SmartRecruiters

YOU ARE WHO YOU HIRE

From Good Intentions

to Lasting Impact

State of Diversity Hiring Report 2021

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Introduction

Business leaders at the smallest startups to the biggest global corporations have publicly committed to taking action against bias and discrimination in their own workplaces. But how much have they succeeded?

Rather than leave them to guess, the team at SmartRecruiters worked together to create a [Diversity Hiring and Success toolkit](#) accessible to companies of all sizes and industries at no cost, regardless of whether they are SmartRecruiters customers. The toolkit includes:

- **Diversity Hiring Maturity Model and Standards of Success:** Clear criteria by which organizations can be evaluated to assess their diversity hiring capabilities. The Model is built upon four Success Pillars.

- **Diversity Hiring Assessment:** A comprehensive questionnaire to understand your current level of competency and identify areas of improvement.

- **Diversity Hiring Blueprint:** A custom report based on your self-assessment that provides bespoke guidance and actionable insights based on your level of maturity.

Hundreds of business leaders have already completed the Diversity Hiring Assessment, empowering them to develop a clear, actionable plan to achieve their strategic diversity hiring goals. Their aggregated responses also represent a snapshot of the state of diversity hiring — highlighting where most organizations are falling short and where they can make their biggest gains.

However, this report is more than just a collection of tables and charts. We've also included trends and insights, our favorite D&I success stories, and actionable tips to get you moving as you attract and retain the diverse talent you need.

The Diversity Hiring Maturity Model

The Diversity Hiring Assessment evaluates your hiring capabilities across all 12 standards (and four success pillars) using the Diversity Hiring Maturity Model. This rubric assigns a score corresponding to the level of sophistication and rigor the organization has invested, starting with Level 1 (Diversity Talent Aware) to Level 4 (Diversity Talent Ally).

Level 1
Diversity Talent
AWARE

Level 2
Diversity Talent
INVESTED

Level 3
Diversity Talent
COMMITTED

Level 4
Diversity Talent
ALLY

Methodology

The report is based on 401 self-assessments, completed Jan. 18-June 25, 2021. Respondents were intercontinental. More than half of respondents (53%) work in North America, with 39% in Europe, the Middle East and Africa, and 8% in Asia-Pacific.

The information contained in this report, as well as sample policies and other recommended human resources "best practices," is not legal advice. Rather, it is intended to provide guidance for companies to achieve hiring success by using their own policies, procedures, or HR programs.

401
Self-assessments

53%
of respondents were in North America

39%
of respondents were in Europe, the Middle East and Africa
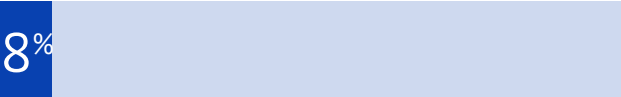
8%
of respondents were in Asia-Pacific

This report is more than just a collection of tables and charts. We've also included trends and insights, our favorite D&I success stories, and actionable tips to get you moving.

Key Findings

Barely Scratching the Surface

Many organizations are missing out on the most basic opportunities to share their commitment to building a diverse and inclusive workforce with potential applicants.

Working Without a Plan

Many employers' recruitment plans are neither strategic nor specific enough to move the needle.

Budgets Haven't Budged

Employers aren't adequately funding their D&I initiatives in line with their publicly stated goals. Meaningful progress requires aligning investment with intent.

Neglecting Opportunities for Internal Talent

Fair and competitive internal hiring plays a critical role in D&I success, yet many organizations are failing to engage the diverse employees they already have.
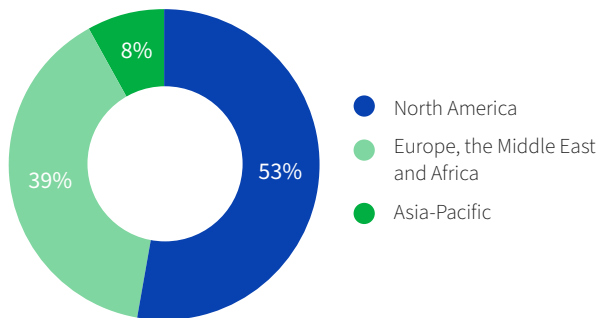
Bias Keeps Creeping In

Fair hiring processes add perspective, consistency, and structure to the hiring process, ensuring that all hiring touch points minimize bias. However, many employers have yet to adopt known best practices for minimizing bias in recruitment and promotion.
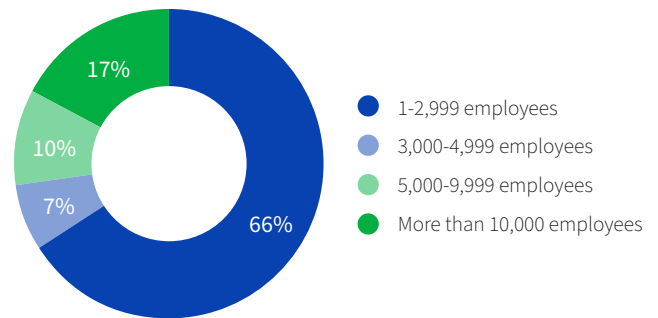
Who Took the Self-Assessment

Participants typically represented small to midsize companies. Nearly half came from the U.S. and nearly a quarter from the U.K. Almost a quarter work in the technology sector.

By Region

- North America — 53%
- Europe, the Middle East and Africa — 39%
- Asia-Pacific — 8%

By Company Size

- 1-2,999 employees — 66%
- 3,000-4,999 employees — 7%
- 5,000-9,999 employees — 10%
- More than 10,000 employees — 17%

By Industry

Transportation
Insurance
Media
Construction
Chemicals
Apparel
Machinery
Hospitality
Government
Manufacturing
Healthcare
Finance
Recreation
Not for Profit
Technology
Entertainment/Media
Consumer Packaged Goods
Other
Telecommunications
Retail
Staffing
Consulting
Education
Electronics
Biotechnology
Food
Banking
Energy
Communications
Agriculture
Utilities
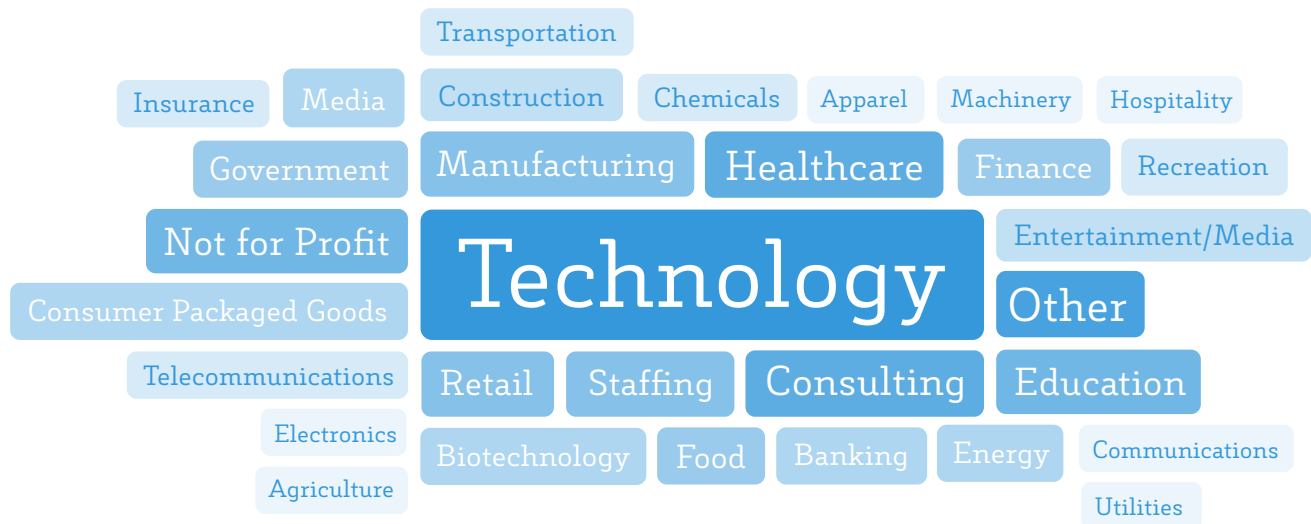
Barely Scratching the Surface

The first step to attracting diverse talent is to foster Diversity Brand Equity, or the ability to allow underrepresented candidates to see themselves working for you through various brand interactions. By investing in your Diversity Brand Equity, you do more than protect your overall brand reputation. You also give your organization a powerful competitive recruitment advantage, one that improves your organization's ability to prioritize attraction, accessibility, and positive interactions, creating a better candidate experience for the talent you need.

This encompasses the language and imagery you use in your job advertisements, your interview processes, and the many moments that make up the candidate experience. The more inclusive these touch points are, the easier it is for historically excluded candidates to see themselves thriving at your organization.
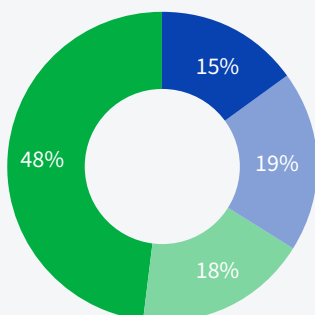
And yet, many organizations are missing out on the most basic opportunities to share their commitment to building a diverse and inclusive workforce with potential applicants through these public-facing channels. For example, 15% of people who completed the assessment reported that they featured underrepresented groups on their company website, career channels and other recruiting collateral less than 10% of the time.

In some industries, the gap is even more acute — Energy, Food, Technology and Finance participants were far more likely than their peers in other industries to report featuring underrepresented groups less than 10% of the time. Perhaps most surprisingly, so were Consumer Packaged Goods respondents — an industry that absolutely depends on diverse perspectives to serve its customers well.

What percentage of the time does your company website, career pages, blogs, social media channels and other collateral contain images of underrepresented groups?

- ● Less than 10% of the time
- ● 10% to 19% of the time
- ● 20% to 29% of the time
- ● More than 30% of the time

Overall

15%
19%
18%
48%

By Region

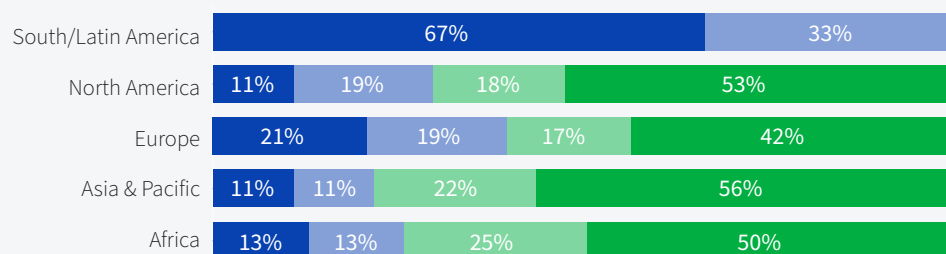| Region				
South/Latin America	67%		33%	
North America	11%	19%	18%	53%
Europe	21%	19%	17%	42%
Asia & Pacific	11%	11%	22%	56%
Africa	13%	13%	25%	50%

What percentage of the time does your company website, career pages, blogs, social media channels and other collateral contain images of underrepresented groups?

