



Diversity is good for business

Support Growth by Embracing
Best Practice in Recruitment



Good recruitment drives equality in the workplace

The UK is simply failing to make use of all its productive talents. Men continue to dominate the highest paid roles while women, people with disabilities, working parents, older people and those from different ethnic and social backgrounds are under-represented across many sectors. This challenge becomes more pressing as labour and skills shortages are mounting.

HR and in-house recruitment professionals have a leading role to play in driving change in their organisations and promoting diversity, inclusion and equality in the workplace. By working together with the business to enable talented and capable candidates from diverse backgrounds to apply and be fairly assessed, HR and in-house recruitment specialists can help drive growth and raise living standards for all.



As the experts in hiring strategies, in-house HR professionals are in a good position to **call out discrimination and other ill-advised practices** in the recruitment pipeline.

With more HR roles than ever before focused explicitly on improving diversity and inclusion, **HR professionals can have a positive influence on business** across UK industries and regions.

Talent acquisition has increasingly become more challenging for organisations as labour and skills shortages intensify. The overall supply of available workers continued to decline across the UK at the start of 2019 and employers' concern about the availability of both permanent and temporary workers has increased significantly year-on-year.

In February 2019, REC's *Report on Jobs* revealed the rate of deterioration in staff availability had accelerated to a 20-month record. According to REC's *JobsOutlook*, more than half of UK employers surveyed monthly express concern over the availability of candidates for permanent hire, identifying shortages of suitable candidates as the most pressing challenge facing their business.

Central to attracting and recruiting the right person for the role is the awareness that greater diversity and inclusion is the right and financially wise thing to do, with diverse teams producing better results across sectors.

Research has found that organisations with diverse leadership teams, in terms of gender, age and ethnicity, tend to perform better than competitors with homogenous teams, for a number of reasons. A diverse team means a more extensive range of backgrounds and experiences, which leads to more creative and innovative solutions to problems, better quality decision-making, and more far-reaching insight into a wider range of customers. One other reason for the increased success of diverse organisations is their ability to attract, develop and retain a talented workforce because of the broader talent pools they use to recruit people.¹

By embracing best practice in recruitment, organisations will significantly increase their ability to compete effectively in the market.



£150 billion

could be generated in additional GDP by 2025 by closing the gender gap

Importantly, utilising the talents of people from diverse backgrounds and rewarding their contribution across sectors and occupations in the workforce will benefit the UK economy as a whole.

For instance, it has been estimated that if the country's gender gap were to be closed, this could potentially generate an additional £150 billion to gross domestic product (GDP) by 2025.

Recruitment plays a vital role in the process of creating a more diverse and inclusive workforce, as this is the first step in the relationship between employer and employee. Essentially, good recruitment is the foundation upon which a fair and gender-balanced organisation is built.

Guiding principles for employers and HR professionals

The organisations who fail to embrace best practice in recruitment risk falling behind competitor organisations who do. Below are general guidelines and recommendations that employers and HR specialists are invited to consider in order to better promote diversity, inclusion and equality in the workplace.²

- Have strong leadership in place from the top that promotes diversity and its positive impact.
- Make principles of diversity and inclusion the norm by constantly reviewing the organisational culture and recruitment practices for both early careers and senior roles.
- Be explicit about your diversity goals and implement a comprehensive action plan to achieve these. Make diversity and equality goals part of your annual business targets and measure progress regularly.
- Ensure all internal and external communication, campaigns and brand reflect your genuine commitment and tangible progress in promoting a diverse and inclusive workforce.
- Seek external advice about how you can improve practices and increase opportunities for all employees.
- Make flexible working available at the point of hire.
- Apply the same standards and principles to external and internal hiring as well as job progression.
- Introduce new approaches to access different pools of potential talent.
- Educate managers on the benefits of diverse working environments.
- Improve your outreach work with schools and universities, and through other networking activities.
- Work closely with recruitment agencies to evaluate processes in a transparent manner and dismantle latent barriers.



Introducing best practice in recruitment

Only when an open recruitment process is in place, diversity in the workplace can be accomplished. But for this to happen, all stakeholders involved must move from good intentions to tangible action.

Organisational cultures and recruitment practices should be constantly reviewed to allow the creation of an inclusive workforce. The principles of diversity and inclusion must be reflected throughout and extended to all levels of the organisation – in all internal and external communication, activities and the employer brand.

