B Lab

Best Practice Guide

Growing a Diverse Workforce

For most companies, conversations about diversity and inclusion start with recruitment and hiring efforts. While they don't need to end there, recruiting is one of the key opportunities for a company to become more inclusive. Because workplace demographics can't change overnight, many companies struggle to actually achieve the improvement they want. This guide will provide guidance on how to grow a more diverse workforce by showing you how to:

1. Create an actionable plan to increase the diversity of your workforce
2. Improve your outreach to underrepresented communities to find qualified candidates
3. Ensure that hiring decisions have reduced bias and even proactively encourage diversity
4. Drive high acceptance rates from candidates from underrepresented groups

Getting Started: Create a Plan to Improve Workforce Diversity

Like any business initiative, increasing the diversity of your workforce requires accountability and a clear strategy to deliver on. To get started on creating an actionable plan, with targets, consider evaluating some comparable benchmarks and engaging your current employees.

Establish Hiring Priorities by Looking at Comparables

Especially when you don't know where to start or have struggled to improve diversity in the past, it's important to begin by evaluating your current performance. Remember that diversity is multifaceted and can involve very different aspects of individuals and a company, so review potential strengths of the organization as well as any deficiencies. One company can both excel in regards to gender diversity and be deficient in ethnic diversity, and vice versa.

Getting A Baseline

If you haven't already, start by collecting data on your current demographics. For more information about the best ways to do this, check out the first Best Practice Guide in this series, "The Basics of Diversity & Inclusion in Business."

In order to better understand your own performance, compare it to relevant benchmarks external to the company. This can include reviewing the diversity of:

- The communities and neighborhoods in which you do business;
- Your customer/user base; and
- Your industry/sector

These comparisons shouldn't necessarily determine your priorities or targets, as they might not be the *ideal* demographic makeup of your community or customer base. However, they can still provide clarity on what your objectives and strategy to achieve them should be. A strategy to improve diversity in an industry or community that also lacks diversity would be very different than a strategy to improve company diversity in an area/industry that is already diverse. Both offer distinct opportunities and challenges and are prioritized differently by different companies.

Varying Approaches to Diversity Goals

CleanFish in San Francisco, CA, USA focuses on hiring women and people of color because they are not well-represented in their industry.

Enviro-Stewards in Sudan and Kenya focuses on hiring a local entrepreneur to manage their products, create jobs and be responsive to the needs of the local community.

Engage Your Team Around Priorities and Strategies

In addition to seeking out comparables to help set your strategy, engaging with your current workforce is an important early step. If you have a Diversity & Inclusion Committee or manager, or would like to establish one, consider beginning there or with your team as a whole.

Always remember that different team members might approach these issues with different energy, and refer to the "Getting Buy-In" section in our *Basics of Diversity & Inclusion in the Workplace* guide for support framing the conversation. It is useful to reaffirm the commitment of the organization to diversity and inclusion and to be transparent about the effort in order to avoid having your current employees, rightfully or not, feel alienated or threatened by the efforts.

Engage your team or committee around how you can begin increasing the diversity of your workforce in a way that works for your company and your current set of employees. Below is an activity to frame that conversation, and in the next sections we'll dive in deeper with suggestions on how your team can execute on making improvements.

Team Activity

Duration: 30 minutes to an hour
Resources: facilitator, pens, paper, whiteboard, and whiteboard markers
Objectives:

- To utilize your staff and/or diversity and inclusion committee to clarify hiring strategies and opportunities for diversity

Gather your team or your Diversity Committee. Split into groups of four or five and have the groups list current obstacles to increasing the diversity of the team. Have the groups share back, and then split back into groups to discuss what particular areas of diversity are opportunities for the company and how they could go about finding those opportunities.

Use this to help develop a more detailed strategy, and be transparent with everyone involved about the results of the discussion.