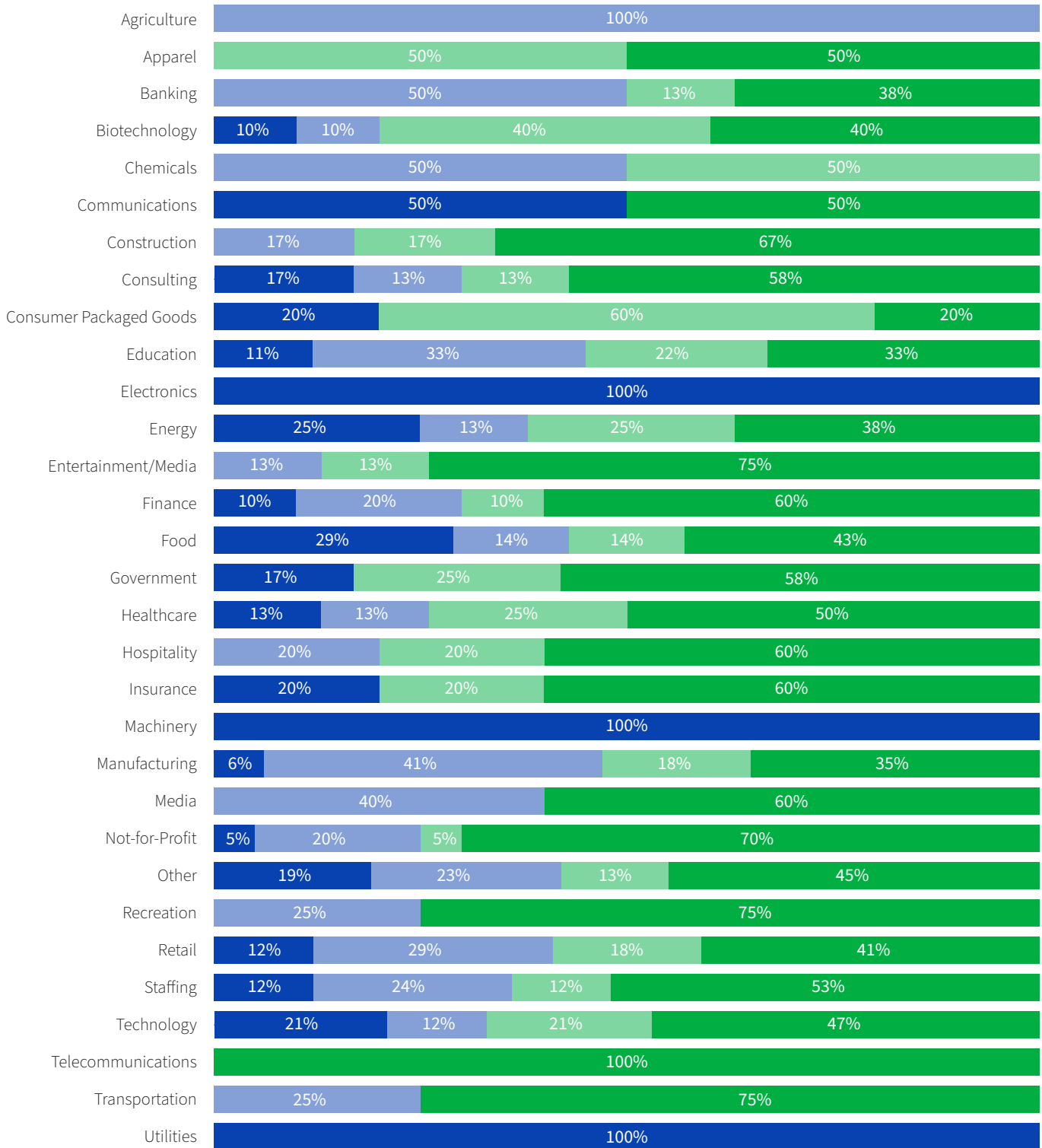● Less than 10% of the time   ● 10% to 19% of the time   ● 20% to 29% of the time   ● More than 30% of the time

By Industry

Industry				
Agriculture		100%		
Apparel			50%	50%
Banking		50%	13%	38%
Biotechnology	10%	10%	40%	40%
Chemicals		50%	50%	
Communications	50%		50%	
Construction		17%	17%	67%
Consulting	17%	13%	13%	58%
Consumer Packaged Goods	20%		60%	20%
Education	11%	33%	22%	33%
Electronics	100%			
Energy	25%	13%	25%	38%
Entertainment/Media	13%	13%		75%
Finance	10%	20%	10%	60%
Food	29%	14%	14%	43%
Government	17%		25%	58%
Healthcare	13%	13%	25%	50%
Hospitality		20%	20%	60%
Insurance	20%		20%	60%
Machinery	100%			
Manufacturing	6%	41%	18%	35%
Media		40%		60%
Not-for-Profit	5%	20%	5%	70%
Other	19%	23%	13%	45%
Recreation		25%		75%
Retail	12%	29%	18%	41%
Staffing	12%	24%	12%	53%
Technology	21%	12%	21%	47%
Telecommunications			100%	
Transportation		25%		75%
Utilities	100%			

What percentage of the time does your company website, career pages, blogs, social media channels and other collateral contain images of underrepresented groups?

● Less than 10% of the time   ● 10% to 19% of the time   ● 20% to 29% of the time   ● More than 30% of the time
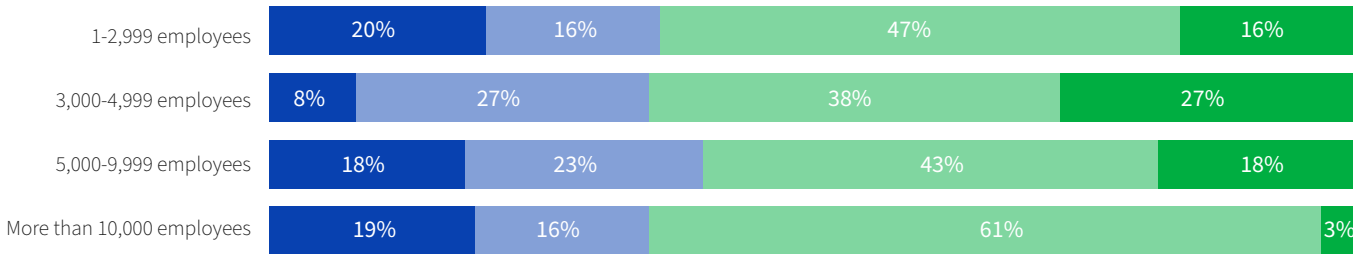
By Company Size

1-2,999 employees	20%	16%	47%	16%
3,000-4,999 employees	8%	27%	38%	27%
5,000-9,999 employees	18%	23%	43%	18%
More than 10,000 employees	19%	16%	61%	3%

Building Diversity Brand Equity isn't a task that can be left to the D&I team alone. Attracting diverse talent requires a deliberate, highly strategic partnership between your D&I, talent acquisition, and marketing teams.

Yet, we found that only about one-quarter reported that their organizations have these functions working closely together more than half of the time.

How often do your company's D&I, talent acquisition and marketing functions work together to create content?

10%   10%
15%
41%
24%

● N/A
● Less than 25% of the time
● 26% to 50% of the time
● 51% to 75% of the time
● More than 75% of the time
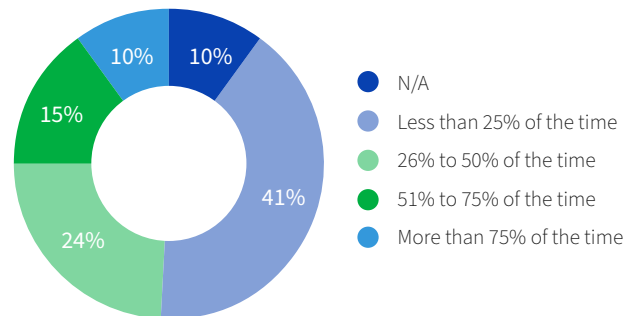
> " People are well-intentioned. They really want diversity. But nothing's changed in the last decade. Why? The reality is that companies are not doing the simple things.

— **Jerome Ternynck**
Founder & CEO of SmartRecruiters, the Hiring Success Company

Our understanding of diversity has grown more inclusive. In many cases, however, external recruiting collateral hasn't kept pace. Participants reported higher rates of representing gender, race and ethnicity, and age in their employer branding collateral. However, they reported underrepresenting sexual orientation, parental status, disability, and religion.

Each of those gaps represents a chance to make meaningful progress.

Are the following categories represented on your company website, career pages, blogs, social media channels and other collateral?
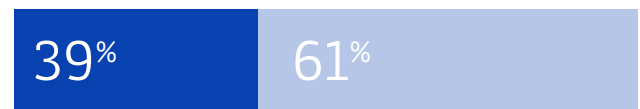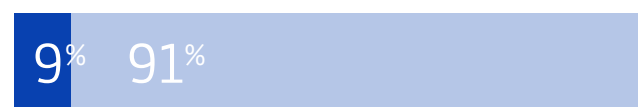
● No   ● Yes

Race

| 15% | 85% |

Religion

| 84% | 16% |

Age

| 39% | 61% |

Disability

| 82% | 18% |

Gender

| 9% | 91% |

Parental Status

| 78% | 22% |

Extending a Warm Welcome to All

[Cielo](#) has a shared commitment to providing opportunity for all, regardless of what they look like, where they come from, how they worship, or who they love. They are committed to being an organization that encourages employees to be their authentic selves.

> " We are working to create a framework that supports the unique challenges that each of our regions experiences while also accounting for global commonalities that we can address more broadly.
>
> — **Molly Thiel**
> Chief HR Officer at Cielo

This vision is brought to life at Cielo through strengthening the role all of Cielo's leaders play in shaping a culture of diversity, equity, inclusion, and belonging (DEI&B), supporting teams in going beyond awareness and empowering them to take action, expanding global employee resource groups (ERG), and improving the overall hiring experience and process.

One of the most successful programs at Cielo has been its global "Inclusion Infusion" sessions. "These are peer-led conversations that happen within all of our regions," explains [Molly Thiel](#), Cielo's Chief HR Officer, "pulling together employees at every level to discuss impactful topics such as microaggressions and neurodiversity."

Cielo is now focusing on ERGs and other resources to support the areas of disability and neurodiversity, race, ethnicity, culture, heritage, and religion after experiencing success with one of their first anchor ERG groups for the LGBTQIA+ community, as well as first responders.

"As a global organization, we realize there are both global and local systems that use factors like race and ethnicity to both discriminate or disenfranchise. We are working to create a framework that supports the unique challenges that each of our regions experiences while also accounting for global commonalities that we can address more broadly," Thiel says.

Cielo is taking what they've learned with their own strategy-building and journey to help their clients improve their DEI efforts. Cielo's consultants help audit their clients' DEI candidate journeys from attraction to onboarding.

"We help TA leaders map where they are and where they want to be on their DEI journey to uncover their biggest opportunities," says [Jacquese Brown](#), Cielo's Senior Diversity, Equity, and Inclusion Program Leader. Often, recommendations include strategies to magnify diversity messaging as part of an organization's employment brand, build segmented recruitment marketing campaigns, and identify key partnerships for diverse talent pipelines.

To support their clients in developing and executing a fair, equitable hiring process, Cielo requires all their recruitment teams to complete a diversity certification to mitigate the effects of unconscious bias on hiring funnels.

> " A lot of people think of DEI in terms of racial and gender statistics only. Representation is important, but only one piece of a broader puzzle. We help clients move beyond checking boxes to an all-inclusive, equitable, and strategic hiring experience.

— **Jacquese Brown**
Senior Diversity, Equity and Inclusion Program Leader at Cielo

Action Items

Make sure your commitment to diversity is supported publicly by multiple organization leaders, starting with your CEO.

Develop a partnership between TA, marketing, and D&I to create content that highlights values, culture, and diversity.

Promote benefits that might appeal to individuals who represent various dimensions of diversity (partner benefits, EAP, maternity leave).

Working Without a Plan

The more intentional and deliberate your diversity hiring plan is, the better your chances of increasing workforce diversity.

Concrete processes, oversight, and metrics provide a sense of direction and accountability for your diversity hiring efforts, and tangible metrics enable you to track your progress over time. By setting goals that are specific, actionable, and measurable, you increase the likelihood that your diversity hiring plan will create an impact.

However, half of those who completed the assessment reported that they don't have a process for setting diversity hiring goals. All participants working in the Agriculture, Chemicals, and Machinery industries reported having no defined strategies or processes for setting or achieving diversity hiring goals.