While considerable work has been done to stamp out misguided practices, there are still a number of ways in which organisations can improve their hiring procedures, and rule out biases and inequalities for both entry-level and more senior roles.

At a glance: Introducing best practice for recruiting diversely

DO	DON'T
Ensure that job adverts are written in neutral language.	Use loaded or gender-coded language in job adverts.
Advertise jobs using a wide variety of platforms to reach out to a larger and more diverse pool of talent.	Hire exclusively through recommendations from current staff or personal networks.
Proactively offer flexible working arrangements to all applicants for as many roles as possible.	Advertise roles as only full-time and office based, and discard flexible working at first encounter with candidates.
Clearly define a salary range for a role and include this in the job advert.	Focus on candidates' pay history or use complex pay systems.
Use name-blind and context-blind recruitment processes.	Shortlist candidates purely based on personal information or quotas.
Determine impartial, skills-based selection criteria to be used for all candidates.	Conduct one-on-one, unstructured interviews with candidates.
Train hiring managers and other screening and interviewing staff in dealing with unconscious bias.	Hire like for like or hire solely based on working experience and personal assumptions.
Regularly assess the success of the recruitment process, and form an action plan to improve future actions.	Fail to request feedback from both successful and unsuccessful candidates.
Set diversity and equality targets and measure your progress against these.	Fail to regularly monitor the composition of your workforce and identify areas that must be improved.

In the spotlight: Correcting inequalities, supporting growth

1. What puts candidates off applying for a role?

Candidates assess hiring organisations just as much as employers and recruiters evaluate them. Prospective candidates assess the culture, reputation, pay and benefits, working arrangements as well as the makeup of management and senior leadership in an organisation.

If an employer is not committed to driving change and does not actively promote the diversity and inclusion agenda, female candidates, older workers, people with disabilities and candidates from minority ethnic backgrounds are likely to be deterred from applying for the advertised role.

ACTION

Re-evaluate your culture, workforce composition, actions and advertised role. Ensure the principles of diversity and inclusion are actively promoted in all communications.

2. Closing the gender pay gap will drive economic growth



Organisations with more than 1,000 employees were more likely to make reducing their gender pay gap a priority

At a time when demand for skills is intensifying, it is imperative to secure and appropriately reward the contribution of women across sectors and occupations so that their talents and potential can be fully used. This, in turn, will benefit the economy as a whole.

The UK can add £150 billion to the GDP by 2025 by closing the gender gap. In order to achieve this, employers would need to remove barriers and create opportunities that increase female participation in the labour force, employ women in more productive sectors and occupations, and extend the available work hours for women.

In this scenario, every one of the UK's regions has the potential to gain between five and eight per cent in GDP, with the largest opportunities in London, the north-west and the south-east of England.³

Private sector employers are increasingly predicting the detrimental impact of the gender pay gap on perceptions of their organisation among potential recruits, current employees and other external stakeholders including clients, suppliers and investors. According to the Interim Gender Pay Gap Employer Insights Survey, half (53 per cent) of private sector employers believed that if they had a large gender pay gap this would have a very or fairly negative impact on perceptions of their company among current or prospective staff.⁴



There are certain industries that historically have been dominated by men, such as engineering. We are reaching out to schoolchildren to break gender stereotypes. Children's faces light up when we showcase some of the women in our organisation who are doing fantastic work and lead important projects.

DANIEL HARRIS, MOTT MACDONALD

ACTION

From organisational structures to pay and benefits, assess what the organisation offers female candidates and scrutinise job adverts to ensure these appeal equally to male and female candidates.



3. Tackling unconscious bias to overcome inequalities

Unconscious bias is an ongoing issue in the workplace and it continues to drive inequality in the workplace. An interviewer at a close-knit firm may be looking for someone who will fit in with their colleagues and might unconsciously discount candidates who are female, disabled or from different ethnic and social backgrounds.

Hiring in one's own image – like for like – is a real phenomenon. This presents a problem not just for the candidate but also the employer, who may have missed out on someone with the potential to be a great asset to the organisation. Unconsciously discounting candidates from other backgrounds precludes varied insights and hinders creativity and innovation.