Reflection Questions:

- *How does your company compare to your community, user base, and industry on different dimensions of diversity?*

- *What data might you need to answer that question and how would you make use of the results?*

- *What are the best ways for your company to get started on increasing your diversity?*

Reaching Out to a Diverse Set of Candidates

After you've made your comparisons and created your plan, your next step is to think of actual ways to reach a more diverse set of candidates. This is where companies will most frequently lose traction in their efforts. Increasing diversity doesn't just happen; it requires proactive efforts and, frequently, expanding beyond your own current network to share information about your company and job openings. While not an exact science, here are a few suggestions on how to increase the diversity of your applicant pool:

1. Be conscious of how you draft job descriptions and be explicit about a commitment to inclusivity

2. Advertise job openings on platforms that target underrepresented groups

3. Partner with external organizations

Combined with reducing bias in your hiring and decision processes - covered in the next section - these efforts can go a long way in improving the diversity of your workforce. .

Crafting Inclusive Job Descriptions

Inclusive job descriptions have both an implicit and explicit element to them. For the first, be conscious of how a job description is drafted and how it might be perceived by different groups.

Research has shown that using certain phrases in job descriptions such as "rockstar," "ninja," and "a proven track record" can result in fewer female applicants.[1] Along the same lines, if a potential applicant reads that you're looking for a "good cultural fit," they might get the impression that your company is only looking to hire people similar to those who are already on the team.[2]

Furthermore, many hiring managers focus on external qualifications, like years of job experience or academic degrees, as requirements for candidates, rather than the specific skills necessary to accomplish the job. This frequently perpetuates the hiring of individuals who have not had barriers to achieve those other qualifications, and may turn off many skilled and valuable applicants.

In addition to reviewing the main content of your job description and the unintended consequences it might have, you may also want to include an explicit statement in all of your job descriptions about your company's commitment to growing a diverse workforce and being an inclusive employer. B Lab uses the below language, which can be repurposed for your own descriptions and processes

Statement Type	Sample Statement
Commitment to diversity and inclusion in Job Description	*Company X values a diverse workforce. Women, people of color, people with disabilities, and members of the LGBTQ community are strongly encouraged to apply.*
Interview Process Accommodations	*If there is anything we can do to accommodate you to participate fully in the recruitment or interview process, please let us know.*

> *"We have worked to be more inclusive in our recruitment by advertising our job opportunities on website like Trading Times (older/experienced candidates), Working Chance (ex-offenders), and GoodPeople (hyper-local unemployed). We also try to be very open to flexible working requests from potential candidates."*
>
> \- Kate Parker, HR Manager at Forster Communications
>   (Certified B Corp since 2015)

Expand Your Recruitment to Underrepresented Groups

The language of your job descriptions isn't useful in attracting a more diverse applicant pool if the underrepresented groups you are interested in targeting do not see your ad in the first place. This includes the websites that you post on and even the networks and recruiting events you might participate in. Here are some tips on how to expand your networks to reach those underserved groups.

- **Research.** Search the internet for different job posting services that target specific groups, or are known to be popular among the groups that you may be interested in targeting. (A sample list is featured below, and many additional lists are available online).
- **Attend the right events.** Look for job fairs that, like job postings above, either target or are frequented by the groups you are most interested in connecting with, such as career fairs at Historically Black Colleges and Universities. The opportunity to connect with prospective candidates in person and develop relationships with them can increase applications.
- **Partner with other organizations.** There are likely lots of organizations that already provide support to the groups you may be targeting. Reach out to them to identify opportunities to partner, and be sure to consider how you can be supportive of their objectives just as they can be supportive of yours.[3]
- **Work with what you have.** Identify the leverage points you already have to access a more diverse workforce, whether it's your board of directors, your customer base, or your HR Manager's involvement in the PTA.

> *"We've been really proactive about meeting professors and deans in business schools and departments at historically black colleges and universities. We want to make sure that they know that we are interested in their students for full time jobs and internships/fellowships."*
>
> \- Paige Bagwell, Chief Talent Officer at The Redwoods Group
>   (Certified B Corp since 2009)

Here is a sampling of job posting websites and professional organizations that may be able to help you expand your recruiting reach. Remember, these are samples; research may uncover more that might be a better fit for your particular needs. Send further resource recommendations to inclusion@bcorporation.net.

