

State of Diversity

2017



beamery

greenhouse

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Introduction

Diversity can be defined in a multitude of different ways. It doesn't necessarily mean that people are of a different race or gender, it can simply mean that they think or act in a different way than your team.

The benefits of a diverse workplace are clear—McKinsey research indicates that gender diverse teams are **15% more likely to do better than the market**, while ethnically diverse teams are **35% more likely to outperform**.

In addition, 85% of CEOs that PwC surveyed whose companies have a formal diversity strategy said it has improved their bottom line, and leads to a happier, healthier work environment.

For this report, we surveyed 347 talent acquisition professionals to identify deficiencies that remain in many organizations' diversity schemes, pinpoint the challenges they face when they try to make improvements and discuss tactics for successful diversity scheme implementation.

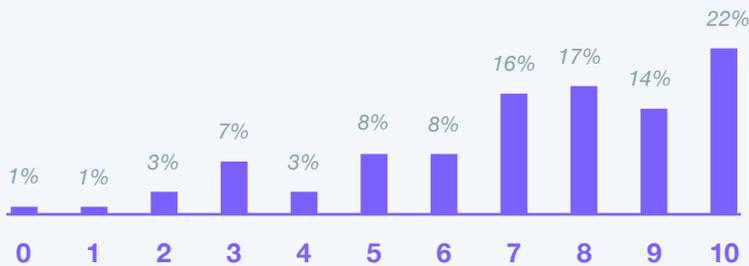
The approach to diversity

When asked to rank the importance of diversity on a scale of 1-10, **55% of respondents** said diversity was a high priority (8-10), while only 15% of recruiters saw it as a low priority (0-4).

The majority of respondents from the technology sector, an area that has come under increased scrutiny recently for gender discrimination, saw diversity as a medium to high priority (7).

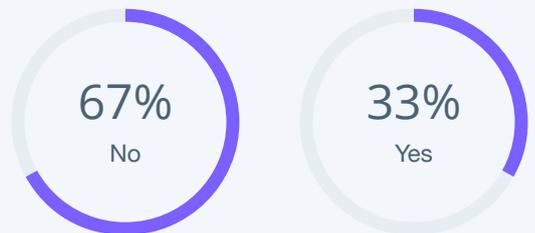
Respondents from larger organizations (5000+), were more likely to see diversity as a higher priority than those from SMBs (1-1000), with **67% seeing diversity as a high priority (8-10)**.

HOW MUCH OF A PRIORITY IS DIVERSITY FOR YOUR COMPANY?



The survey suggests a disconnect between priorities and action however, as only 33% of organizations reported providing diversity training for recruiters, who are on the frontline, making decisions that significantly impact company diversity.

DO YOU RUN DIVERSITY TRAINING FOR RECRUITERS?



Similarly, only 36% of organizations invest in diversity training for interviewers, and 38% provide training for employees.

Without training in place to improve diversity proactively, companies could find it hard to consistently hit diversity targets.

Diversity tracking

To achieve any business goal, an organization needs a process in place to track progress. This is just as true in recruiting.

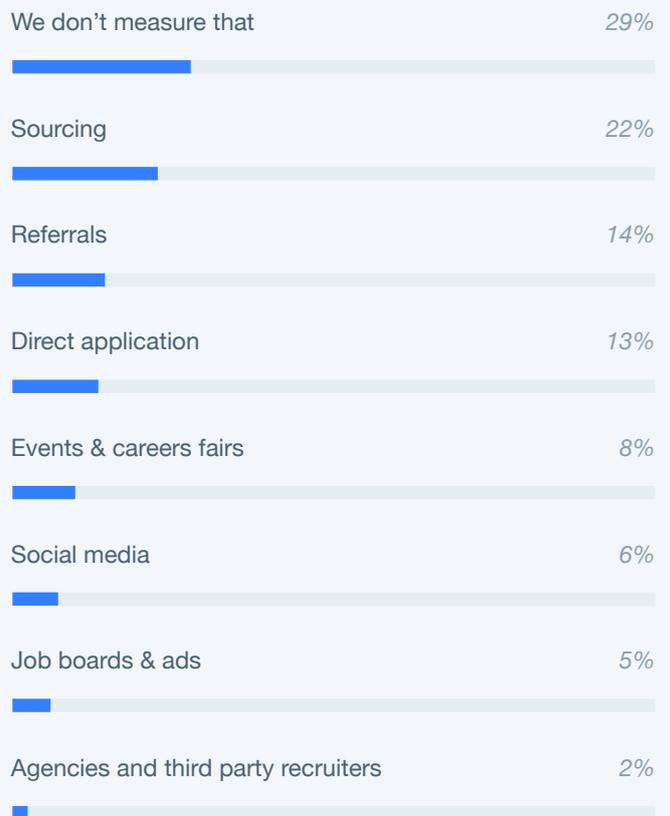
Just over half (**58%**) of all companies surveyed are currently tracking internal diversity statistics.

