



White Paper: Combating Bias in Hiring Decisions

How a structured hiring process can help companies select the best candidate

When meeting a person for the first time, our initial judgements are often coloured by bias. 'Filling in the gaps' by making assumptions is an inbuilt response, enabling us to process information quickly. In a hiring context, this natural tendency can cause problems. If decision-makers allow bias to override their impartial, professional judgements, a poor hiring decision may result, with all its related negative implications.

This paper looks at how and why hiring managers are at risk of letting biases shape their hiring decisions and at why HR professionals may have to work hard to convince managers to use best practice. It highlights that HR practitioners are not immune to these biases, and looks at what they can do to avoid the pitfalls. With research suggesting very strongly that impartiality does not occur automatically, methods of negating the impact of bias are vital. The paper looks at the decision aids and formal, structured processes that can address this, minimising the chance of bias leading to poor decision-making.

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Introduction

In a recent psychology studyⁱ, science faculties were presented with CVs for a lab manager job. When evaluating the applications, HR managers consistently rated the male candidates higher than the female ones on competence and hirability. You might conclude that the male applicants had more relevant experience for the job than the female applicants. There is, however, one important detail we have not mentioned: apart from gender, all the CVs were identical.

In another studyⁱⁱ, hiring decision-makers rated candidates on a recorded interview. The interviews were identical except for the candidates' accents and names: some were representative of people from an ethnic minority and some were not. In spite of the interviews being exactly the same, the non-ethnic candidates were viewed more positively by the decision makers, which ultimately affected the hiring decision.

These are just two examples from a large body of research pointing in the same direction: we may think we take informed hiring decisions, but we are biased in our impressions of others. This is especially true for hiring decisions that are taken intuitively, based on 'gut feeling'. Unintentional discrimination puts recruiting managers at serious risk of missing the best candidates and making hiring decisions that have costly and possibly adverse legal consequences. And yet a surprisingly large number of decision makers trust their subjective judgement rather than objective decision aids. It is important for all of those involved in the selection process (including HR practitioners) to accept the fact that we are all prone to bias, and to embrace methods of minimising its effects in the hiring process.

The function of bias

Bias has a negative connotation, and most of us would like to think it does not apply to us – especially if our profession is all about people. The reality is that we are all biased in our impressions and judgements, and these biases actually serve important functions.

When we meet a new person we need to take in and process a large amount of information. To avoid being overwhelmed by it all, we use psychological mechanisms in the form of mental shortcuts, to categorize and simplify the impressions we get from that person. This process includes using cues relating to the categories that are most prominent (eg gender or ethnicity), and using these cues to retrieve stored information and expectations we have about the likely behaviour of people in those categoriesⁱⁱⁱ.

So biases are aids to help us quickly make sense of the information we are presented with when meeting others. For instance, the process helps us immediately to know why, and in what ways, a person dressed in a police uniform will behave differently from other people in the street.

“Unintentional discrimination puts HR professionals at serious risk of missing the best candidates for a job and making hiring decisions with costly and possibly adverse legal consequences.”

Bias in the hiring process

The use of biases is necessary, even unavoidable, but it causes problems. As we only need a few cues for a biased judgement to take place, the most prominent preconceptions – e.g. Asian people are good at maths, women are caring – will guide our perceptions. It is therefore possible that we will fail to capture the richness of a person's personality and abilities.

In the hiring process, decision-makers are typically presented with an incomplete set of data about the applicant, and risk 'filling in the gaps' by attributing additional characteristics based on the most prominent information^{iv}. By not being aware of the influence that bias has on us all, managers risk making costly recruitment mistakes, including poor hiring decisions, wasted investment in training, low productivity and even the need to carry out dismissal procedures. Another dangerous pitfall is to accidentally apply discriminatory recruitment practices that violate the 2010 Equality Act.

How does bias influence the hiring process?

A review of current research suggests that the most common biases affecting the hiring process are as follows:

1. In-group bias



The tendency for people to prefer people from their own group, or denigrate those from others^v. For example, one study suggested that young managers favour young applicants^{vi}. This effect is especially powerful for traits such as gender, ethnicity or social class, but also accounts for similarities in less evident categories such as professional background and interests.