Job Site	Group Targeted	Location
Jopwell	Black, Latino/Hispanic, and Native American students and professionals	United States
Mogul	Women	Global
DiversityJobs (and related job sites)	African Americans, Asian Americans, Hispanics, veterans, the disabled, and members of the LGBT community.	United States
Vet Jobs	Veterans	United States
AboriginalCareers.ca	Indigenous Peoples	Canada
Disability Job Exchange	Individuals with Disabilities	United States
Diversity Abroad Network	Underserved students and professionals	Global

Professional Organization	Group Targeted	Location
Business and Professional Women's Foundation	Women	United States
International Network of Women in Technology	Women	United States
Reaching Out MBA	LGBTQ Populations	United States
Hispanic Alliance for Career Advancement	Latino Professionals	United States
National Association of Negro Businesses and Professional Women's Clubs	African American Businesses and Professional Women	United States
National Black MBA Association	African American MBA Professionals	United States
Native Web Community Center	Indigenous peoples	United States
College Success Foundation	Underserved populations (low-income students, students of color, first-generation college students)	United States
Canadian Center for Diversity and Inclusion	Underserved populations	Canada
Canadian Women's Business Network	Women	Canada
The International Alliance for Women	Women	Global

What If My Company Isn't Hiring Right Now?

Internship and Mentoring Programs as a Way to Increase Diversity[4]

Another great opportunity to increase diversity in the workplace and create a pipeline for future hires is through internship or mentorship programs. For internships, follow the same advice provided previously to create partnerships and extend the reach of your network. Be sure to keep in mind that students from low-income backgrounds might not be able to afford low-wage or non-paid internships, so aim to pay all of your interns a living wage if possible.

While not focused on immediate hiring needs, mentorship programs, like that from Clearinghouse CDFI (B Corp since 2014) and Google, provide role models to local kids and an opportunity for them to learn about your company and industry. For companies who are not currently hiring, this is a great opportunity to leverage you and your company's time to still contribute to the goals of diversity and inclusion. However, remember that the ultimate goal is to increase diversity at all levels of your organization—not just entry-level positions.

Impact Snapshot: Mentoring Programs

Clearinghouse CDFI
(Certified B Corp Since 2014)

Clearinghouse CDFI provides loans to innovative projects that bring assets and opportunities to underserved communities. Inspired by the values of the B Corp community to "build bridges," they recently launched B BOLD, a new program to empower youth from low-income families to become the next generation of leaders in mission-driven business. B BOLD (which stands for Building Bridges through Outreach Leadership Development) is a professional development program for college-bound high school juniors and seniors from low-income families. Program participants gain exposure to a professional setting, learn real life job skills, and access positive role models.

Reflection Questions:

- What organizations or partnerships might be the best way for you to expand your recruiting reach to more underrepresented populations?

- What are your upcoming hiring needs and how might you incorporate an expanded network in your recruiting?

Optimizing Your Hiring Process and Decisions for Diversity

You've expanded your network to access underrepresented groups, but between there and making a hire there can be a lot of barriers to actually increasing your diversity. Even with the best of intentions, there are *unconscious biases* that make it more difficult for individuals from those underrepresented groups to get the final offer. There is a natural tendency, for instance, to more highly rate individuals who are similar to you, making it challenging to expand your company's overall diversity.

There are generally two different approaches to orienting a hiring process towards diversity and inclusion:

1. Removing (or minimizing) the potential for bias to exist in the process

2. Proactively incorporating diversity into decision making processes

> ## Unconscious Bias
> *(noun)*
>
> **Social stereotypes about certain groups of people that individuals from outside their own conscious awareness. Everyone holds unconscious beliefs about various social and identity groups, and these biases stem from one's tendency to organize social worlds by categorizing.**

Removing Bias from the Application Process

Up through 1980, less than 10% of instrumentalists for major orchestras in the United States were women. Today, many orchestras now have more than 30%. One of the key changes from then to now was the implementation of *blind auditions.* By placing a screen in front of the performers, the jury was able to independently assess the quality of the performance from the gender of the individual, resulting in an increase of women being hired. Studies have indicated that applying a blind screen to the preliminary stage alone increased the likelihood of a woman getting the position.[5]

How would this work for a job application? An individual's resume, cover letter, etc. generally includes information that can be used to identify the gender, ethnicity, or other aspects of the individual's identity that in turn can lead to a bias. By removing those identifying attributes, hiring managers are able to screen without the possibility of being biased by irrelevant factors.

