated that one billion resumes and applications were screened each year (Levine & Flory, 1975). More recently, some employers have reported screening from 50,000 to 120,000 resumes annually in order to fill thousands of open positions (Hays, 1999; Stross, 1996; Useem, 1999). “Reviewing applicants’ resumes has become a common practice among organizations filling entry-level positions, especially for those considering large numbers of applicants competing for a limited number of job openings” (Gatewood, Field and Barrick, 2015).

As noted by Henle, Dineen and Duffy (2017), traditional hiring processes, which focus on requiring specific education and hard skills that are not necessarily always needed for a specific job role, create roadblocks to hiring diverse talent. Their research found that resume fraud has three dimensions (fabrication, embellishment, and omission), and presented the following supporting statistics:

- 72% of resumes are embellished
- 61% of resumes omit information
- 31% of resumes contain fabricated information
They also stated that “resume fraud predicts reduced job performance and increased workplace deviance beyond deceptive interviewing behavior.”

According to Young (2018), education, experience and technical skills are a minor component of success. He summarized research stating that soft skills, not education, experience or technical skills, are the primary predictor of success in academics, career and life. The interplay of unconscious bias in both interviewers and interviewees contribute to the poor predictive validity of interviews. These factors also contribute to the caution against using “cultural fit,” a commonly used consideration during the interview process, as a factor in selecting applicants.

According to Florentine (2017), emphasizing culture can have an unintended downside and can undermine your diversity and inclusion efforts. Florentine quoted Ciara Trinidad, head of diversity and inclusion at Lever, an enterprise hiring software company, who said that hiring for cultural fit often means “hiring someone who looks like me, has the same background and has the same ideas.” Chris Nicholson, CEO of artificial intelligence company, Skymind, told Florentine that “when companies overemphasize culture fit, they may inadvertently push applicants to try to fit in, at the expense of innovation and creative thinking.”

Given the low predictive validity of job performance provided by applications, resumes and interviews, and the prominent presence of unconscious bias, traditional HR practices that rely on those methods of applicant selection are vulnerable to choosing the wrong applicant while eliminating applicants for reasons that are not applicable to the prediction of job performance.

The cumulative impact of flawed HR practices and unconscious bias creates a significant obstacle to employment for the diverse applicant. The Uniform Guidelines on Employee Selection Procedures (1978) declare that employment decisions must be based on job-related criteria. Yet, despite the preponderance of research reports that resumes and interviews have not been demonstrated to accurately and consistently predict job performance, they are still in widespread use. The result is an overwhelming need for accurate predictors of job performance that:

- Streamline resume screening
- Reduce the impact of resume and interview fraud
- Insulate from EEOC charges
- Reduce unconscious bias
- Increase diversity
- Reliably predict job performance
Mindsets and Behaviors Matter
Foldes et al. (2008) used the term “bundles of habitual action tendencies” to capture groupings of mindsets and behaviors. The key word in his definition is “habitual.” Habits are created by practicing the same behaviors repeatedly over an extended period of time. New, alternative habits are created in the same manner. Carol Dweck’s (2016) studies on “growth mindset” support the reality that changes in thought patterns create changes in behavior; therefore, habitual action tendencies are “changeable,” not “fixed.”

Henle, Dineen and Duffy (2017) also support the premise that mindsets and behaviors matter. They found that “excessive socially desirable responding, Machiavellianism (actions marked by cunning, duplicity or bad faith), moral identity, conscientiousness, emotionality and agreeableness are determining factors in resume fraud and predictive of future workplace behavior suggesting the added importance of assessing these bundles in selection processes to potentially screen out fraudsters.”

Oh, Charlier, Mount and Berry (2014) found that applicants low on conscientiousness and high self-monitors may be more likely to commit fraud. They recommend that future research should explore other individual difference variables possibly related to resume fraud and ultimately to workplace performance, including:

- Performance orientation
- Need for approval
- Narcissism
- Self-esteem
- Variable interaction effects

Numerous researchers (Barrick & Mount, 1991; Barrick, Mount, & Judge, 2001; Ones, Viswesvaran, & Dilchert, 2005) have confirmed that habitual mindsets and behaviors are important for accomplishing work tasks. Including mindsets and behaviors in personnel selection systems reflects current job analyses that identify the
important components to overall job success (Hough & Ones, 2001). Employers use noncognitive predictors in selection settings not only to maximize prediction of job performance, but also to achieve goals of racial and gender diversity (Hough, Oswald, & Ployhart, 2001).

