

EXECUTIVE SUMMARY

Leverage GAI to Diversify Talent

Technology Supports the Alignment of DEI and Business Goals in the Process to Fill Open Positions

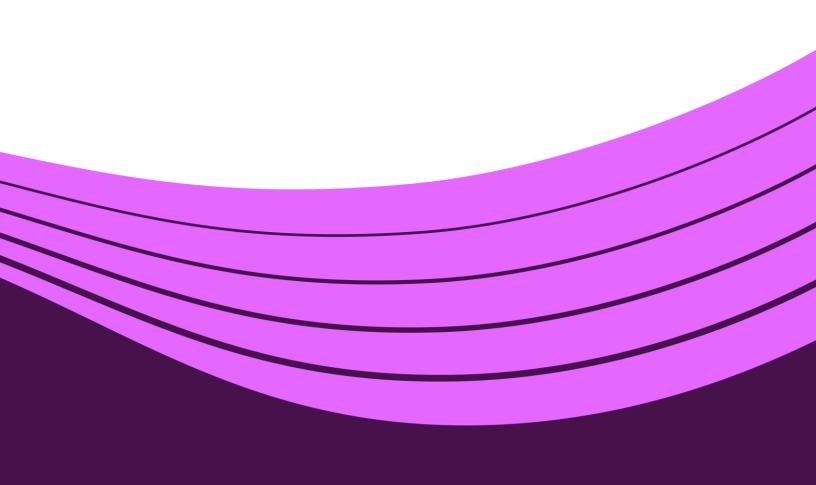


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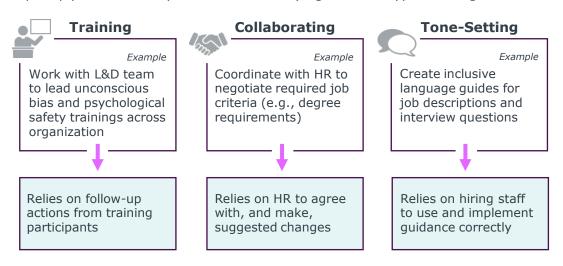
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Changing Hearts and Minds Alone Doesn't Work

Representation matters. Employees need to see themselves in these areas: race, ethnicity, gender identity, and ability status reflected in their colleagues and their organization's leadership to feel a sense of belonging at work. Cultivating belonging is critical for today's employers, contributing to higher employee retention rates, improved productivity, and engagement.

Employers cannot create this critical ingredient of belonging–representation–without a diverse pipeline of candidates (specifically, candidates from historically excluded talent [HET] backgrounds) for open positions when they become available.

The responsibility, or perceived responsibility, of creating a diverse pipeline for open positions falls on the Chief Diversity Officer (CDO). CDOs are charged with embedding diversity, equity, and inclusion strategies across an organization, including talent management. However, this mandate often does not include direct control over the levers that impact pipeline diversity. CDOs are left relying on three types of tangential influence:



These efforts emphasize changing the hearts and minds of employees–influencing the attitudes, beliefs, and emotions of individuals with the goal of changing their behavior. Unfortunately, <u>data</u> on the outcomes of these efforts suggests marginal progress at best.

This current approach overemphasizes the collective individual actions of many instead of the institutional systems and processes that shape the environment for these decisions to be made.

Changing hearts and minds alone does not work. CDOs need to prioritize shaping and embedding DEI principles into the set of interconnected components and steps that work together to fill open positions with HET. CDOs need to influence hearts and minds *and* shape systems and processes at their organization.

GAI: One Promising System to Help Diversify Talent

While there are many systems and processes organizations can adopt to help fill open positions with HET, this study exclusively examines the role generative AI (GAI) can play in achieving this outcome.

<u>GAI</u> is a type of Artificial Intelligence (AI) with the ability to generate new, high-quality content including audio, code, images, text, simulations, and videos efficiently.

GAI's innovative power spurred investment and adoption from organizations across industries, <u>reaching \$25.2 billion in 2024</u>. According to <u>a 2024 survey</u>, 76 percent of

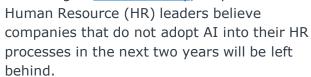
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[GAI] is not about competing with human beings. It is about super charging, empowering, and helping them scale across the organization.

Chief Executive Officer & former Chief Diversity Officer Technology Startup, 2024

For CDOs who might be concerned about their organization's appetite for DEI amid today's continued DEI backlash, GAI can help sustain DEI efforts without ever using the nomenclature.