When we look at larger organizations (5000+ employees) alone though, this changes pretty substantially with 75% keeping tabs on internal diversity figures.

Analyzing diversity data as a whole is important, but organizations that effectively prioritize diversity understand that they must focus on improving their ability to pipeline candidates that meet these requirements.

29% of respondents said they don't analyze which channels are most effective at attracting the candidates they need to hit their diversity targets. For those companies that do, sourcing (22%) and referrals (14%) are reported as the best sources of diverse candidates.

HISTORICALLY, WHAT SOURCE HAS BEEN MOST EFFECTIVE AT PRODUCING DIVERSE CANDIDATES?



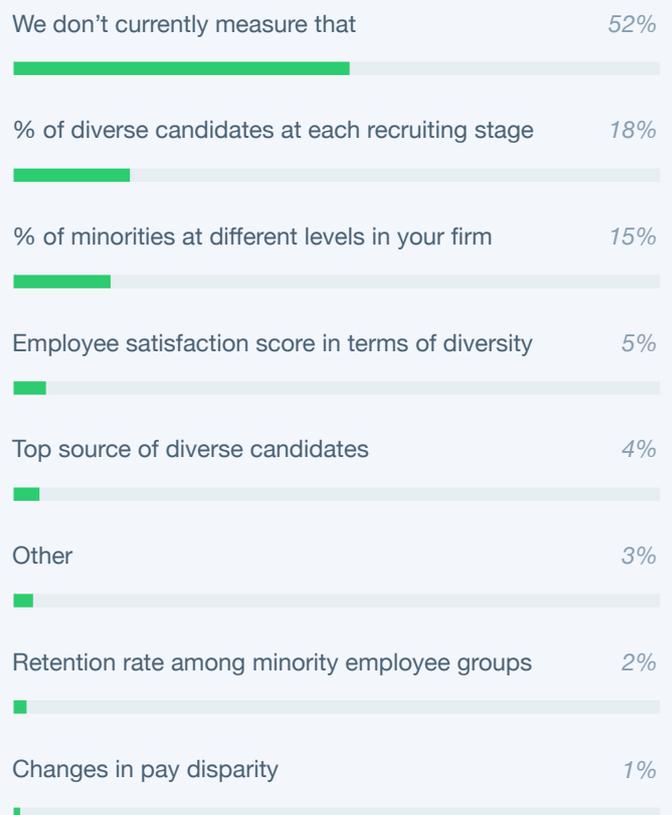
Monitoring progress towards diversity targets is potentially even more important than identifying the channels most effective at finding talent. Without visibility into goal progress, companies may not realize they're falling short until it's too late.

But 52% of respondents admitted that they don't currently measure their progress towards diversity targets.

This is likely to be because the recruiting stack of most companies doesn't provide much insight into the composition of their pipeline.

Companies tracking progress towards diversity targets are primarily looking at the percentage of diverse candidates at each recruiting stage (18%) and the percentage of diverse employees currently at different levels of their company (15%).

HOW DO YOU CURRENTLY MEASURE YOUR PROGRESS TOWARDS DIVERSITY TARGETS?



Challenges to building a diverse workforce

The biggest challenge to meeting diversity objectives for most companies (56%) is **finding candidates that are the right fit for a role**. This isn't surprising given that recruitment continues to get more and more competitive, and there are an increasing number of companies competing for the same talent.

With that in mind, we expect recruiting organizations to focus more on direct sourcing, branding initiatives and targeted events (e.g. Women in Tech) to fill their pipeline with target personas. It's no longer enough to hope that the right people apply for roles organically.

The second most frequently reported challenge is the ability to accurately measure success. 17% of respondents have trouble determining whether their diversity campaigns are working. Although this doesn't seem to relate to a lack of funds—only 7% of organizations listed budget as a challenge— failure to pinpoint which tactics are effective make it difficult to know where to focus resources and make consistent improvements.