Foldes et al. (2008) reported that, theoretically, facets comprise bundles of habitual action tendencies that arise from the source trait (Big Five Factor). They stated that while mean levels of a Big Five Factor – for example, extraversion – are similar between racial groups, that factor may be expressed differently in terms of varying intensities of facet traits such as dominance, sociability or activity that comprise that factor. They suggest that, if that occurs, it may result in a specialized manifestation of that trait and this “may occur differentially among racial groups.” In terms of implications for personnel selection practice using personality measures, they reported that “where differences do exist on personality measures, they are mostly small and are unlikely to lead to adverse impact for various racial groups.”
The Power of Self-Report Measures in Predicting Job Performance
Harrison Gough (1965) points out that **self-reports** are really **self-presentations**. How we see and describe ourselves reflects how we want to be seen by others. If individuals describe themselves as clever and insightful, then they want others to see them that way as well. And Hogan, Hogan & Roberts (1996) reported that people usually try to control how others perceive them by managing their reputations through their everyday words and actions. Therefore, responding to self-report questionnaire items is like speaking with an anonymous interviewer about one’s true self. Hogan et al. also stated that we try to maximize positive attention and minimize criticism. In other words, we attempt to present our best selves to others, not in a dishonest or deceptive way, but to accentuate our positive attributes. A physical example would be wearing a color of clothing that brings out one’s eye color.

Self-report assessments sample a person’s typical interpersonal style, and that style creates their reputation – how he or she is perceived by others. Therefore, personality scales and their related behavioral attributes are defined by what they predict, and what they predict best is observers’ ratings. In fact, one of the steps in validating self-report measures (Gough-Heilbrun, 1983) is to compare their results with the descriptions that observer panels make of individuals.

Two important distinctions between interviews and self-report measures are face validity and reference bias. Face validity refers to how well the test taker is able to determine what is being measured and how the individual test items impact the outcome. For example, if a pre-employment test item asks if an applicant is honest and hardworking, the obvious correct answer in this context is “yes.” The face validity of that test item is apparent, as what it measures is easy to determine. Reference bias relates to the degree to which respondents are asked to compare themselves to other people or standards.

Competency-based assessments, such as The PAIRIN Survey (www.PAIRIN.com), use a self-report assessment that mitigates against both of these potential challenges to ensure accuracy in predictive value. PAIRIN’s assessment is based on The Adjective Checklist, or ACL (Gough, H. G. & Heilbrun, Jr., A. B., 1983), which presents applicants with 300 adjectives. Applicants are instructed to select those adjectives that describe how they are “most of the time.” Eight validity checks flag surveys for response bias issues such as random answering or potential fabrication or potentially too negative. Different combinations of adjectives are used to measure more than 100 behaviors. Sometimes a single adjective counts toward an overall attribute score (indicative), and other times, that same adjective counts against a different attribute score (contra-indicative). A particular attribute could have as many as 75 indicative adjectives and 28 contra-indicative adjectives. Given those factors, any attempt to falsify the assessment results are unlikely to be successful.
How PAIRIN’s Competency-Based Hiring Tool Increases Diversity in Hiring
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Using competencies in hiring reduces unconscious bias and transcends racial and gender boundaries. Hiring biases, intentional and/or unconscious, do exist. Traditional HR methods are not adequately working to create equal opportunity for all individuals, regardless of their background, race, gender and other factors. PAIRIN has found that often, when a company reports that they have been unable to find sufficient numbers of “qualified” applicants in their applicant pool, their definition of “qualified” is the issue, not the numbers of diverse applicants available who could perform the job well. Frequently, the very factors used to “qualify” applicants are excluding diverse candidates in the hiring process. Whether an applicant is “qualified” or not is often based on a lack of well-defined and inclusive set of job requirements. Instead of hiring based on the job-related skills that are required for a role, the focus can often be diverted to elements that are less predictive of actual job performance, such as:

- Resumes
- Education and experience
- Applications and interviews
- Cultural fit

PAIRIN’s competency-based assessment effectively decreases unconscious bias and interview/resume fraud while increasing diversity in hiring. PAIRIN’s tool identifies the behaviors common among top-performing employees in a given job role based on objective and measurable performance data. PAIRIN calculates mindsets and behavioral proclivities that differentiate top performers from average and low performers. Foldes et al. (2008) uses the term “bundles of habitual action tendencies” (BHATs) to describe mindsets and behavioral proclivities. By focusing on objective, measurable performance data, potential unconscious bias is eliminated from this stage of the hiring process.