Companies in Europe and North America are less likely to have strategies and processes in place for setting diversity hiring goals than their peers in South/Latin America, Asia and Pacific, and Africa. The European region consists of several markets, and some don't react as quickly on issues of diversity and inclusion as others do. The connection between awareness and action can vary dramatically, says Robert Symons, Senior Vice President of Europe, Middle East, and Africa at SmartRecruiters. Symons specifically notes that issues in diversity and inclusion can be polarizing in North America. Company politics and bureaucracy could stifle progress toward a solid plan.
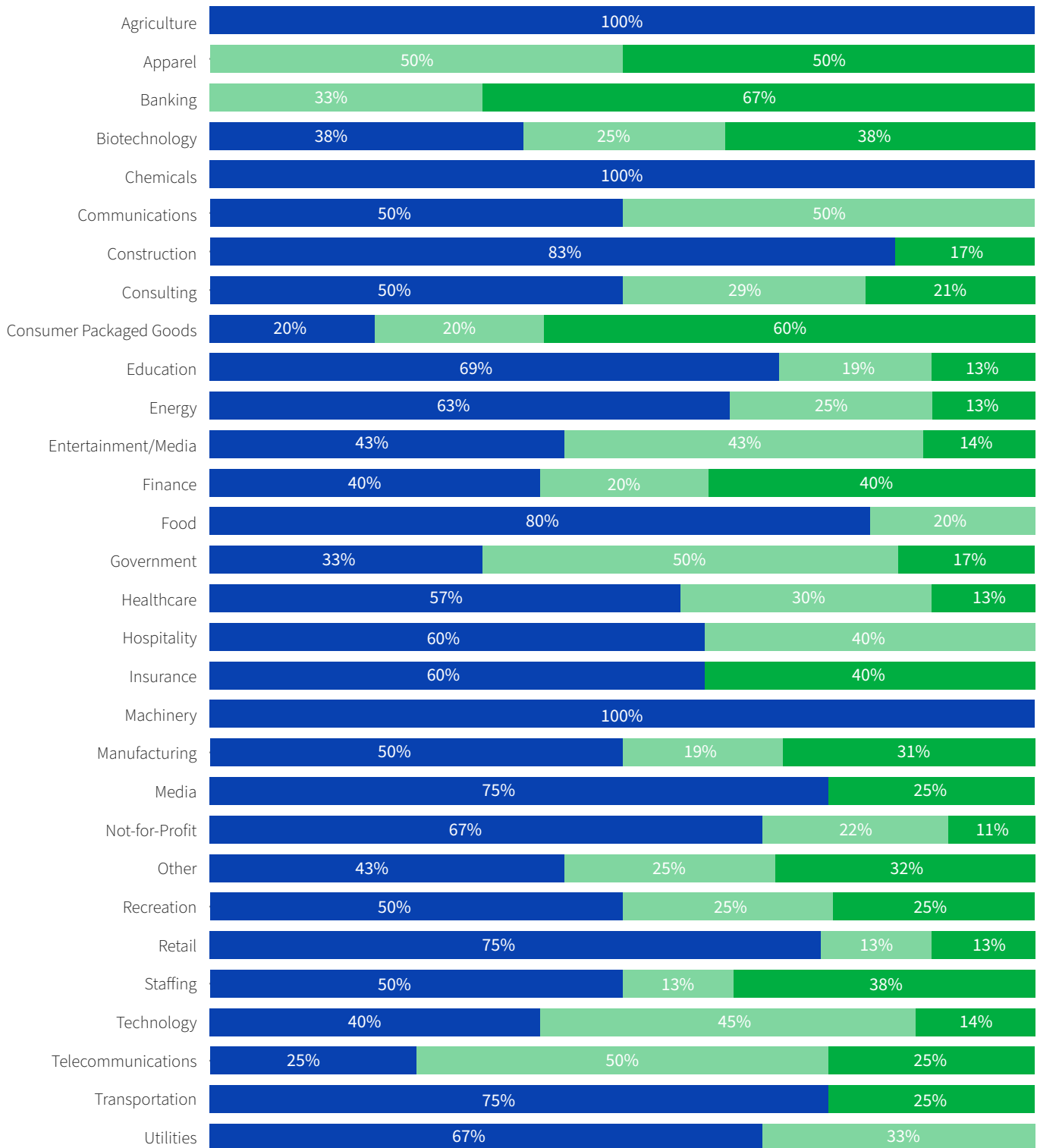
Does your company have defined strategies and processes on setting and calibrating your diversity hiring goals?
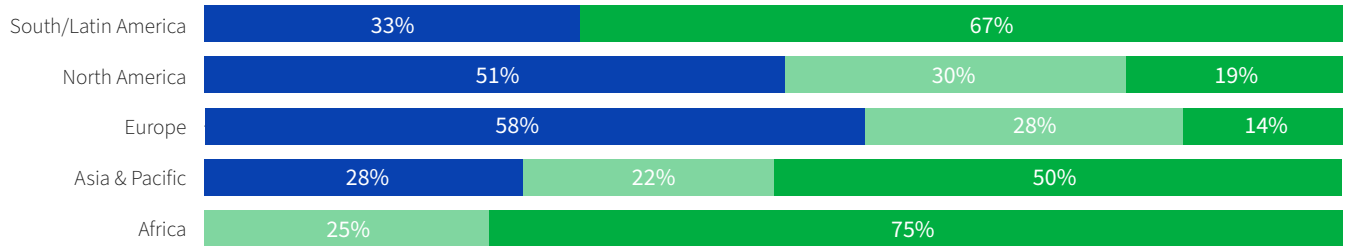
21%

50%

29%

- No
- Some
- Yes
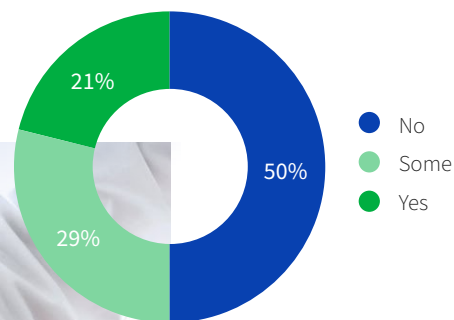
## Does your company have defined strategies and processes on setting and calibrating your diversity hiring goals?

● No ● Some ● Yes

By Industry

Industry	No	Some	Yes
Agriculture	100%		
Apparel		50%	50%
Banking		33%	67%
Biotechnology	38%	25%	38%
Chemicals	100%		
Communications	50%	50%	
Construction	83%		17%
Consulting	50%	29%	21%
Consumer Packaged Goods	20%	20%	60%
Education	69%	19%	13%
Energy	63%	25%	13%
Entertainment/Media	43%	43%	14%
Finance	40%	20%	40%
Food	80%	20%	
Government	33%	50%	17%
Healthcare	57%	30%	13%
Hospitality	60%	40%	
Insurance	60%		40%
Machinery	100%		
Manufacturing	50%	19%	31%
Media	75%		25%
Not-for-Profit	67%	22%	11%
Other	43%	25%	32%
Recreation	50%	25%	25%
Retail	75%	13%	13%
Staffing	50%	13%	38%
Technology	40%	45%	14%
Telecommunications	25%	50%	25%
Transportation	75%		25%
Utilities	67%	33%	

Does your company have defined strategies and processes on setting and calibrating your diversity hiring goals?

● No　● Some　● Yes

By Region

Region	No	Some	Yes
South/Latin America	33%		67%
North America	51%	30%	19%
Europe	58%	28%	14%
Asia & Pacific	28%	22%	50%
Africa		25%	75%

More than half of participants said their companies have either set specific goals or are in the process of setting their diversity targets. But even companies that have set goals don't always conduct research to ensure that their targets are realistic based on their region and industry.

Has your company determined what underrepresented candidate populations you want to target?

30% No
31% In Progress
39% Yes
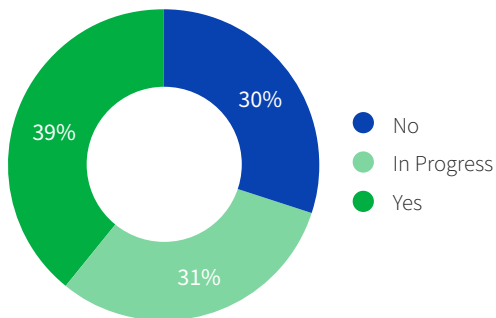
Has your company determined what percentage increase you'd like to achieve in regards to the specific underrepresented candidate populations?

42% No
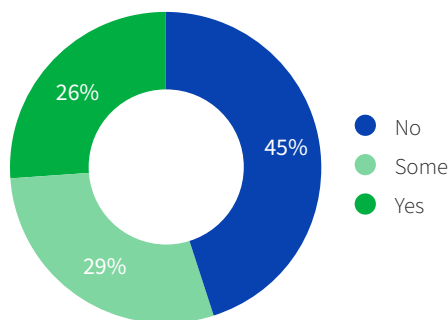29% In Progress
29% Yes
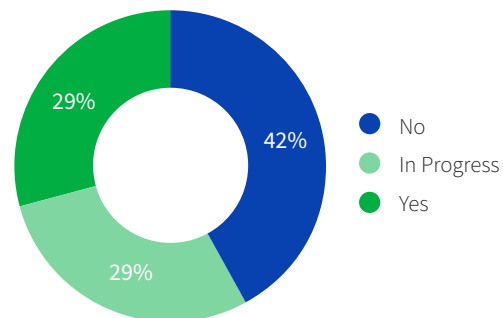
Has your company conducted market research to ensure your targets are realistic?

56% No
23% In Progress
21% Yes
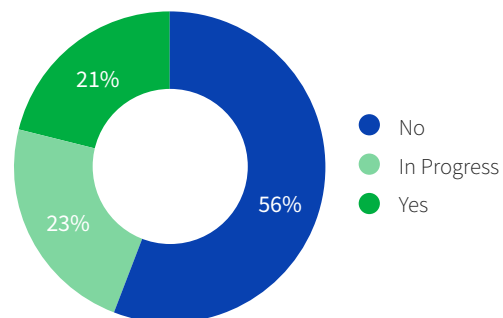
Participants were slightly more likely to have at least some mechanisms in place for governing and measuring progress toward diversity hiring goals than for setting those goals.

Does your company have a way to measure/assess your activities and progress as it relates to your diversity hiring goals?

- No
- Some
- Yes

26%
45%
29%

The data suggests that organizations are building the right infrastructure to create and sustain progress toward diversity hiring goals, but they may not have an overarching strategic plan in place yet.

Companies that have an infrastructure for governance and metrics in place can make big gains just by adding specific diversity hiring goals.

Does your company have a way to govern your activities and progress as it relates to your diversity hiring goals?

- No
- Some
- Yes

24%
47%
29%
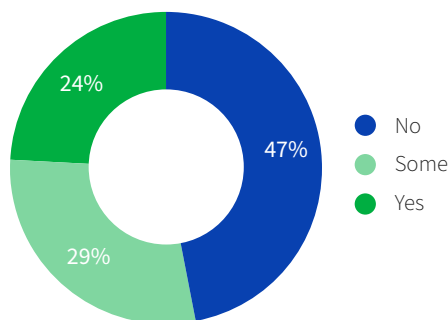
> " Without the right sponsorship, D&I leaders struggle to effect change in the organizations they're operating in.
>
> — **Robert Symons**
> SVP of Europe, Middle East, and Africa at SmartRecruiters

Participants did report making progress toward concrete diversity hiring plans. When asked whether they have specific goals and targets for hiring diverse talent, nearly a third noted being "in progress" toward incorporating specific diversity hiring goals for talent acquisition leaders, hiring managers, and senior leaders and executives.

Senior-level sponsorship for diversity hiring strategies and processes elevates the responsibility for fostering a diverse and inclusive workforce at all levels. "It needs to have senior-level sponsorship," Symons says. "Without the right sponsorship, D&I leaders struggle to effect change in the organizations they're operating in — despite doing a really good job in terms of quality, focus, and building awareness."

The data demonstrate opportunities to develop better processes, governance, and metrics to keep your diversity hiring goals moving forward.

Do your company's TA leaders have specific goals and targets for hiring diverse talent?

24%
46%
30%

- No
- In Progress
- Yes
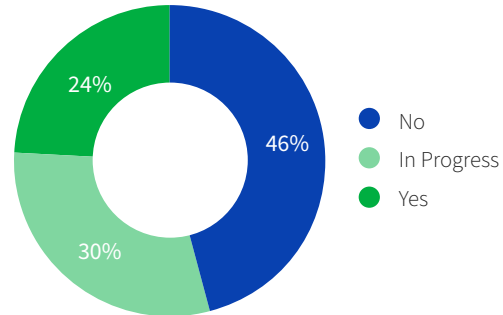
Do your company's hiring managers have specific goals for interviewing and hiring diverse talent?

15%
27%
58%

- No
- In Progress
- Yes
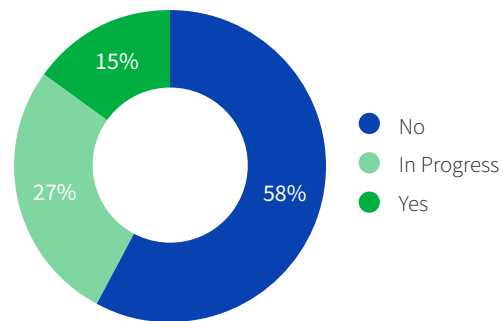
Do your company's senior leaders and executives have specific goals for interviewing and hiring diverse talent?