Ultimately we want to recruit the best candidate. To do so, we must make our roles attractive to a more diverse pool of talent. But the challenge is to change the mindsets around inflexible working arrangements and unconscious biases.



CLAIRE REES, OXFORD UNIVERSITY PRESS

ACTION

Establish objective criteria for the role, reflected in the job specification, assessments and interviews. Challenge unconscious bias on the basis of evidence.

4. Flexible working supports diversity and growth

There is a strong, positive correlation between flexible work and diversity in the workplace. Offering flexibility from the outset can be key in allowing employers to reach groups of candidates they previously found difficult to engage and encourages applications from candidates of diverse backgrounds including those with disabilities and mental health problems, working parents and older workers.

Flexible working practices help those returning to work after a break in employment, providing the flexibility needed to help carers balance work and home lives as well as those with disabilities who are unable to work full-time. Providing flexible roles to ensure a diverse workforce is a key advantage in business. In the CBI's 2017 employment trends survey, more than nine in ten respondents (93 per cent) saw achieving a diverse and inclusive workforce as important or vital to their future success, with seven in ten firms introducing or extending flexible working opportunities.⁵

Nonetheless, the proportion of jobs with an annual FTE salary of £20,000 or higher that are advertised as being open to flexibility currently stands at 11.1 per cent. This remains in sharp contrast to the increasing number of candidates looking to work flexibly. In fact, a 2017 Timewise report put employee demand for flexible working at 87 per cent.⁶



Unlocking the potential of talented individuals who wish to work flexibly is a source of competitive advantage. I have seen first-hand how it can help attract and retain the best and brightest talent, and lead to higher levels of client service.



STEVE VARLEY, EY

ACTION

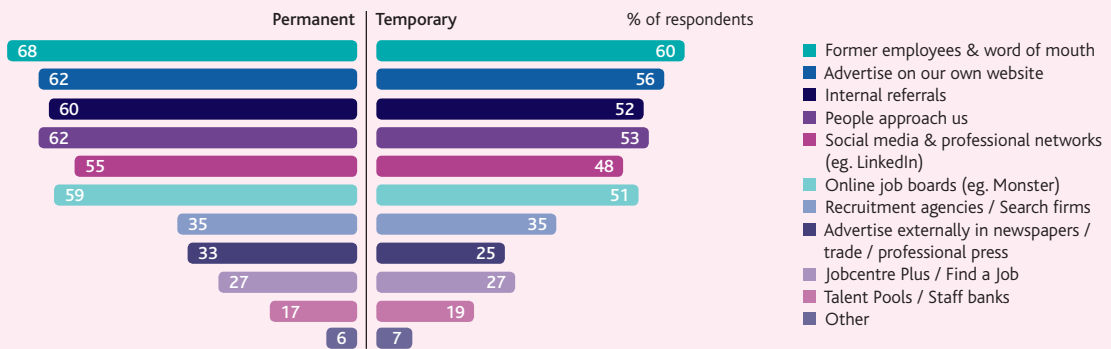
Reach out to a wider pool of talent by advertising roles with flexible options, where applicable, and make flexible working for both entry-level and senior roles available at the point of hire.

5. Using the right recruitment channels

There are multiple channels for employers to use to advertise and attract candidates. From the use of recruitment agencies and advertising on the organisation's website to social media and word of mouth, using the right channels to advertise for each role is crucial for attracting a wider pool of talent.

According to the REC survey conducted by ComRes in November 2018–January 2019, when asked in which ways the organisation recruits permanent staff, HR decision-makers revealed that the most widely used method of recruiting is in fact through former employees and word of mouth.

Recruitment channels used for staffing as of January 2019⁷



All who have recruited permanent staff (n=534), recruited temporary or contract workers (n=310)

It is important to assess the various platforms and recruitment channels being used to reach and attract candidates, including digital platforms. The recruitment platforms used must reflect the diversity and inclusion principles as well as the policies the organisation pursues. For instance, if advertising through a recruitment agency, your recruitment partner should echo your genuine commitment to promoting diversity and inclusion.

Employers should also avoid recruiting exclusively through internal referrals, former employees and word of mouth as these methods encourage hiring like for like. Advertising jobs in different recruitment sources will help to attract a wider pool of talent including candidates from diverse and under-represented groups.