PAIRIN’s data collection process emphasizes the terms “Objective and Measurable.” This requirement reduces the potential for unconscious bias entering into the equation. Employers select the top performers in a given position based on the metrics, not the likeability, similarity to the hiring manager, or any of the other confounding variables that can insert themselves into the selection process. When companies identify top performers based on objective and measurable performance data, unconscious and subjective issues are minimized. By identifying top performers’ BHATs in this manner and moving applicants with similar BHATs to the next phase of the hiring process, the pool of applicants is broadened and the applicant pool is naturally more likely to be diverse.
The steps involved in a company’s hiring process impact how far a diverse applicant is likely to progress through that process. When competency-based hiring tools are used on the front end of the process, it results in creating a pool of applicants whose mindsets and behavioral proclivities match those of the company’s top-performing employees, regardless of the education or experience they took to develop those proclivities. Employers must then evaluate the candidates’ technical skills and determine if they have any necessary licenses or certifications that are required for the job. Finally, having the knowledge of a strong BHAT match to top performers and verification of any essential technical skills, the applicant is invited to interview. After a candidate is deemed “qualified” and comes in for an interview, unconscious bias becomes conscious, leading to greater self-awareness and diversity. This process has the added benefit of increasing the self-awareness of hiring managers. According to Tetlock et al. (2004 and 2009), “nearly everyone will exhibit implicit prejudice and the residues of a racist culture.” Perry, Murphy & Dovidio (2015) found that “whites aware of their biases are better equipped to address contemporary racial challenges, where prejudice is often expressed in subtle, unintentional and unconscious ways.” Competency-based hiring tools, such as that offered by PAIRIN, help to reduce unconscious bias and transcend racial and gender boundaries. New hires are quickly seen as significant contributors, as opposed to individuals who were hired solely because of their diversity or other factors related to non-performance.

For example, companies that use PAIRIN’s hiring assessment report increased diversity among their employees by as much as three times. Further, they report that having greater diversity has yielded benefits, including:

- Greater profitability
- More creativity and innovation
- Stronger company reputation
- More engaged employees
- Increased productivity
- Stronger connections with diverse customers
- Strengthened connections with international customers

Roy Dockery, vice president of customer care at Swisslog Healthcare Solutions, reported that “shifting from experience-based hiring (which made us mimic our existing workforce) to evaluating applicants’ behavioral proclivities has increased diversity significantly. Instead of people with 15+ years’ experience in healthcare, we started to broaden our talent pool by identifying people who would better fit the culture and behavioral profiles. We found that experience was less important than behavior. As a result, hiring managers are seeing more diverse candidates, and more diverse candidates are being hired.”
Dockery explained that, “When we started using behavioral profiles with PAIRIN’s system, our employee demographic naturally shifted. Previously, our staff was largely white, Gen X or Baby Boomer males. Switching to competency-based hiring increased our age and racial diversity. PAIRIN’s assessment can’t discriminate. It cannot give or take away points based on a person’s name or race because it has no way to recognize that.”

According to Dockery, before using PAIRIN’s competency-based hiring tool, ethnic diversity in his field service organization workforce was less than 10 percent, and millennials made up less than 10 percent of the workforce (with the remaining employees split evenly between Baby Boomers and Gen X). “Since using PAIRIN, my workforce is now roughly 16 percent Baby Boomers, 55 percent Gen X and 29 percent millennial. And, we’ve realized an increase in minority hires to 27 percent (up from 10 percent),” he says.

One of the reasons Dockery started using PAIRIN was because he was tired of firing people for behavioral problems. By tracking involuntary attrition, he found that in 2013, before using PAIRIN, involuntary attrition was 14 percent. And after using PAIRIN for less than one year, in 2014, it had dropped to nine percent. As they continued using PAIRIN, by 2015, it was five percent; and in 2016 and 2017, they experienced zero involuntary attrition. On cost of operations, he notes that, “When we went to skills-based recruitment, we lowered our acquisition cost because we had been hiring people with more experience and they cost more. Now, we find better people who fit the skill profiles more, but since they have less experience, they are often cheaper.” Dockery reports that the average salary was $65-68K in 2016, and the current average (as of September 2018) is $55-58K for new employees.

Dan Kaskubar, COO of Activate Workforce Solutions, is a strong supporter of competency-based hiring. He sees it as a valuable tool in his organization’s efforts to end the cycle of poverty “one career path at a time.” Activate Workforce Solutions serves best-in-class businesses while solving an endemic social problem: helping people move from poverty to economic self-sufficiency. By screening, matching and supporting earnest candidates, their fee-for-service system successfully connects the right employers with the right people.

Activate Workforce Solutions partners with over 20 nonprofit programs focused on improving employment outcomes and training people to be ready for work. The candidates they train and place include a blend of gender, culture, race and ethnicity. They are all unemployed or underemployed for whatever reason, and are seeking career-path employment. They come from a variety of backgrounds, including justice involvement, interrupted work history, mental health diagnosis and those living in local rescue missions.