22%
27%
51%

- No
- In Progress
- Yes
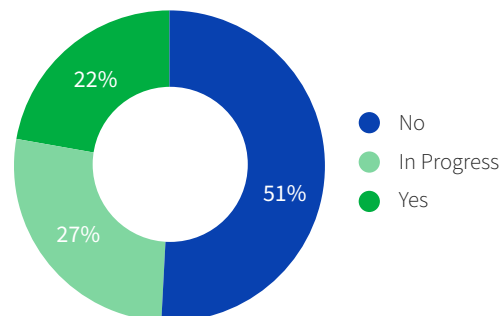
Setting the Strategy From the C-Suite

The HR consultants at Leapgen devote their professional lives to helping enterprise organizations incorporate technology to hire and support their workforces. But internally, the Leapgen team relies on SmartRecruiters' platforms and Diversity Hiring Assessment to review how well they're supporting their own workforce. Leapgen's executive leadership team took the assessment together to identify where they were at in terms of the maturity of their thinking and processes.

"We were very honest about where we're at — and made sure we didn't give ourselves too much credit in the way we answered some of the questions," says Jess Von Bank, Leapgen's Head of Brand Strategy. "We had some eye-opening moments as a leadership team."

> " We were very honest about where we're at — and made sure we didn't give ourselves too much credit in the way we answered some of the questions.
>
> — **Jess Von Bank**
> Head of Brand Strategy at Leapgen

Once the Leapgen leadership team identified opportunities in their diversity hiring processes, they developed a strategy for addressing them. They started with low-effort actions that would produce the biggest impact. "It's not that we weren't wanting to put effort in," Von Bank says. "It was, 'What can we do now that's easy and creates an immediate difference?'" Some of these action items included improving their Diversity Brand Equity by adding inclusion statements to the careers website and making it easier for candidates to request an accommodation ahead of an interview.

Von Bank and the rest of Leapgen's leadership team prioritized bigger initiatives, too. But, knowing these would require more effort, they set a realistic timeline and action items for completing them. One of those ongoing high-effort, high-impact projects is attracting and hiring a more diverse slate of candidates. "HR is a very homogeneous space," Von Bank says. "We had a lengthy conversation around, 'How do we actually attract more diversity to a homogenous professional function?'"

Part of their ongoing diversity hiring strategy is to improve their candidate experience to make diverse candidates feel more welcome and to invite them to participate in changing the tides.

Action Items

Assign executives and senior leaders specific goals for building a pipeline of diverse talent.

Report and monitor your company's diversity hiring goals at the executive level.

Create and execute a dedicated communication strategy to actively engage your talent community using customized content that offers value to their overall interests.

Budgets Haven't Budged

Your chances for success in developing a diverse and inclusive culture are directly linked to the focus and investment that you put into it. Ultimately, the company will perform better as a result of your investment, but not all organizations have connected the dots between diversity and the direct business benefits it generates.

Making the right financial investment in diversity hiring also makes you more attractive to diverse talent. "Candidates are tired of seeing companies make empty promises to improve diversity and inclusion. By authorizing adequate funding for diversity hiring initiatives, company leaders signal their commitment to diversity with capital — a much stronger (and more meaningful) action than public statements alone," says Rocki Howard, DEI Executive.

But our research suggests that companies' financial investments in their diversity hiring programs don't yet align with their public intentions. Only a third believe they've provided a sufficient budget to achieve their public objectives.

Participants in Banking, Staffing, and Consumer Packaged Goods were most likely to report having an adequate budget for diversity hiring. Sadly, this approach is hardly universal. Several industries showed severe underfunding of diversity hiring programs. The Apparel, Communications, Construction, Hospitality, Machinery, and Utilities industries all demonstrate significant gaps between their intentions and their investment.

Underfunding of diversity hiring programs appears to be consistent across companies of varying sizes. Although larger companies tend to have bigger budgets, they're just as likely as smaller companies to have underfunded their diversity hiring objectives. Smaller companies may be more sensitive to the impact that investing in diversity has on their employer brand, prompting them to invest more in diversity hiring, even if they have a smaller overall budget.

> " Candidates are tired of seeing companies make empty promises to improve diversity and inclusion.
>
> **— Rocki Howard**
> DEI Executive

Does your company have a budget for diversity sourcing that aligns with your diversity hiring objectives?

- **No** 68%
- **Yes** 32%
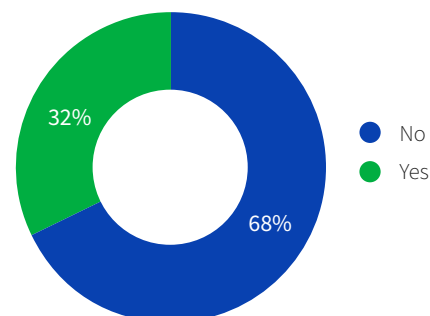
Does your company have a budget for diversity sourcing that aligns with your diversity hiring objectives?

● No   ● Yes

By Industry

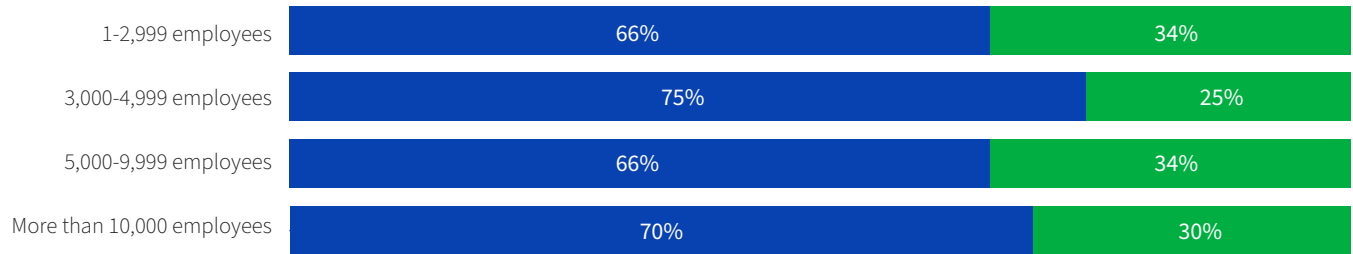| Industry	No	Yes
Agriculture	67%	33%
Apparel	100%	
Banking	33%	67%
Biotechnology	78%	22%
Chemicals	75%	25%
Communications	100%	
Construction	100%	
Consulting	58%	42%
Consumer Packaged Goods	40%	60%
Education	76%	24%
Energy	88%	13%
Entertainment/Media	57%	43%
Finance	50%	50%
Food	80%	20%
Government	67%	33%
Healthcare	79%	21%
Hospitality	100%	
Insurance	60%	40%
Machinery	100%	
Manufacturing	81%	19%
Media	75%	25%
Not-for-Profit	78%	22%
Other	54%	46%
Recreation	75%	25%
Retail	82%	18%
Staffing	38%	63%
Technology	63%	37%
Telecommunications	50%	50%
Transportation	75%	25%
Utilities	100%	

Does your company have a budget for diversity sourcing that aligns with your diversity hiring objectives?

● No   ● Yes

By Company Size

|		
1-2,999 employees	66%	34%
3,000-4,999 employees	75%	25%
5,000-9,999 employees	66%	34%
More than 10,000 employees	70%	30%

When it comes to candidate outreach, more than half of participants reported investing their budget in job fairs. Companies have traditionally sourced talent at job fairs, but diversity sourcing requires more intention and thoughtfulness to create a sustainable return.

Does your company invest in job fairs?


45%
55%

● No
● Yes
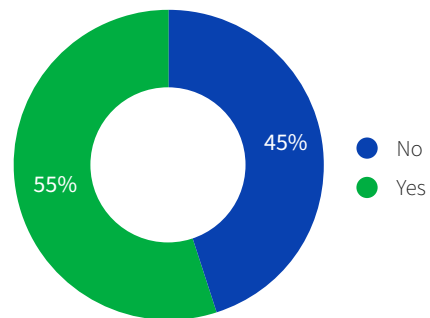
Diversity hiring events, conferences and community partnerships are all effective ways to reach diverse talent pools, but they require sustained investment to develop the kind of deep, meaningful relationships that will yield the greatest return.

Putting funds toward these entities and events where diverse talent is more likely to be concentrated can help companies build lasting relationships and get a greater return on their investment.
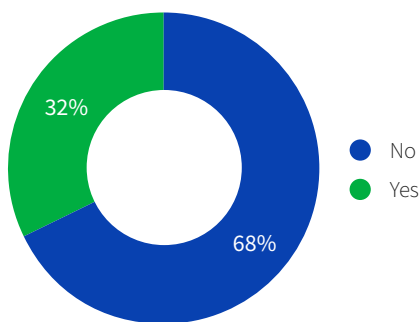
Does your company invest in conferences?

28%

72%

● No
● Yes
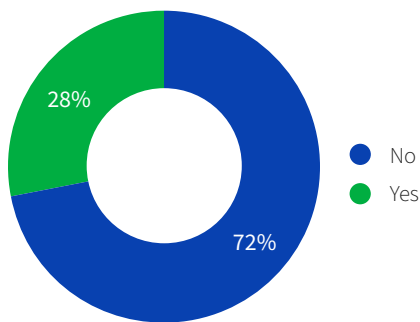
Does your company invest in community partnership?

39%

61%

● No
● Yes
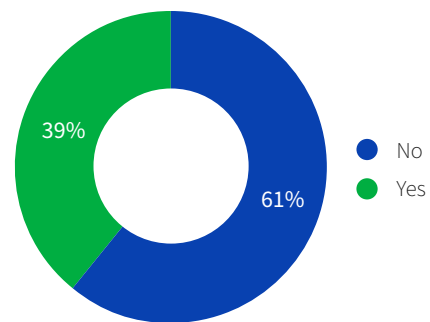
Does your company invest in HBCU/diversity university events?

32%

68%

● No
● Yes

Market mapping can give you actionable insight for finding diverse candidates with the skills you need, but less than a quarter of participants report incorporating market mapping into their talent strategy.

Similarly, an effective and intuitive candidate relationship management (CRM) tool is critical for developing a healthy talent community — but more than half of respondents admitted that they weren't using their software to its full potential.

"Leveraging a CRM as part of your talent acquisition toolkit allows companies to not only build a candidate pipeline but to effectively communicate with these passive candidates," says Frances Ibe, Vice President of Product at SmartRecruiters. "Proactive and relevant candidate communication is going to be critical in attracting top talent."

There are significant gaps between public intentions and the budgets provided to achieve them. But these gaps provide opportunities for companies to improve their investments — and reap a greater return

> Proactive and relevant candidate communication is going to be critical in attracting top talent.

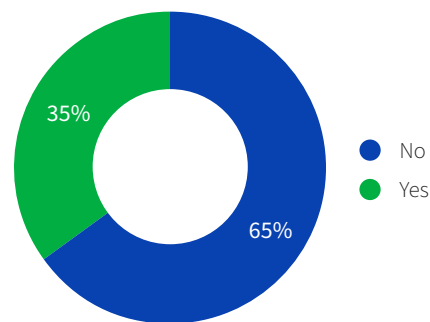**— Frances Ibe**
Vice President of Product at SmartRecruiters
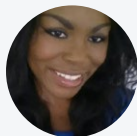
Does your company invest in market mapping?

- No
- Yes

22%
78%
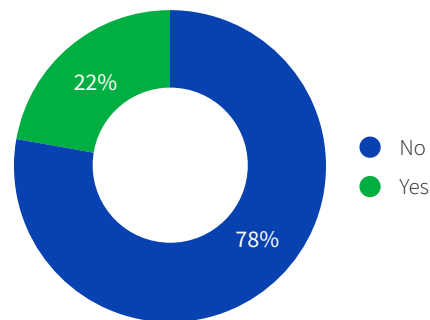
Does your company leverage your CRM to advertise all opportunities to your talent community?

- No
- Yes

35%
65%

Investing in Relationships With Diverse Talent Communities

[Fannie Mae](#)'s talent acquisition team puts resources behind its commitment to diversity hiring. They're investing in technology, processes, and outreach to incorporate D&I end-to-end across the recruiting process, says [Kelly Bradshaw](#), Fannie Mae's Diversity and Recruiting Programs Lead, Talent Acquisition.

Fannie Mae works to advance technology to build better mortgage processes to increase access to affordable housing. They also use technology to advance relationship-building with talent in order to attract people from a variety of sources. One of the reasons they landed on SmartRecruiters' tools is because of the robust CRM. "The capability will allow us to engage talent," Bradshaw says. "Following our diversity and inclusion events with our partners, we invite all participants to join our CRM talent community."