While conducting a blind hiring process could be manually intensive (requiring one individual to filter identifiable attributes from the documents to have another individual conduct the review), many of the job posting sites mentioned previously are able to do so automatically. Other proactive measures to reduce bias could include "banning the box," which means not asking in upfront job applications whether an applicant has previously been convicted of a felony, thereby creating better opportunities for returning citizens, or even implementing "open hiring programs" which allow all interested parties the opportunity to work for a company or enter a wait list for employment.

Proactively Addressing Diversity in the Hiring Process: The Rooney Rule

Rather than removing the potential for bias in the screening process, some companies proactively incorporate diversity into their pipeline. One method of doing so is called the the Rooney Rule, which was originally created by the United States National Football League (NFL) in 2003 to increase the number of minority head coaches.[6]

Despite some controversy regarding the efficacy of this policy in its original context, it has since become a popular strategy among businesses seeking to increase the diversity of their hiring pipelines, particularly in homogenous companies or industries.

What does the Rooney Rule entail? At a minimum, companies that implement the Rooney Rule commit to interviewing at least one person from an underrepresented demographic group for every open position. That said, it is commonly understood that it is best to have at least two non-majority candidates on the list of finalists for a position.[7] This can erase the token bias that often arises when there is just one non-majority finalist.

Initiating new hiring practices can lead to a spectrum of reactions, from enthusiasm to apprehension and everywhere in between. To get the best results, pair the Rooney Rule with other meaningful inclusion initiatives and efforts by:

1. Developing and sharing a solid business case for increasing the diversity of your candidate pool
2. Ensuring that your leadership team is sending a strong, clear message that growing a diverse workforce is essential to your business' success
3. Implementing effective unconscious bias trainings for hiring managers

See the "The Basics of Diversity & Inclusion in Your Workplace" Best Practice Guide for more information on each of the above.

As highlighted in Exygy's Best Practice Example below, the Rooney Rule does not require a company to hire particular individuals. Rather, it ensures a more inclusive recruitment process and combats the unconscious biases of personal or company networks. In combination with other meaningful inclusion and diversity efforts, this practice can set the stage for a more diverse workforce.

> *Since implementing the Rooney Rule, we've built a candidate pool that is far more inclusive of underrepresented groups, specifically African Americans, Latinos and Latinas, and Asian Americans."*
>
> - John Replogle, CEO at Seventh Generation
> (Certified B Corp since 2007)

Best Practice Example

Exygy
(Certified B Corp Since 2012)

Exygy is a San Francisco-based B Corp that develops custom software for social innovation organizations. They recently adopted the Rooney Rule. Here's how Exygy's COO Philip Clark described the new policy to his team in an internal email:

> "For all open positions at Exygy, before we can make an offer, the hiring manager must interview a qualified candidate from BOTH of the following:
> At least one member of a racial/ethnic group that is underrepresented in tech (African American, Latino, Native American, Pacific Islander, and Filipino);
> AND at least one woman.
>
> If you interview a woman in one of these racial/ethnic groups, that would satisfy both criteria.
>
> It does not mean that we give favorable selection to candidates from underrepresented backgrounds. Rather, it means that we actively work to avoid creating hiring pipelines comprised of the most readily available candidates: white people, or in the case of developers, white men."

Important Legal Consideration:

In the United States and elsewhere, it is still considered illegal discrimination to hire an individual based on their identify (gender, ethnicity, etc.), even if for the purposes of preferential treatment. When considering diversity in your hiring process, you may want to consult a lawyer to understand your rights and ensure you are protected from potential lawsuits. Because the Rooney Rule focuses on diversity of recruiting and not in the hiring decision it is legal.