Seramount's research found CDOs can leverage GAI to help eliminate bias from job descriptions, expand candidate sourcing strategies, and screen more applicants more equitably.



CDOs can take advantage of the appetite for GAI adoption and use it to codify DEI principles into the process of filling open positions. For example, rather than relying on 100 hiring managers to attend anti-bias trainings, internalize DEI practices, change their behavior, and then repeat that changed behavior consistently over time, CDOs can train one algorithm. This gives both the CDO and hiring manager capacity to focus on more strategic, time-intensive DEI priorities.



By leveraging GAI tools, we were able to increase the number of historically excluded talent without ever having to say DEI.

Chief Human Resources Officer Health Services Organization, 2024

Seramount's CDO Collaborative members ranked the intersection of DEI, AI, and Talent as one of their top priorities in 2024, resulting in the development of this research. Seramount's research team reviewed over 200 articles culled from academic journals, industry trade publications, and general news sources, and conducted 25 interviews with CDOs, DEI leaders, HR staff, and tech experts to distill best practices and research backed guidance on how GAI can help diversify talent.

Leveraging GAI to Eliminate Bias from Job Descriptions

Current Approach to Developing Job Descriptions

Once a position is approved by an organization or department leadership, the hiring manager consults with human resources and/or talent partners on basic and ideal candidate qualities. Employment requirements are determined, and the written description is circulated to various internal stakeholders for feedback and approval.

CDOs shared they were most likely to be involved in screening for biased language or inclusive sentiment in the descriptions. However, their involvement was usually in ad hoc requests, resulting in line-by-line edits for each description that came across their desk.

The Status Quo Lacks Consistency, Accuracy, and Efficiency

The current process is ripe with opportunities for human error and bias, impacting the diversity of candidates that may apply for the open position. Descriptions are often written subjectively instead of following a consistent, updated, and accurate template. The individual responsible for developing a job description and the level of oversight involved in the process often changes depending on the role's level, the urgency of the requisition, and the available resources.

The number and variability of job descriptions make the current CDO-led review process inefficient and unscalable. Research from the University of Pittsburgh found the subtlest differences in word choices impacted the number of women who apply for a position.



How job descriptions are written right now, it makes some people believe, even subconsciously, they're not qualified for the work. They aren't intending that, but things just become part of our vernacular and we write it that way. That's the reason why AI can help so much. It doesn't have an emotional connection or experience that can create an unconscious bias.

Cliff Jurkiewicz Vice President, Phenom, 2023

Leveraging GAI to Eliminate Bias from Job Descriptions (cont.)

GAI Can Eliminate Bias from Job Descriptions at Scale

GAI can audit a job description for biased language, accessibility, or other defined inclusive benchmarks and make improvement recommendations. Instead of conducting line-by-line edits, managing rotating stakeholders, and relying on multiple individuals to prioritize DEI best practices, CDOs can train one GAI tool to follow clearly defined, repeatable steps for developing inclusive job descriptions at scale regardless of role or level. Organizations are most commonly leveraging GAI to remove bias from job descriptions. The benefits of GAI include:



Debiases Language & Adapts from Feedback

GAI tools can learn from inclusive language or accessibility guides to consistently audit for biased language and other inclusive benchmarks and requirements based on a specific target audience. Based on performance in that audience, GAI tools can adapt and iterate to maximize engagement.



Broad Application Across Roles, Departments, and Locations

GAI tools centralize point of impact with clearly defined and repeatable steps regardless of role, level of job descriptions, language, or other appropriate prerequisites.

Leveraging GAI to Source More Candidates from HET Groups

Current Approach to Sourcing Candidates

After a job description is approved, a sourcing strategy is developed identifying candidate pipelines, outlining the communication materials (e.g., job postings, social media content, email campaigns), and continuing to refine the ideal candidate personas for a given role based on engagement and talent availability. Recruiters and Talent Acquisition teams begin the active search to gauge candidate interest and promote the open position.

To diversify the sourcing process, most CDOs prioritize widening recruitment channels through Employee Resource Group (ERG) referral networks and building partnerships with organizations focused on promoting historically excluded talent groups.

Current Approach Is Muddled by Conflicting Cross-Team Objectives

The current process is riddled with consistent tension between time-to-fill pressure and conducting thorough searches from broad candidate pools. Screeners often rely on their subjective preferences for traditional talent pipelines and selective channel sourcing to quickly find candidates who "fit the culture of the organization" based on their previous hiring data. This allows affinity bias to creep in and narrows the candidate pipeline, which limits the diversity of applicants from multiple channels.