> " Following our diversity and inclusion events with our partners, we invite all participants to join our CRM talent community.
>
> — **Kelly Bradshaw**
> Diversity and Recruiting Programs Lead, Talent Acquisition at Fannie Mae

Although they're in the early stages of implementation, the team is excited about its potential. Bradshaw and the talent acquisition team are working alongside the employee branding lead and marketing team to build out a communications plan to leverage SmartRecruiters' CRM tool to its full potential. Fannie Mae strengthens relationships with communities of color through events at Historically Black Colleges and Universities and Hispanic-Serving Institutions.

"We've done quite a bit of work with them in building relationships and doing targeted events through one of our campus partners," Bradshaw says. The talent acquisition team captures interest from those events using the SmartRecruiters CRM tool.

After recruiting events, Fannie Mae's team follows up with candidates one-on-one to invite them to join the talent community. That human touch, driven by better data, helps the company stand out to candidates and supports vital relationship-building across diverse community partners.

Action Items

Examine your company's budget for diversity sourcing and make sure that it aligns with your objectives.

Consider investing in a CRM tool to categorize candidates according to your hiring objectives.

Consider investing in alternative sourcing strategies to attract diverse talent.

Neglecting Opportunities for Internal Talent

Fair and competitive internal hiring processes play a critical role in achieving D&I success. After all, it won't matter how great you are at recruiting new people to your team if you don't give them good reasons to stay. And that includes opportunities both for promotions and lateral moves.

If supporting mobility for internal talent is so vital to achieving diversity hiring goals, why do so many organizations fail to engage the diverse employees they already have?

Most of our assessment participants reported taking the basic steps to fill open positions internally. Across industries, most participants said they make job postings available internally, and nearly three-quarters have a communication mechanism that makes internal candidates aware of job openings. But these passive methods may not reach your diverse talent.

Does your company have an internal posting process that makes all job opportunities available to all employees?

- 18%
- 82%
- No
- Yes

Does your company have a communication mechanism that makes internal candidates aware of job openings?

- 26%
- 74%
- No
- Yes
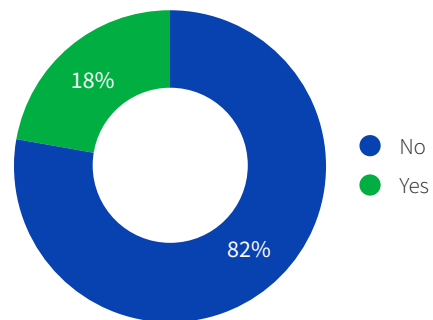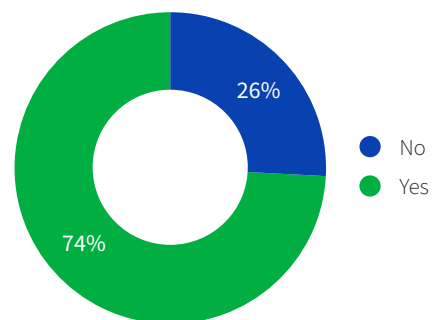
Does your company have an internal posting process that makes all job opportunities available to all employees?

● No ● Yes

By Industry

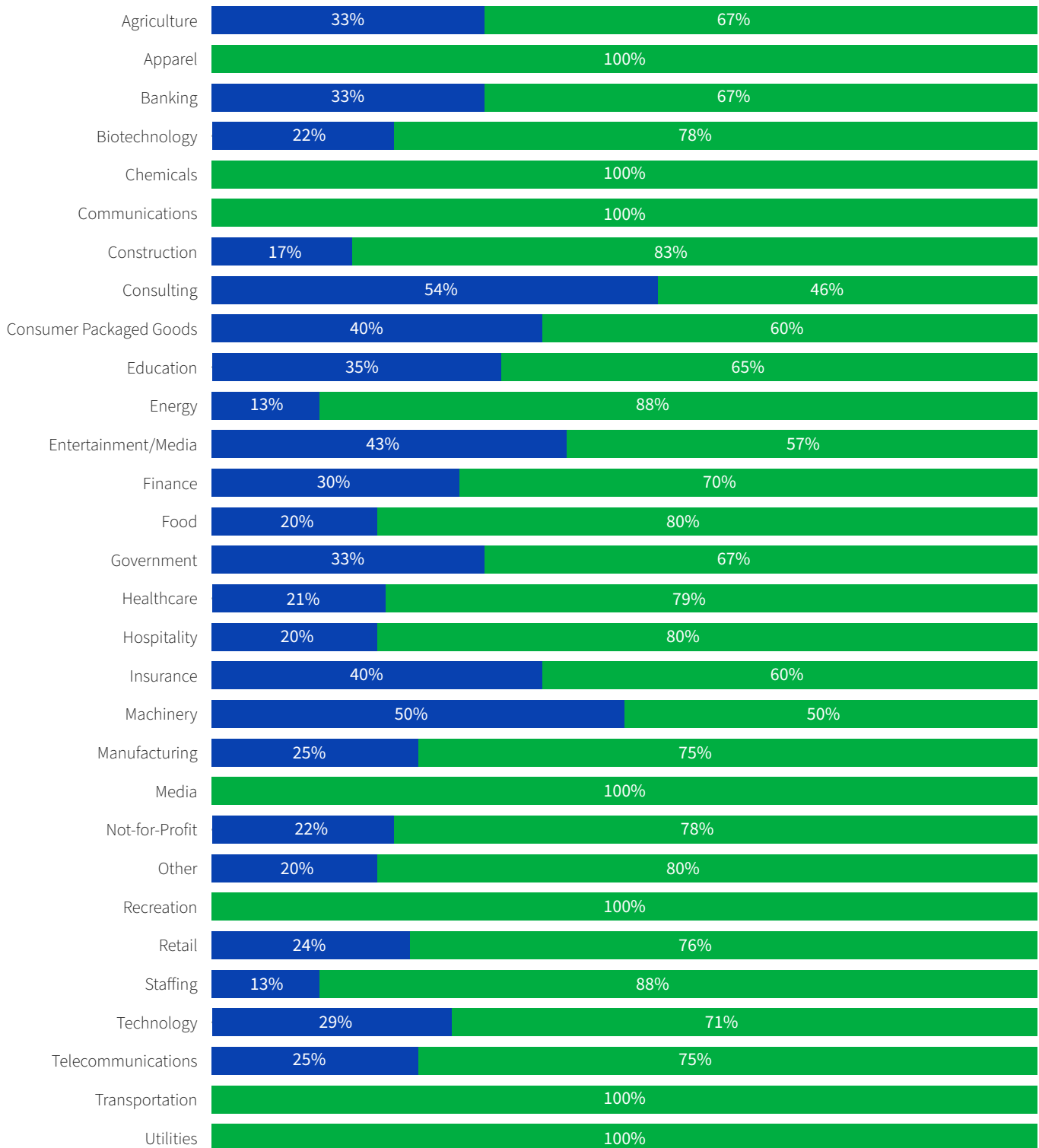| Industry	No	Yes
Agriculture		100%
Apparel		100%
Banking	33%	67%
Biotechnology	11%	89%
Chemicals		100%
Communications		100%
Construction		100%
Consulting	50%	50%
Consumer Packaged Goods		100%
Education	29%	71%
Energy	13%	88%
Entertainment/Media	14%	86%
Finance	30%	70%
Food		100%
Government	25%	75%
Healthcare		100%
Hospitality	20%	80%
Insurance		100%
Machinery	50%	50%
Manufacturing	6%	94%
Media	20%	80%
Not-for-Profit	11%	89%
Other	7%	93%
Recreation		100%
Retail	24%	76%
Staffing	6%	94%
Technology	24%	76%
Telecommunications	25%	75%
Transportation		100%
Utilities	33%	67%

Does your company have a communication mechanism that makes internal candidates aware of job openings?

● No ● Yes

By Industry

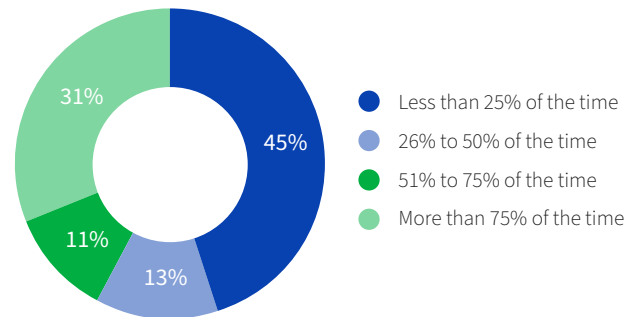| Industry	No	Yes
Agriculture	33%	67%
Apparel		100%
Banking	33%	67%
Biotechnology	22%	78%
Chemicals		100%
Communications		100%
Construction	17%	83%
Consulting	54%	46%
Consumer Packaged Goods	40%	60%
Education	35%	65%
Energy	13%	88%
Entertainment/Media	43%	57%
Finance	30%	70%
Food	20%	80%
Government	33%	67%
Healthcare	21%	79%
Hospitality	20%	80%
Insurance	40%	60%
Machinery	50%	50%
Manufacturing	25%	75%
Media		100%
Not-for-Profit	22%	78%
Other	20%	80%
Recreation		100%
Retail	24%	76%
Staffing	13%	88%
Technology	29%	71%
Telecommunications	25%	75%
Transportation		100%
Utilities		100%

While respondents reported using these general communication channels, many companies report that they aren't implementing more targeted outreach, such as leveraging employee resource groups.

Responses vary significantly by industry, but participants in Media and Energy report advertising job openings to existing underrepresented talent most of the time. Media, being a public-facing industry, is under increased pressure to demonstrate diversity to attract larger audiences. And internal talent already possesses valuable institutional knowledge, often requiring less time to acclimate to a new role.

How often does your company make underrepresented employees aware of job openings, via employee resource groups, internal communications, etc.?
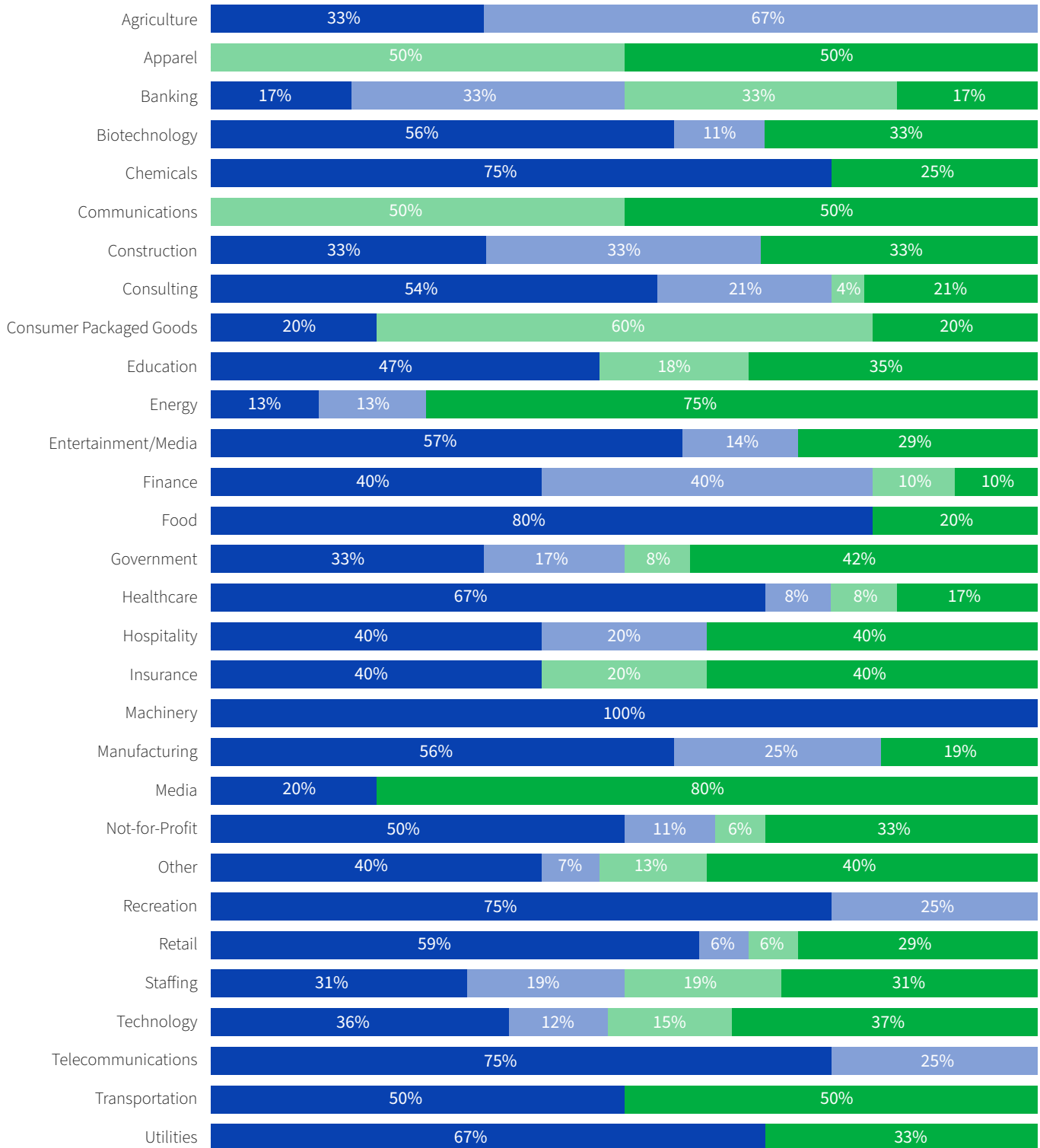

- Less than 25% of the time
- 26% to 50% of the time
- 51% to 75% of the time
- More than 75% of the time

45%
13%
11%
31%

Many companies report that they aren't implementing more targeted outreach, such as leveraging employee resource groups.