2. Prejudice



An implicit, emotional reaction that evokes negative psychological representations of categories of people. People are more likely to have strong prejudices about people from different groups to their own, and about minority groups^{vii}. An example of this was given earlier: how decision-makers favoured non-ethnic names and accents over ethnic ones.

3. The Halo/Horns effect



This occurs when the rater's judgement of a person's character is generalized from a positive (halo) or negative impression (horns) in one specific criterion. Beauty is shown to produce a halo effect, explained by research as the 'what is beautiful is good' phenomenon, where physically attractive people are seen as more intelligent, warmer and with greater social skills^{viii}. For instance, studies have shown that when viewing photographs on CVs, decision-makers favour attractive applicants over non-attractive ones.

4. Confirming bias



The tendency for people to make an initial judgement and then look for evidence to back it up. Research has shown that when evaluating members of a stereotyped group, decision-makers pay more attention to information that is consistent with that stereotype than to inconsistent information, and may be entirely unaffected by information that contradicts the stereotype^{ix}.

5. Biased recall



The tendency to make memory errors consistent with stereotypes and prejudices, even when presented with objective facts to the contrary, such as test scores^x.

Why is the hiring process vulnerable to the influence of bias?

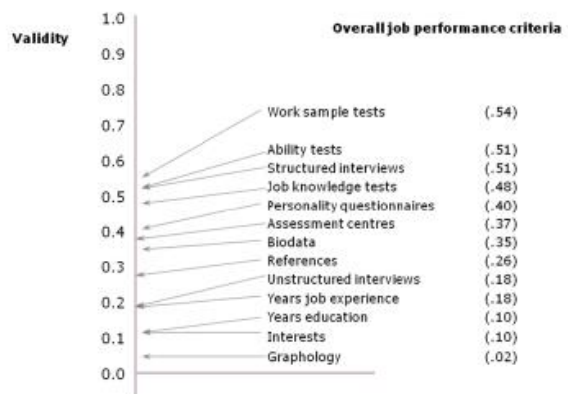
It is clear that biases automatically influence evaluations and perceptions and that this psychological process is particularly prominent in hiring. But why should the hiring process be so vulnerable to bias? There are a number of reasons.

Firstly, *hiring decisions are based on limited information* as the process involves assessing job applicants who are complete strangers. CVs, application letters and work samples can only provide a sketch of the applicant's personality and skills. As we have seen, research suggests that bias starts to influence the decision-maker even before the first encounter, as biases are triggered merely from seeing a picture or a name in the application^{xi}.

Studies have shown that when viewing photographs on CVs, decision-makers favour attractive applicants over non-attractive ones. Secondly, *hiring is often based on relatively fast decisions and performed under time-pressure*. It is under these circumstances that biases have an especially strong influence on our perception and impression of a person, and consequently on decision-making^{xii}.

Furthermore, *the interview process is particularly vulnerable to bias*. Despite the fact that it is the most frequently-used recruitment tool, research suggests that the traditional interview is a poor predictor of job success^{xiii} (See illustrative graph below). One crucial reason is that it allows for a lot of biases. Inconsistent and intuition-based interviewing presents many opportunities for subjectivity and personal preferences. As much as 'gut feeling' might feel right, research shows that it may fool us into favouring people like ourselves (in-group bias) and charismatic people (halo effect), or cause us to reject someone for characteristics they do not actually possess (prejudice).

Finally, many managers erroneously believe that biases do not influence them as they influence others. HR professionals have a key role in reducing bias. However, research shows that, despite evidence to the contrary, many HR practitioners believe that they can hire the best employees without any decision aids, and that they tend to rely on their experience and intuition^{xiv}. The rejection of the fact that biases influence us all is in itself a reason why biases continue to have a negative effect on important hiring decisions.



Key for the graph:

A validity index of 1 would show a perfect fit between the measure and what it is predicting; 0 shows no relationship; 0.4 and above is a respectable score^{xv}.