According to Kaskubar, “We are looking for the overlooked Davids – those individuals who usually fall to the bottom of the resume pile when most employers are searching for the Goliaths.” Activate Workforce Solutions’ screening process includes using PAIRIN data to identify their
candidates’ coachability. Then, they coach their candidates on basic work skills with special emphasis on identified PAIRIN attributes that could derail success on the job. Their services reduce the risk of hiring candidates who might otherwise be screened out during an employer’s hiring process.

Kaskubar remembers one Activate Workforce Solutions candidate who had a bad credit history and was applying for a loan operations role. At first, she received a rejection letter based on her credit history, but after reviewing her PAIRIN scores, Kaskubar was able to provide a strong, specific endorsement reflecting her skill gains since her credit issues. Her scores on Self-Control, Self-Restraint, Discipline, Responsibility and Deference reflected significant growth. “So we put her forward and persuaded the employer to hire her,” says Kaskubar, “and since then, she has been a top performer on her team. According to her boss, she is one of the best ever!”

Kaskubar also recounts the story of a Hispanic single mom who Activate Workforce Solutions placed in an admin role who has been employed for 18 months (as of October 2018). Before coming to Activate Workforce Solutions, she served time for fraud and then was placed in transitional housing for two years. He recalls, “We saw how hard she wanted to work to make her and her daughter’s lives better. That is the best kind of motivation because it includes passion and grit. After taking The PAIRIN Survey, it was clear that she had strong skills that would be a fit for admin roles.” Unfortunately, her fraud conviction created concern for prospective employers. Activate Workforce Solutions prepared her to share her story with transparency and honesty. Kaskubar says, “This made it clear to employers that she was ready to move forward, and created trust and earned the confidence of potential employers.”

Kaskubar believes that “companies are stretching their boundaries in who they hire because Activate Workforce Solutions and PAIRIN de-risk the hire. This is increasing diversity in the employers Activate Workforce Solutions serves because PAIRIN helps us determine and provide evidence of true professionalism in people.”

After PAIRIN proved to be helpful in her human development initiatives, Charlene Garrett, HR director for global outreach international and coach for GoInnovation, decided to use PAIRIN for hiring. Her process started by asking “what do we need?” and “what are the soft skills and technical skills required for this job?” When she posted the job online, they received 188 applicants. PAIRIN’s system created two targets for the job role for Garrett’s team to compare applicants against – one a department-specific target and the other a Global Outreach culture target. They also considered PAIRIN’s Readiness and Imperatives targets.
They selected applicants who had a more than 90 percent match to the Imperatives target and a more than 80 percent match to their Global Outreach culture target. Based on those metrics, they decided to invite 15 individuals for interviews. Of the original 15, 14 of them were women aged mid-20s to mid-50s, and five were minorities.

The final five (including two minorities) were selected to interview with finance leadership, and they elected to hire a minority female. Once hired, the applicant (now an employee) asked if her selection was an affirmative action hire because she was the first African-American employee in the company. Since their selection procedure included the PAIRIN Survey, they could tell her “no,” since Culture and Imperatives targets, which are minority blind, were embedded components of their selection process.

According to Garrett, since being hired, this new employee “is killing it and is already impacting the culture of the company.” The new hire has a high intensity score for “Resiliency,” something they would not have expected based on where she lived and her economic status. Without PAIRIN, unconscious bias could have ruled her out early in the hiring process.

After hiring her, they learned that she is a single mom who had a child while in college. The more they learn about her, the more “she amazes us.”

Garrett says they did not set out with a goal of increasing diversity, but it happened because they switched to hiring based on competencies, not resumes, experience and hard skills.
Conclusion
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We have explored how globalization and demographic shifts are happening in our world today and how these shifts have made D&I increasingly important. As a result, D&I is no longer just a numbers game. It has become a vitally important component of strategic planning for organizations, both big and small.

It is clear that organizations need an effective measure of soft skill competencies that bypasses vulnerability to unconscious bias and is EEOC compliant. Competency-based hiring tools, such as PAIRIN’s survey for pre-employment selection and development, help companies meet the need for D&I by measuring the soft skill competencies required to be top performers.

As more companies enact competency-based hiring processes, the need to track and measure the impacts of this approach across varying industries and job roles will become increasingly important. The examples we have featured in this paper constitute a small sample of companies that have transitioned to competency-based hiring, tracked and reported on their results. Future research should focus on identifying additional competency-based practices and how they are impacting the growth of a diverse workplace.
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