WHAT ARE THE MAIN CHALLENGES YOU FACE WITH INCREASING DIVERSITY?



Popular tactics for improving diversity

Despite most companies ranking diversity as a top priority many companies report lacking the necessary infrastructure to support diversity initiatives.

When asked about the tactics they'll use to tackle diversity objectives more effectively this year, respondents referred to 3 core areas:

Talent pooling and pipelining

25% of companies see building and engaging pipelines of talent as the best way to improve diversity in recruiting. Talent pipelining helps companies work towards their hiring objectives more strategically by building relationships with candidates that better fit open and future roles. It's the perfect engine to drive diversity recruiting.

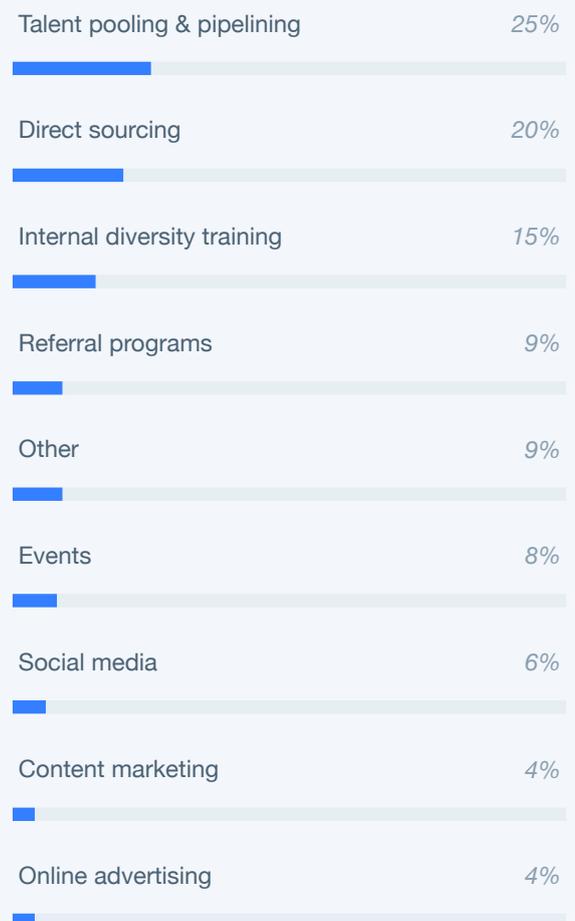
Direct sourcing

20% of companies are relying on direct sourcing to help tackle diversity. Developing a proactive direct sourcing strategy that focuses on attracting the most qualified, diverse candidates makes a lot of sense in a market where there's a limited talent supply.

Internal diversity training

15% of companies want to expand internal diversity training. As we've reported, most companies don't invest heavily in diversity training for recruiters, interviewers and employees, however implementing training will enable organizations to create a more inclusive and efficient recruitment process, and ultimately improve hiring results.

WHAT TACTICS ARE YOU USING TO INCREASE DIVERSITY IN 2017?



Customer spotlight

TONY PARK, VP OF PEOPLE OPERATIONS AT CHARIOT



We spoke with Tony Park, VP of People Operations at chariot to discuss how his team is approaching the issue of diversity with their recruiting efforts.

HOW MUCH OF A PRIORITY IS DIVERSITY TO YOUR ORGANIZATION?

As we have gone from a small company to one that is scaling quickly, diversity is a huge priority for chariot. We want to take the lead in being an organization where we leverage all the unique skills and talents of those who join the company.

We are extremely excited about being able to partner with a company like Ford, who have a such a massive focus on diversity and to be able to leverage their resources. For example, we recently had Bill Peters from the Ford GLOBE program to connect with our employees around fostering an inclusive and supportive atmosphere for all employees. The GLOBE program is Ford's employee resource group for LGBT persons and allies.

We plan to have several employee connection meetings focused on diversity issues throughout the year where we can discuss the importance of this issue.

WHAT STEPS HAVE YOU TAKEN IN YOUR RECRUITING FUNCTION TO IMPROVE DIVERSITY?

We have begun to incorporate the importance of diversity in our daily conversations about candidates and our overall strategy to hire the best talent. We recently created our re-stated values and Inclusiveness is a huge part of our culture.