<u>Data</u> shows 81 percent of employers recognize unconscious bias can impact their hiring decisions, and despite CDO efforts, research suggests White candidates are most likely to be hired through employee referrals.

GAI Can Expand Candidate Outreach with Tailored Communication at Scale

GAI can increase the volume of candidate engagement. It invites candidates who are qualified for the position but might have nontraditional backgrounds to apply and combats the reliance on top-of-funnel biases such as education requirements to guide sourcing. The benefits of leveraging GAI to expand candidate sourcing include:



Expand Candidate Pool

GAI tools can generate targeted outreach in new and existing pools with predictive analytics. This can reduce affinity bias by prioritizing standard skill/competency assessments and job title expansion over cultural fit or personality traits.



Tailor Communication and Automate Manual, Time-Intensive Tasks

GAI tools can free up time for strategic relationship building rather than rewording job postings across platforms, scheduling, monitoring posting performance, or other tedious, time-consuming tasks. GAI can also standardize communication frequency and accuracy by automating language, tone, cultural nuance, and cadence based on target audiences.

Leveraging GAI to Screen More Applicants Equitably

Current Approach to Candidate Screening

After recruiters review initial applicant qualifications against the job description criteria, applicants are screened through initial interviews and sometimes with skills tests. The process is repeated until a final panel of applicants is presented to the hiring manager and selection committee for review.

In this step, CDOs often advise on inclusive evaluation criteria, provide bias training for recruiters and hiring managers, and promote diverse representation on interview panels.

Current Approach Prioritizes Hiring Quickly over Hiring Quality Talent

The pressure to fill open positions quickly continues from the last step, resulting in recruiters screening too few resumes too quickly, often excluding qualified applicants from historically excluded talent groups.

Research shows recruiters spend on average only seven seconds reviewing a resume, resulting in decisions based on incomplete information and affinity bias. Despite efforts to address hiring bias, candidates identifying as men were 1.5 times more likely to pass initial screening processes than equally qualified candidates identifying as women.

GAI Can Establish Consistent Criteria for Standardized Screening

GAI can ease the time pressure by reviewing more applicants and through consistent standardized skills-based criteria resulting in more accurate and less biased screening. The benefits of leveraging GAI include:



Standardized Assessments with Synthesized Results

GAI tools can leverage skills-based assessments at scale, which reduces "cultural fit" affinity bias by standardizing the questions, format, and experience for all candidates. GAI tools can use the results of these assessments to refine more inclusive predictive success profiles, thus improving future screening accuracy.



Consistent and Transparent Evaluation Criteria

GAI tools can measure applicant answers and credentials against defined benchmarks and rubrics, remove identifiable information that might influence a screener's decision, and analyze prior hiring data to identify patterns of bias and adjust screening accordingly.



Seventy percent of employers and employees agree skills-based hiring is more effective than traditional resume screening, and 84 percent of employers using skills-based hiring reported it had a positive impact on diversity.

Test Gorilla (2024)

GAI Can Scale CDOs' Influence and Embed DEI Goals

GAI can help CDOs codify DEI best practices into the process of filling open positions. Instead of focusing solely on changing the hearts and minds of individuals, GAI is one promising system CDOs should leverage today to diversify talent. The work of training, collaborating, and influencing remains an essential piece of the CDO's goals, but for CDOs to increase their ability to fill open positions with HET they must also shape systems and processes such as GAI.

GAI can increase CDOs' influence across each step to fill open positions: eliminate bias from job descriptions, expand candidate outreach with tailored communication, and establish consistent and transparent criteria for applicant screening to achieve more diverse representation.

Recommended Next Steps for CDOs:

To effectively leverage GAI, CDOs must prioritize building partnerships with key stakeholders across their organization to achieve these goals. This includes technology colleagues (e.g., Chief Information Officers, Chief Technology Officers, Chief Data Scientists), talent colleagues (e.g., Chief Human Resource Officers, Heads of Talent Acquisition), and legal colleagues (e.g., General Counsels).

Together, these partnerships can establish ethical guidelines and policies for the entire GAI spectrum of activities, including leveraging GAI in the talent lifecycle. CDOs can ensure diverse representation is included in pilot-testing of GAI products and the development of GAI strategies and lead the charge to conduct bias audits during and after implementation of GAI tools.

Interested in Learning More?

Join Seramount's <u>CDO Collaborative</u> to gain access to the full research, including case studies from organizations leveraging GAI at each step, toolkits to get smart on GAI quickly, and partner intensives to help take this research back to your organization.