Reflection Questions:

- Does your current hiring process have mechanisms in place to implement a blind screening process?

- Would a blind screening process or something like the Rooney Rule be more aligned with your current process and values?

- What other practices could you do to create a more inclusive hiring process?

Following Through:
Inclusive Job Offers and Beyond

> "Rivanna Natural Designs started in 2001 with a simple objective: to create green jobs for refugees and others in our community who needed safe, meaningful, and rewarding employment. The first step in creating the company was consulting the experts in refugee resettlement. The Charlottesville, Virginia office of the International Rescue Committee (IRC) helped us understand the workplace needs of their refugee clients and suggested creating a distribution or light manufacturing company. Based specifically on the IRC's advice, we created a wood products manufacturing company accessible by public transportation, with flexible hours, training for non-English speakers, decent benefits, and living wages."

- Crystal Mario, CEO and Founder at Rivanna Natural Designs
(Certified B Corp since 2011)

Beyond focusing on recruiting candidates from more diverse backgrounds, it's also essential to make sure your job offer is actually appealing to them. In order to appeal to a more diverse range of candidates, when you're ready to bring on a new employee…

❏ Research what the job is worth in the market, and come up with a specific pay target rather than basing your offer on their salary history. By setting and leading with a pay target, you'll be less likely to under- or overpay based on previous inequalities (e.g., if a candidate was paid less at a previous job because of their race, ethnicity, gender, sexual orientation, etc.) or unconscious biases. After you lead with your pay target, you may still use a pay range (e.g., the pay target +/- 10%) to negotiate based on experience;[8]

❏ If your company uses background checks, evaluate your current approach for efficacy, bias, and candidate experience. Consider using GoodHire (B Corp since 2016), an employment screening service helping to eliminate systemic bias in background checks.

❏ Discuss compensation, benefits, and the terms of employment at the outset with each new hire and be open and responsive to what they have to say; and

❏ Formalize your written agreement in clear, concise language that all parties can understand.[9]

In the next guide we will provide additional detail on engaging and retaining a diverse workforce, but attracting a diverse workforce also involves demonstrating that they will be joining an inclusive workplace, valued for their talents, and have opportunities for advancement.

One Last Tip:

Share your diversity hiring initiatives and commitments. Be transparent and honest about the measures that your company is taking to increase diversity and inclusion (e.g., on your website, job postings, etc.). This will help you to establish a good reputation and build trust with students, young professionals, and your current workforce.

Reflection Questions:

- *What does your current work environment and employment opportunities have to offer underrepresented groups, and how could you improve the value proposition for them?*

- *Have you conducted pay equity analyses or benchmarks to see how your company compares to your industry, as well as how disparity within your company varies by gender, ethnicity, etc.?*

Did you find this resource guide useful? Do you have feedback on how it can be improved, or ideas for other resources we can provide? Let us know what you think at inclusion@bcorporation.net.

Endnotes:

1. http://www.fastcompany.com/3045899/hit-the-ground-running/the-growing-business-of-detecting-unconscious-bias
2. http://hrcouncil.ca/hr-toolkit/diversity-recruitment.cfm
3. https://www.entrepreneur.com/article/234425
4. https://www.themuse.com/advice/5-strategies-for-creating-a-more-diverse-internship-program
5. https://www.theguardian.com/women-in-leadership/2013/oct/14/blind-auditions-orchestras-gender-bias
6. http://www.inc.com/jonathan-lacoste/what-does-the-nfl-s-rooney-rule-have-to-do-with-company-hiring.html
7. https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired
8. https://rework.withgoogle.com/guides/pay-equity/steps/structure-your-pay-process/
9. http://kentemploymentlaw.com/wp-content/uploads/2015/11/Guidelines-for-Contracting-with-Your-Employees.KEL_.FINAL_.2015.pdf
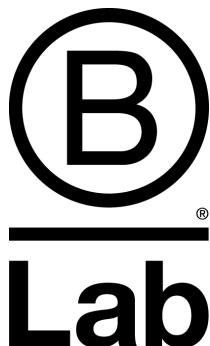
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