ACTION

Be diversity conscious – use a varied range of platforms to advertise jobs and to reach out to a larger and more diverse pool of talent.



6. Implementing good hiring practices

According to a survey of 400 HR decision-makers in public and private sector organisations, which was conducted in August-September 2018, the majority of respondents admitted to using a range of inclusive practices as standard when recruiting for a vacancy in their organisation. Only one in ten respondents said they do not use any of the practices identified.

However, there were significant variations in responses depending on the size of the organisation. Overall, the data showed that the larger the organisation, the more likely they are to have recruitment practices promoting diversity and inclusion. For instance, 91 per cent of large employers train their hiring managers in interview techniques compared with 78 per cent of medium-sized organisations and 66 per cent of small organisations. Similarly, 79 per cent of large organisations provide unconscious bias training compared with 63 per cent and 55 per cent of medium and small businesses, respectively.

If a vacancy arises, which of the following, if any, does your organisation do as standard?

None of these

9%

Anonymised recruitment

38%

Ensure a diverse interview panel

60%

Ensure the hiring manager is trained in dealing with unconscious bias

62%

Assess whether the role can be advertised as open to flexible working options

69%

Assess job advert language to ensure it is neutral and free from bias

72%

Ensure the hiring manager is trained in interview techniques

74%

Base: HR decision-makers (n=400)



We use an online augmented writing platform to ensure the language in our job adverts appeals to all audiences. All our application forms are blind shortlisted – all personal details including the name of educational institutes are removed. In the latter stages of recruitment, we want to ensure managers know how to effectively use the scoring structures. But there are still questions that must be asked: do applicants get put off before they even apply? Can we do more in terms of diversity and inclusion to retain new recruits?



ANDY LIVINGSTON, HISTORIC ENGLAND

ACTION

Follow the lead of diverse and inclusive organisations and apply best practice during all stages of the recruitment process to successfully tackle biases when hiring.

Making change happen

It is clear that in-house recruiters and HR professionals are well aware of the issues that exist within organisations as well as within the wider industries they work in. They are best placed to see both the knowledge gaps and problems companies are facing.

More importantly, HR specialists are keen to introduce specific, ambitious and achievable actions in place in order to promote diversity and inclusion during the hiring process, resulting in policies that will improve the performance of their businesses.

Driving change by asking the right questions

Are your business values reflected in the company's culture, brand and communication?

Are you attracting female candidates and candidates from diverse backgrounds to apply for the role?

Is your business a champion of flexible working?

Is your business a champion of enhanced parental leave?

Are you confident that the selection criteria used to screen candidates are transparent, impartial and fair?

Do you focus more on experience or on skills and potential of your workforce?

Are hiring managers properly trained and the interviewing panel diverse in composition?

Do you regularly monitor under-representation in your organisation?



This is our first year where we have hired more females than males into our graduate pool. We succeeded by introducing changes based on feedback received from female graduates from the year before. They revealed how difficult it was for them to get noticed at events when they were surrounded by strong male graduates. Hosting female-focused events has made the playing field a little bit fairer.

MICHAELA POUST, COSTAIN



With a shortage of talent in skills-short markets, organisations have a responsibility to take a more talent-led approach to recruitment, as opposed to a competency-led approach. Managers should be recruiting for talent, recruiting for potential and doing a better job of developing competency. I am absolutely convinced that we will not solve the problem around gender diversity and other forms of diversity unless we are able to do that. Certainly, this requires closer partnership with talent management as well as L&D and organisational development. By doing that, we – as an HR function – will change the culture of our organisations.

PETER HOGG, SCHNEIDER ELECTRIC



Building on the aforementioned challenges facing stakeholders, on the next page are key action points for employers and HR specialists to consider at each and every stage of the recruitment process.