How often does your company make underrepresented employees aware of job openings, via employee resource groups, internal communications, etc.?

● Less than 25% of the time   ● 26% to 50% of the time   ● 51% to 75% of the time   ● More than 76% of the time

By Industry

| Industry	Less than 25%	26% to 50%	51% to 75%	More than 76%
Agriculture	33%	67%		
Apparel			50%	50%
Banking	17%	33%	33%	17%
Biotechnology	56%	11%		33%
Chemicals	75%			25%
Communications			50%	50%
Construction	33%	33%		33%
Consulting	54%	21%	4%	21%
Consumer Packaged Goods	20%		60%	20%
Education	47%		18%	35%
Energy	13%	13%		75%
Entertainment/Media	57%	14%		29%
Finance	40%	40%	10%	10%
Food	80%			20%
Government	33%	17%	8%	42%
Healthcare	67%	8%	8%	17%
Hospitality	40%	20%		40%
Insurance	40%		20%	40%
Machinery	100%			
Manufacturing	56%	25%		19%
Media	20%			80%
Not-for-Profit	50%	11%	6%	33%
Other	40%	7%	13%	40%
Recreation	75%	25%		
Retail	59%	6%	6%	29%
Staffing	31%	19%	19%	31%
Technology	36%	12%	15%	37%
Telecommunications	75%	25%		
Transportation	50%			50%
Utilities	67%			33%

An easy — but significant — step toward mitigating bias is to accommodate blind submissions of internal applications. But less than 15% of participants currently scrub identifying factors from internal applications to minimize bias from hiring managers and give diverse internal talent a fair shot.

Some participants said their companies are more open to giving underrepresented internal talent a chance, with nearly a quarter giving an interview to underrepresented talent even if they may not appear to be obviously qualified for the role. And a little more than a third of participants mandate that hiring managers interview internal underrepresented applicants who are at least 70% qualified for the role. Implementing this best practice can have a tremendous positive impact on achieving your diverse hiring goals.

Does your company blindly submit internal applicant qualification to hiring managers?

- 14%
- 86%

● No
● Yes
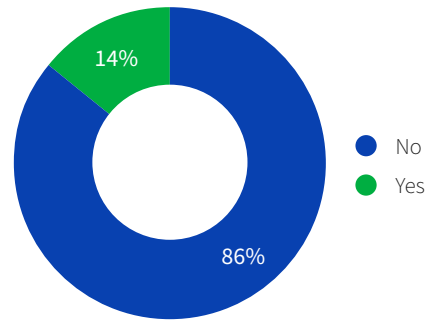
Does your company give underrepresented internal candidates an informational interview, even if they are not qualified for the role?

- 24%
- 41%
- 35%

● No
● Sometimes
● Yes
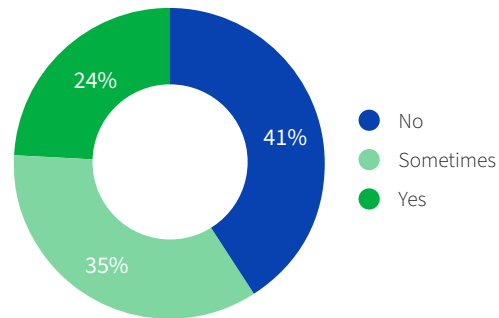
Does your company's hiring process mandate that if internal applicants are at least 70% qualified for the role, they receive an interview?

- 33%
- 67%

● No
● Yes
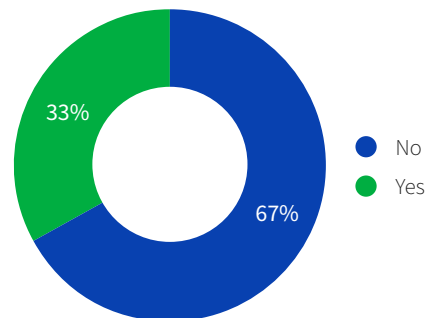
The use of additional checks and balances in internal hiring processes, which can also mitigate bias, is mixed among participants in the assessment. Only slightly over half of them said their companies ensure more than one manager is involved in internal hiring.

Since internal hires already possess institutional and cultural knowledge, any training they require would be focused on job-relevant criteria. This should change how they're scored during an interview. But only 35% of participants said their companies use an appropriately weighted scorecard for internal hires.

The course of action is clear: Increase opportunities for your existing diverse talent to access development and internal mobility. Take advantage of the talent you have before they feel underappreciated and move on.

Does your company's internal hiring process ensure more than one manager and/or a diverse team member interview internal candidates?

- 45% No
- 55% Yes
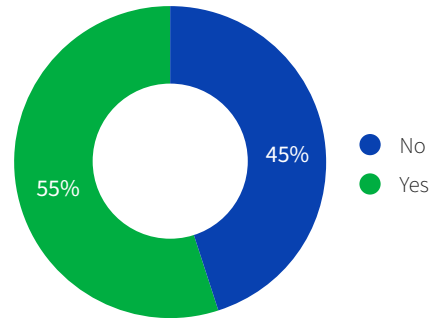
Does your company's internal hiring process require that the hiring team uses an interview scorecard that is appropriately weighted for internal applicants?
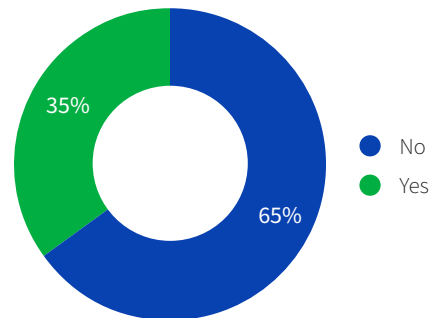
- 65% No
- 35% Yes

The course of action is clear: Increase opportunities for your existing diverse talent to access development and internal mobility.

Making the Most of Your People

IKEA's People and Planet Positive mission extends beyond its products — it also applies to the people who make them. The company's talent leaders take pride in finding, energizing and enabling hidden talents throughout the organization.

> " We're not interested in talent acquisition and extraction; we're really interested in building up relationships.
>
> — **Karen Rivoire**
> IKEA Employer Brand & Equality Leader at IKEA Franchisor

"We're not interested in talent acquisition and extraction; we're really interested in building up relationships," says Karen Rivoire, an IKEA Employer Brand & Equality Leader at IKEA Franchisor. "That, to me, is IKEA's strength." And that's where SmartRecruiters' technology and philosophy come into play. Although it's still early in IKEA's engagement with SmartRecruiters, Karen is excited about using their platform to start conversations and maintain relationships — especially with diverse talent.

"The internal movement is as important as that external [movement]," she says. "We want to make sure that those flows of talent that we still haven't fully unearthed internally, that [there's] a very good mix with [people] we bring in from the outside." Using the SmartRecruiters' tools, IKEA is dedicated to helping internal talent reach their full potential. Part of that commitment is to give diverse co-workers opportunities to move into new roles within the company.

"We're really keen to make sure that we're working with the right communities and sourcing in the right way," Rivoire says. "SmartRecruiters enables us to meet people where they are."

Action Items

Give internal applicants the advantage over external applicants by posting jobs internally only for a specific amount of time.

Offer to interview all internal applicants who are at least 70% qualified for the role.

Offer historically underrepresented internal candidates an informational interview, even if they are not yet suitable for the role.

Bias Keeps Creeping In

Fair hiring processes add perspective, consistency, and structure to the hiring process, ensuring that all hiring touch points minimize bias. By optimizing the hiring process to focus on relevant, objective criteria from end-to-end, companies can minimize the occurrence of bias during the interview and selection stage.

More companies are adopting standardized interview processes to reduce bias and support fair hiring practices. When interviewers ask the same questions across candidates for a role, it's much easier to measure everyone by the same yardstick, despite their personal differences. And when you ask questions based exclusively on job-relevant criteria, you minimize opportunities for bias to enter the equation.

Companies have made marked progress on standardized interview processes. Across the board, more than half of participants said their companies have made at least some progress toward developing processes for governing and assessing standardized interviews.

Does your company provide standard interview questions to interviewers that tie directly to the competencies required for the job?

- 16% No
- 29% Sometimes
- 55% Yes
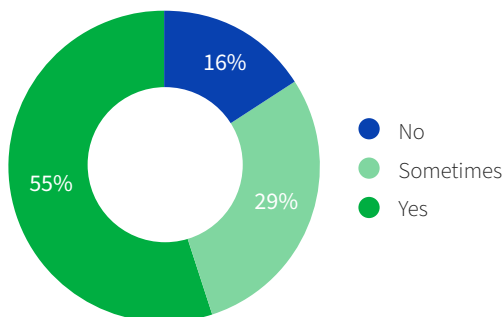
Does your company have defined strategies and processes on using a structured interview process?
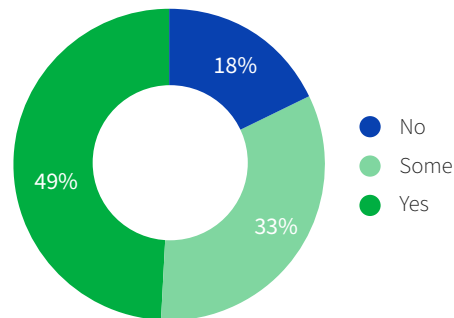
- 18% No
- 33% Some
- 49% Yes

Does your company have a way to govern your activities and progress as it relates to your utilization of a structured interview process?

- 40% No
- 29% Some
- 31% Yes

Does your company have a way to measure/assess your activities and progress as it relates to your utilization of a structured interview process?
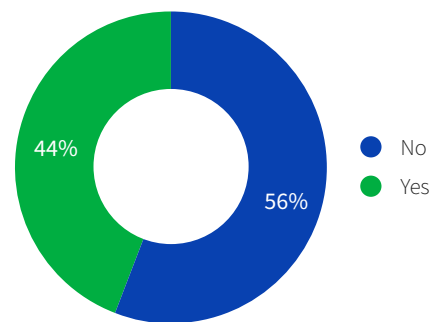
- 47% No
- 27% Some
- 26% Yes
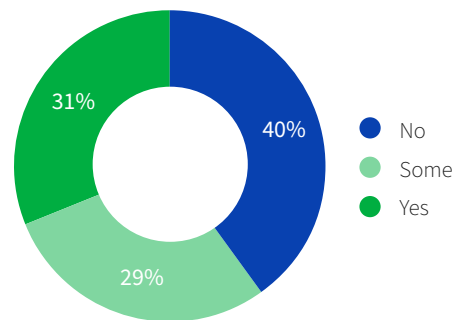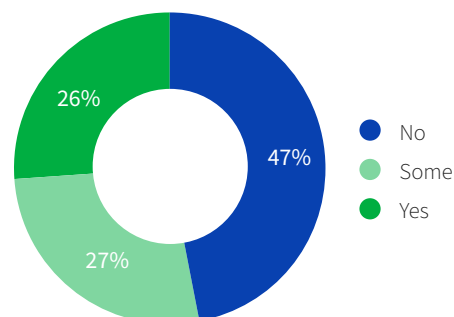
However, many employers have yet to adopt known best practices for minimizing bias in recruitment and promotion. While nearly half of participants said their companies have a process that allows recruiters to review resumes in a bias-free way (by removing names, addresses, and other identifying information), the blind-resume process isn't carried through when presenting candidates to hiring managers.