I want our recruiters to possess the mindset of connecting with talent that will allow chariot to represent our communities. We have the honest conversations about ourselves and make it a focus to improve each day and with each candidate.

It's an expectation that the recruiters help build a diverse team here at chariot and we hold each other accountable. As important, we are working on transparent deliverables so that everyone has visibility of to our goals. We know that many of our new employees will be referrals, so is a company initiative.

Customer spotlight

TONY PARK, VP OF PEOPLE OPERATIONS AT CHARIOT



WHAT DAY-TO-DAY TACTICS ARE YOUR RECRUITING TEAM TAKING TO IMPROVE THE LEVEL OF DIVERSITY IN YOUR PIPELINE?

We are always looking for new strategies and tactics. We use metrics to track our recruiting efforts, so I review the data and make sure that daily, we are making progress to increase diversity in our pipeline. One thing that I do is to review final candidates for a role with the recruiter and we ask ourselves if we have met the challenge of building a diverse team.

DO YOU HAVE DIVERSITY TARGETS, AND IF SO, HOW ARE YOU TRACKING YOUR PROGRESS TOWARDS THEM?

The leadership team is working on establishing key targets, but the bigger goal is to weave diversity into our culture so that it becomes just how we attract and build talent. This doesn't mean that we not aware of some of the real challenges out there especially with many of our tech roles, so we are watching this closely and making significant effort to attract a diverse talent pool for all roles. The leadership team is very aligned and committed to this – this is key.

ARE THERE ANY ROLES WHERE DIVERSITY TARGETS ARE HARDER TO HIT? IF SO, WHY?

Right now, it's around engineering and other technology roles. Obviously, much has been written about this. This is what is exciting at chariot right now, we get to break some of the rules and challenge convention being a small, nimble company. We get to brainstorm and act if we see a need. One good example is that we are working with external placement firms for some of our tech roles and we have set clear expectations that we want to see a diverse group of candidates.

ARE THERE ANY TOOLS AND TECHNOLOGIES THAT HAVE MADE THIS EASIER?

We are leveraging some really cool technology such as Beamery, Greenhouse and Teamable to really focus on finding talent that wants the excitement of joining chariot. We are in early stages of these relationships but we want to take recruiting and diversity to another level of efficiency and effectiveness and data will be critical. We are excited about learning how these tools can help us attract a talented, diverse workforce.

Conclusion

While the data we have gathered suggest the growing importance of diversity to most recruiting organizations, it also goes a long way to illustrate the lack of infrastructure that most companies have in place to measure and increase diversity.

This looks set to change, with organizations looking to use more proactive recruiting methods like sourcing and talent pooling to increase diversity.

The major roadblocks in their way are simple; finding relevant candidates and measuring success. Companies need to find new ways to find and engage talent that meets their requirements, and must establish clear metrics that help them measure their progress towards targets.

About the study

We surveyed 347 recruiters across the US and UK to gather data for this report. The survey was open for 3 months between May and July, 2017. The majority of respondents (78%) were from corporate recruiting teams, with the remaining 22% from recruitment agencies. 59% of respondents were of management, director or C-level. 42% of participating recruiters were from large companies (1000+ employees), with 27% of respondents from organizations with more than 5000 employees. 18 different industries were represented in the study, with internet technology (14%) and IT services (10%) the most prevalent.

Behind the scenes

To produce a quality report that readers will get some genuine value out of, there are no shortcuts. We sweat the small stuff to create content that resonates and empowers readers.

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About Beamery

Beamery is a Candidate Relationship platform trusted by many of the world's leading brands, including Facebook, VMware, House of Fraser and Shop Direct. We enable companies to proactively source and engage potential candidates, build pipelines of talent, analyze performance and forecast in real time, and take action to create a great candidate experience.

We offer world class engineering, technology innovation, a customer-centric services organization, and a Software-as-a-Service (SaaS) application that is accessed by your entire recruiting team. Founded in 2012, Beamery has offices in London, Austin and New York.

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Greenhouse

About Greenhouse

Greenhouse Software helps companies make hiring their competitive advantage. Thousands of successful companies like Airbnb, Slack, and Qualtrics use the Greenhouse platform's intelligent guidance to design and automate all aspects of hiring to win top talent. Recognized as the 2017 Best Place to Work in the U.S. by Glassdoor, Greenhouse was founded in 2012 and has offices in New York City and San Francisco. To learn more or request a demo, visit greenhouse.io.

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