Action points for employers and HR professionals

Recruitment Stages	Key points
1. Defining the role and attracting applicants	<ul style="list-style-type: none"> Clearly define the required skills and attributes as well as the day-to-day duties involved in the job. Remove gender-coded, loaded and biased language from job adverts; ensure all communication reflects and promotes the company brand, values and diversity targets. Determine whether the role is suitable for flexible working; explicitly state if this is available in job adverts as a way of boosting diversity and attracting talent. Use digital platforms which specifically promote flexible working. Introduce returner programmes and adaptive working practices, wherever possible. State a set salary range for the role, for all applicants; advertise other benefits including enhanced parental leave. Be aware of how candidates conduct their job search; assess platforms being used to reach and attract candidates including digital platforms. Advertise on a range of platforms aimed at a wide variety of social, economic and cultural backgrounds. Consider targeting to specific audiences with job adverts, events and expositions.
2. Screening applicants	<ul style="list-style-type: none"> Determine impartial selection criteria to be applied to all applicants. Appoint a panel of at least two professionals to screen applications and ensure they are trained in dealing with unconscious bias. Remove candidates' personal details from applications and judge these on merit. Focus on skills, abilities and potential of an applicant rather than their working experience; introduce new assessment methods to test the attributes required for the role.
3. Interviewing candidates	<ul style="list-style-type: none"> Train interviewers and hiring managers on unconscious bias and interview techniques; regularly assess their performance. Appoint a diverse interview panel of at least two professionals. Use structured interviews and identical techniques for all candidates; develop skills-based assessment criteria to assess candidates' suitability for the role. Make sure facilities and venues are accessible. Proactively and explicitly state salary and benefits offered as well as flexible working options available at the point of hire.
4. Assessing the recruitment process	<ul style="list-style-type: none"> Deliver a high standard of candidate experience with two-way feedback for all those interviewed. Use data to track diversity levels at each stage of the hiring process and measure your progress against set targets. Review your hiring practices and workforce composition, including management and leadership teams, on a regular basis. Communicate revised diversity targets with your workforce; share progress findings with all staff as well as prospective candidates.

Action points for employers, working together with recruitment agencies

Recruitment Stages	Key points
1. Selecting partner	<ul style="list-style-type: none"> • Determine the criteria used to select agencies focusing on agency expertise in recruiting diversely. • Work with recruitment agencies who specialise in diverse hires or who have a track record of good performance in this area, and agencies that have greater access to a diverse pool of candidates. • Help recruiters understand your company values, diversity targets and aspirations in order to optimise the shared process.
2. Defining the role and attracting applicants	<ul style="list-style-type: none"> • Ensure the job briefs you provide recruiters are detailed and work together to determine what kind of person would best fit the role. • Work closely to create a job advert that appeals equally to male and female candidates. • Use different recruitment platforms to widen the talent pool and attract a more diverse range of applicants.
3. Screening applicants	<ul style="list-style-type: none"> • Work together to determine impartial selection criteria to be applied to all applicants. • Agree to focus on skills and potential of applicants by introducing new assessment methods to test the attributes required for the role. • Require agencies to supply diverse candidate shortlists.
4. Assessing the recruitment process	<ul style="list-style-type: none"> • Conduct retrospective review sessions to identify challenges and successes during the hiring process and improve strategies. • Improve candidate experience and future recruitment practices by ensuring two-way feedback for all those interviewed.

References

- 1 McKinsey & Company (2018). *Delivering through diversity*.
- 2 Detailed action points for employers and HR professionals to consider introducing at each stage of the recruitment process can be found on pp. 10-11.
- 3 McKinsey Global Institute (2016). *The power of parity: advancing women's equality in the United Kingdom*.
- 4 Government Equalities Office (2018). *Interim gender pay gap employer insights survey*. The mandatory gender pay gap reporting for UK employers with over 250 employees came into force in April 2017. The Department of Business, Energy and Industrial Strategy is currently conducting a consultation on ethnicity pay reporting. The REC has provided written evidence and engaged proactively with other stakeholders on this issue.
- 5 CBI (2017). *Working together: CBI/Pertemps employment survey*.
- 6 Timewise (2018). *The Timewise flexible jobs index 2018*.
- 7 REC (2019). *JobsOutlook*. Available at: www.rec.uk.com/research/jobsoutlook





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Recruitment is a powerful tool for companies and candidates to build better futures for themselves and a strong economy for the UK.

Find out more about the Recruitment & Employment Confederation at www.rec.uk.com

This practical guide is part of the Good Recruitment Campaign, an REC initiative that helps organisations benchmark their recruitment methods and innovate their strategies in order to attract the right candidates.

Those involved in the campaign can benefit from free workshops, peer-reviews, self-assessment tools and key pieces of data that will help their business reach new heights in talent acquisition.

Find out more at www.rec.uk.com/goodrecruitment

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