Does your company have a process for presenting candidates to hiring managers in a way that reduces bias (i.e. blind resumes)?

17%
14%
69%

- No
- In Progress
- Yes
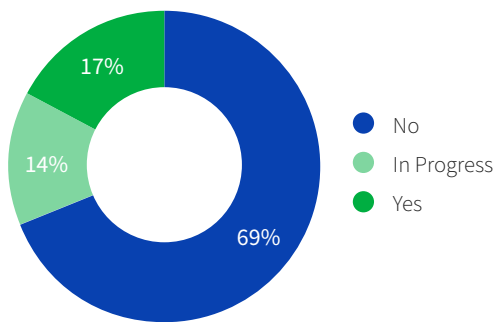
Does your company have processes to allow recruiters to review all resumes for relevant qualifications in a bias-free way?

44%
56%

- No
- Yes

Many employers have yet to adopt known best practices for minimizing bias in recruitment and promotion.

Implementing blind-review processes can go a long way toward reducing bias, but there are still gaps in processes that present even greater opportunities to improve objectivity. Focusing on objective, job-relevant criteria is the best way to circumvent bias. Not everyone has an opportunity to attend a four-year college as a young adult, for example, so basing decisions on legacy expectations (like degree requirements) could be introducing bias against candidates from disadvantaged communities.

Skills and competencies are better predictors of success than arbitrary requirements. They are also more likely to be found across race, gender, and socioeconomic backgrounds. Becoming clearer about what is actually required for success in the role is a vital step toward minimizing bias in hiring decisions. Yet most participants said their companies haven't benchmarked predictors of success in the role, and more than half haven't developed scorecards for each role based on those predictors.

Has your company benchmarked predictors of success by assessing high-performing employees?

- No
- Yes

31%
69%
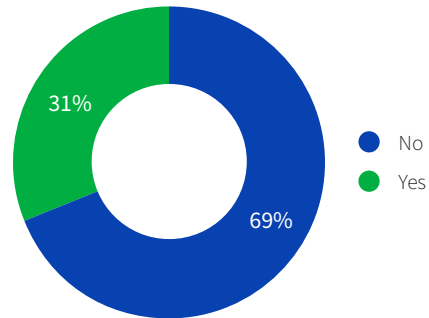
Has your company created a scorecard for each role based on the outcomes the successful candidate must achieve?

- No
- Yes

43%
57%
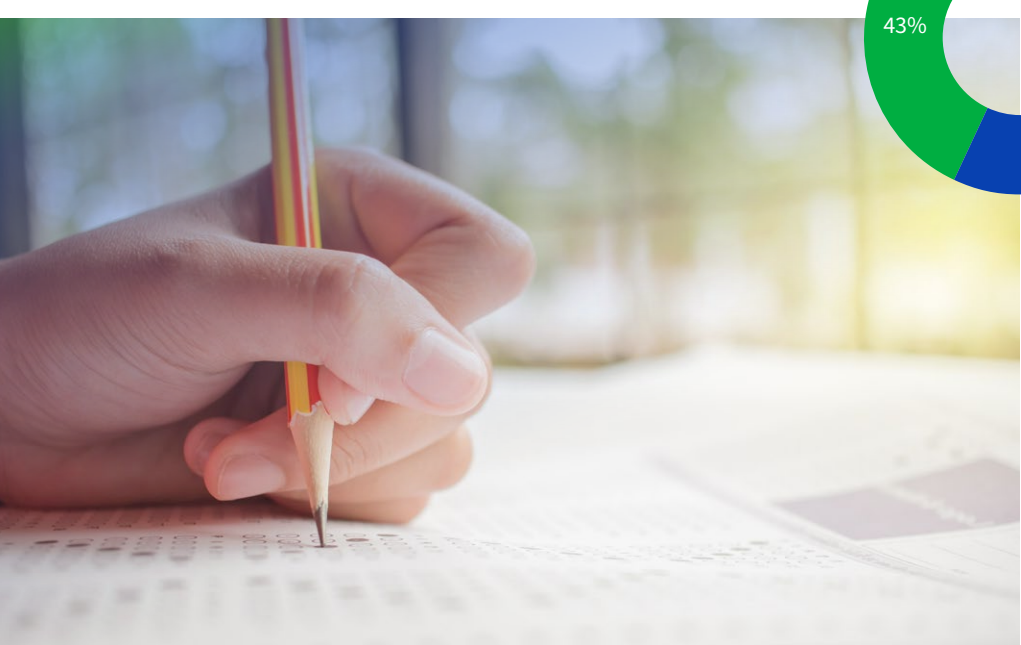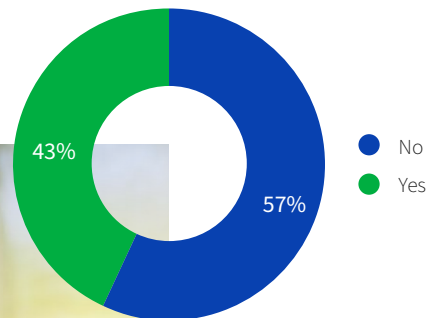
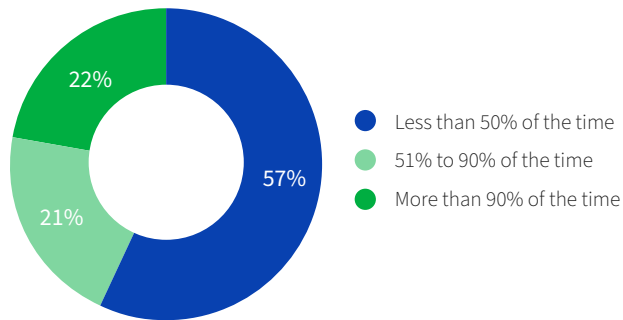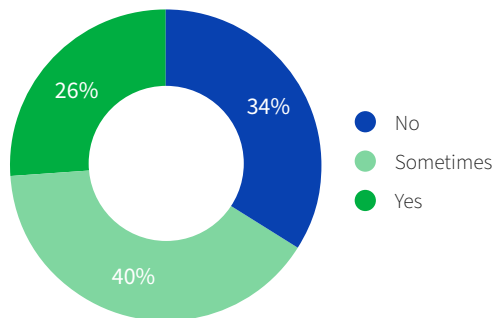**Validated assessments allow you to gather data on a candidate's performance potential through a structured, collaborative process.** And when assessments are implemented in a consistent, transparent way, they force everyone involved in hiring to point to specific criteria to justify their hiring decisions. This minimizes the likelihood of bias creeping into the process.

Does your company use standard validated assessments to evaluate a candidate's competencies?

22%
57%
21%

- Less than 50% of the time
- 51% to 90% of the time
- More than 90% of the time

Does your company leverage skills assessments and scorecards to make data-driven hiring decisions?

26%
34%
40%

- No
- Sometimes
- Yes

But most companies still aren't using assessments and scorecards consistently to gain an objective understanding of a candidate's skills and competencies. More than a third of participants said their companies fail to use assessments, combined with a competency-driven scorecard, to make data-driven hiring decisions. Oftentimes, the gap here emerges in hiring manager engagement in the system. Their buy-in is critical for developing a truly consistent and transparent hiring process throughout the organization.

The SmartRecruiters platform enables that kind of accountability and transparency in the process so that it's clear how hiring decisions are being made. "Hiring managers, recruiters and the hiring team: they're all in it together," says SmartRecruiters Chief Revenue Officer Bob Memmer. "They can all see what's going on. The scorecards come to life as a result of that structured collaborative process."
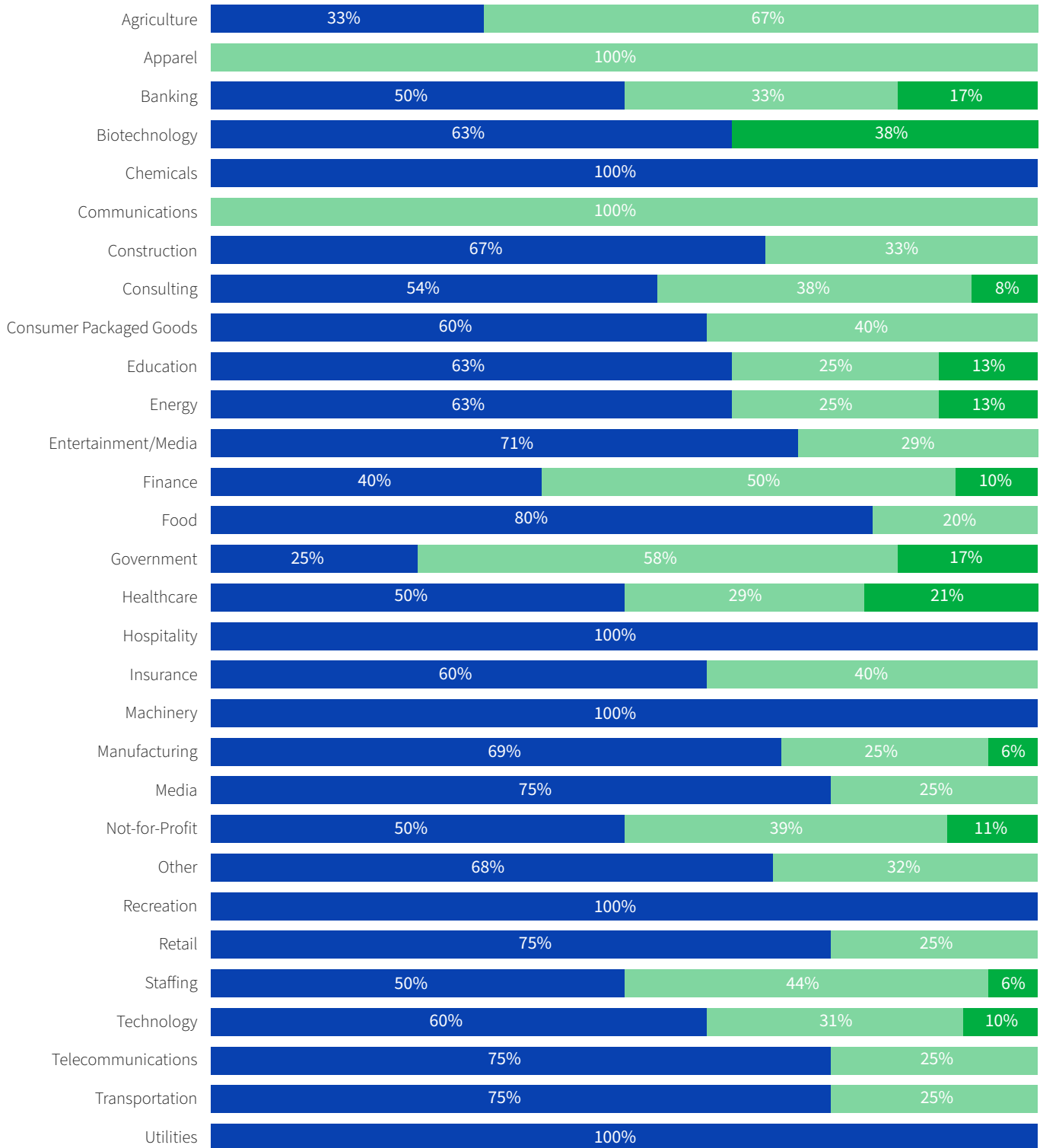
The SmartRecruiters platform enables that kind of accountability and transparency in the process so that it's clear how hiring decisions are being made.

At your company, how often do underrepresented groups participate in the interview process?

● Less than 50% of the time ● 50% to 90% of the time ● More than 90% of the time

By Industry

Industry	Less than 50%	50% to 90%	More than 90%
Agriculture	33%	67%	
Apparel		100%	
Banking	50%	33%	17%
Biotechnology	63%		38%
Chemicals	100%		
Communications		100%	
Construction	67%	33%	
Consulting	54%	38%	8%
Consumer Packaged Goods	60%	40%	
Education	63%	25%	13%
Energy	63%	25%	13%
Entertainment/Media	71%	29%	
Finance	40%	50%	10%
Food	80%	20%	
Government	25%	58%	17%
Healthcare	50%	29%	21%
Hospitality	100%		
Insurance	60%	40%	
Machinery	100%		
Manufacturing	69%	25%	6%
Media	75%	25%	
Not-for-Profit	50%	39%	11%
Other	68%	32%	
Recreation	100%		
Retail	75%	25%	
Staffing	50%	44%	6%
Technology	60%	31%	10%
Telecommunications	75%	25%	
Transportation	75%	25%	
Utilities	100%		

Representation matters at the interview and assessment stage, but many employers are still falling short in this area.