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The solution: a structured approach to hiring

Accepting the fact that we are all biased, how can we arrive at correct and effective hiring decisions? In other words, how can we make sure that the relevant skills and personal attributes determine who gets the job, not gender, ethnicity or any other irrelevant characteristic. The best way to combat the influence of biases is to prevent them from taking a grip and influencing us in the first place. Psychological research is conclusive in showing us how: a structured approach helps companies select the best person for the job and enables HR professionals to document and explain his/her choice clearly.

Job analysis

Job analysis is a crucial component of a structured approach to hiring. It is effective in combating the influence of bias as it helps HR professionals to have clear expectations of what they are looking for in a candidate. The process of job analysis enables identification of the key competencies and performance criteria important for success in the job. This information allows decision-makers to develop a valid person specification that can be used to identify the key skills and characteristics of the future job holder. The job analysis diminishes the power of biases by helping HR professionals spell out which human attributes they want to measure in the CV, application and interview, and giving them objective criteria against which candidates can be measured.^{xvi} All of this is to be done before the recruitment starts; the selection criteria are then adhered to despite any bias that might tempt recruiting staff away from the criteria.

Structured interviewing

Research suggests that adding structure to the interview process can improve its predictive power and reliability. When interviews are more standardised and objective, they become more relevant to the job analysis and the criteria central to the job. Research indicates that imposing structure reduces the influence of bias. By implementing strict guidelines for the content based on job analysis and reducing the influence of intuitive evaluations through consistent scoring systems, interviewers are encouraged to concentrate on the quality of the content at the expense of irrelevant and misleading cues that might trigger bias^{xvii}.

Psychometrics and other decision aids

Another way of structuring the hiring process is to include objective decision aids. One of the outputs of the job analysis will be a listing of traits and human attributes required by a successful applicant. These can be objectively and empirically measured with **personality assessments** that, in contrast to subjective evaluation, are proven to accurately predict behaviour^{xviii}. Part of the explanation for this accuracy is that personality tests decrease the impact of misleading psychological biases. Well-constructed personality tests, unlike people, are 'blind', as they consistently measure the underlying personality traits in the candidates^{xix}. An example of a PAN personality assessment is the 16pf personality questionnaire.

Awareness

As stated previously, denying that biases influence us all is a chief reason why biases continue to affect important hiring decisions. Through forcing decision-makers to consistently explain and document the



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decision process in relation to the job analysis, a structured approach is created, encouraging HR professionals to be aware of the power of biases^{xx}. Training is an effective way to challenge even deeply held biases. Two main types of training may be appropriate:

1. Diversity training, which helps people to understand the value of diversity and to appreciate that all people hold some form of bias
2. Self-awareness training using instruments such as the 16pf questionnaire can help people to realise the value of people different from themselves and to understand what assumptions they have made about the desirability of their own personality traits.

Summary

We are all biased in our impressions of others. This is due to the fact that we have to simplify the world around us to make sense of it. However, biases can cause anyone to make poor hiring decisions that have costly and even illegal consequences. As decision-makers are typically presented with an incomplete set of data about the applicant and yet need to make decisions quickly, they risk 'filling in the gaps' by attributing additional characteristics based on the information that is most prominent to them. As much as 'gut-feeling' might feel like a sound measure of judgement, research shows that it is biased, fooling us to favour people like ourselves as a consequence of in-group bias, and to reject someone for characteristics they do not possess, as a result of prejudice, etc.

HR managers are not immune from these effects. As experts in people, they can rely too much on their intuition and experience in the interview and throughout the hiring process. They have a particular responsibility to be aware of these issues, given their expertise and leadership in this area.

The research is conclusive: a structured hiring process helps companies select the best candidate. Job analysis, structured interviewing and objective decision aids help decision-makers spell out which human attributes they want to measure in the hiring process and encourage them to focus on competencies and underlying traits rather than misleading cues that might trigger bias. Both hiring managers and the HR professionals who advise them must accept the fact that we are all biased and realise the business benefits of combating the influence of bias through a structured hiring process.



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