Diverse interview panels put additional checks and balances in place to mitigate the impact of bias. And yet, across industries, participants said their companies ensure underrepresented groups participate in interview panels less than half the time.

At your company, how often do underrepresented groups participate in the interview process?

- ● Less than 50% of the time
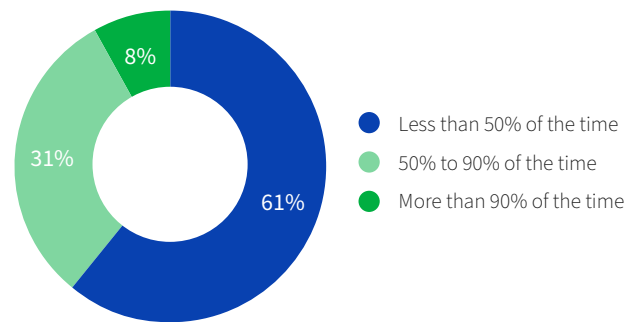- ● 50% to 90% of the time
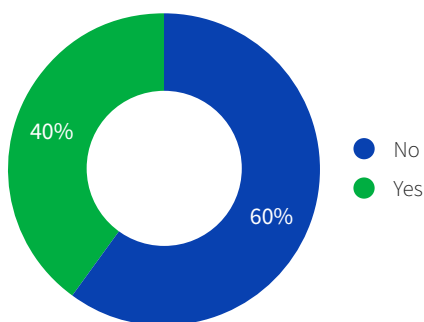- ● More than 90% of the time

8%
31%
61%

Diverse interview panels put additional checks and balances in place to mitigate the impact of bias.
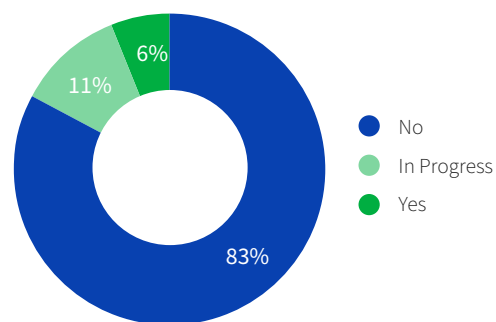
Pairing underrepresented candidates with underrepresented team members to help them prepare ahead of an interview improves opportunities for underrepresented candidates to showcase their skills. But only 17% of participants said their companies have begun instituting this best practice.

Although very few industries have established this program (with Banking and Utilities presenting notable exceptions), there's evidence of progress across industries to provide additional support to underrepresented candidates during the interview process.

Does your company encourage underrepresented interviewers to be disruptors and call out biased feedback in a constructive way?

- ● No
- ● Yes

40%
60%

Does your company assign underrepresented team members to underrepresented candidates prior to the interview process to prep candidates for the interview process?

- ● No
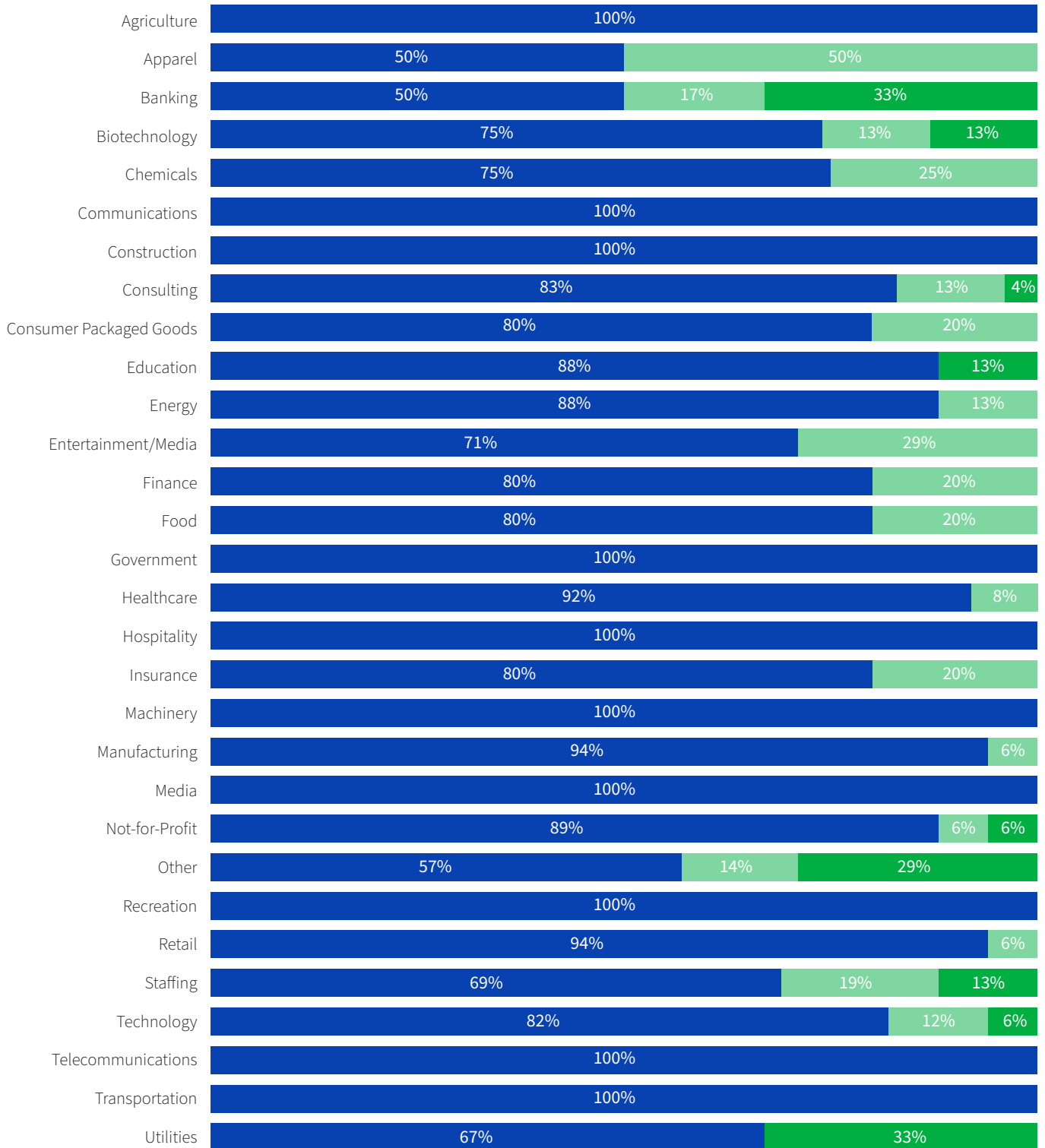- ● In Progress
- ● Yes

6%
11%
83%

Does your company assign underrepresented team members to underrepresented candidates prior to the interview process to prep candidates for the interview process?

● No   ● In Progress   ● Yes

By Industry

Industry	No	In Progress	Yes
Agriculture	100%		
Apparel	50%	50%	
Banking	50%	17%	33%
Biotechnology	75%	13%	13%
Chemicals	75%	25%	
Communications	100%		
Construction	100%		
Consulting	83%	13%	4%
Consumer Packaged Goods	80%	20%	
Education	88%		13%
Energy	88%	13%	
Entertainment/Media	71%	29%	
Finance	80%	20%	
Food	80%	20%	
Government	100%		
Healthcare	92%	8%	
Hospitality	100%		
Insurance	80%	20%	
Machinery	100%		
Manufacturing	94%	6%	
Media	100%		
Not-for-Profit	89%	6%	6%
Other	57%	14%	29%
Recreation	100%		
Retail	94%	6%	
Staffing	69%	19%	13%
Technology	82%	12%	6%
Telecommunications	100%		
Transportation	100%		
Utilities	67%		33%

> " We have to make sure that the hiring decisions aren't made by individual people, but that they're made by a process and by a team following rational criteria.

— **Jerome Ternynck**
Founder & CEO of SmartRecruiters, the Hiring Success Company

While companies have been making strides to improve objectivity and eliminate bias from the hiring process, there's still much to be done.

Streamlining job requirements and optimizing them for competencies through validated assessments provide great opportunities for capturing and evaluating objective performance data so you can hire talent that's the best fit for the role.

Developing Holistic and Inclusive Hiring Processes

As part of her work as Director of People and Performance at [Wiser](#), an employer branding and recruitment agency, [CJ Bedford](#) helps the agency's clients evaluate their diversity and inclusion practices. "If organizations have a reasonably mature recruitment function, then I will ask them to evaluate their processes using the SmartRecruiters toolkit," Bedford says.

> " If organizations have a reasonably mature recruitment function, then I will ask them to evaluate their processes using the SmartRecruiters toolkit.
>
> — **CJ Bedford**
> Director of People and Performance at Wiser

Bedford recommended the Diversity Hiring Toolkit to an international cosmetics firm, which went on to have a conversation with SmartRecruiters about how to make their hiring process less biased and more inclusive. She loves that the tool doesn't just help identify gaps, but also suggests best practices to move clients to the next level of their D&I journey, such as implementing more diverse interview panels.

She recommends that her clients track where diverse candidates fall out of their hiring process, then focus on specific changes they can make to improve their hiring process, such as implementing interview scorecards or assessments, to minimize bias when reviewing candidates.

As an advocate of holistic change, she is confident that using the platform to bring the philosophy and best practices to life will result in companywide improvement for her clients.

Action Items

Install processes that allow recruiters to review all resumes for relevant qualifications in a bias-free way.

Encourage historically underrepresented interviewers to call out biased feedback in a constructive way.

Vet your interview scorecards and questions with underrepresented minorities who are currently in the role.

Conclusion

Creating and sustaining change is always hard work, and D&I initiatives are no exception. You need buy-in from leadership at all levels of the organization. You need a robust strategic plan and an infrastructure to scale your efforts. And you need resources. Companies serious about moving the needle on diversity hiring must dedicate serious time and money toward achieving progress.

For companies making a true commitment, our research reveals significant opportunities to move the needle. Unfortunately, these opportunities are often not being properly utilized or even ignored altogether. Most companies have made a commitment to improve, but many lack follow-through. Beyond public accountability, sustaining change requires internal dedication of actions and resources.

Don't be discouraged. The biggest gaps in your diversity hiring plan provide a focused road map for making gains. Set a realistic baseline. Then take action to close the gaps, and elevate your efforts to meet them.

Our research shows that companies can improve communication around their initiatives, and deliver a concrete plan for creating and achieving realistic goals. Put resources behind diversity outreach to develop more diverse — and robust — talent pipelines. And recognize that what you're seeking may be right in front of you, should you take the time to look. When recruiting for open roles, give existing underrepresented talent your attention. Elevate your entire workforce by making decisions based on skills and qualifications — not arbitrary identifying factors.

Companies are looking for solutions that bundle people, processes, and results together to improve their overall outcomes. But there's no technology platform that can do the work for you. Success comes from developing a strategy for diversity hiring and supporting it with transparent processes. It's about putting people first. Once you have the framework in place, bring systems and tools in to support that transparent model, drive better diversity hiring and ultimately improve business outcomes.

We know it's hard. Progress is a journey, and SmartRecruiters is here to help. We bring together the thought leadership, collaborative approach, and market-leading technology platform you need to incorporate targeted goals into specific hiring processes and, ultimately, hiring success. Take concrete steps toward attracting, hiring, and promoting diverse talent to turn your good intentions into a lasting impact so that the next time you assess where your company stands, you'll be able to witness genuine progress.

> " This is about people first; it's about process, and there's an element of technology.
>
> — **Bob Memmer**
> Chief Revenue Officer at SmartRecruiters

SmartRecruiters Diversity Talent Advocates

SmartRecruiters

As a global leader in enterprise recruiting software, SmartRecruiters offers a cloud-based Talent Acquisition Suite that allows businesses to attract, select, and hire the best people. More than 4,000 companies worldwide rely on SmartRecruiters to drive hiring success, including brands like LinkedIn, Visa, Bosch, Skechers, and Avery Dennison. Built on a modern cloud platform, SmartRecruiters offers full functionality for recruitment marketing and collaborative hiring, with an open marketplace of 400+ pre-integrated vendors.

For more information, follow us at @SmartRecruiters, on LinkedIn or visit us at smartrecruiters.com