

THE BUSINESS CASE FOR FAIR RECRUITING AND PROMOTION OF WOMEN

Best practices to reduce pay inequality in Oregon



Employers that take steps to develop and constantly improve recruitment plans will benefit from a more diverse, inclusive work culture that reflects society.

Recruitment efforts often do not target women with the same frequency as men, making it difficult for women to have access to as large a spectrum of jobs to choose from as their male counterparts. In addition, women who have made it through the hiring process often do not receive the same promotional opportunities as their male counterparts. Employers that actively recruit women and make promotional opportunities available help diminish gender pay inequality, and in turn, benefit from the skills of their entire workforce.



The business case

Hiring and promoting more women has a positive effect on business. No less a financial authority than Warren Buffett, the investor and CEO of Berkshire Hathaway, wrote in an essay for Fortune Magazine, "Fellow males, get on board. The closer that America comes to fully employing the talents of all its citizens, the greater its output of goods and services will be."¹ A number of studies have highlighted the benefits of diversity in not just hiring more women, but also promoting them.

- One Catalyst study shows that companies with more women in upper management had "better financial performance as a group than those with the lowest number of women: 35.1 percent higher return on equity and 34 percent higher total return to shareholders."²
- A Dow Jones study that asked why women are so underrepresented in executive roles in senior executive roles determined that companies with more women on their executive management teams have a higher likelihood of success than those of male-only management teams.³
- A Thomson Reuters study found that organizations that include more women have the benefit of having share prices that outperform their competitors, particularly in difficult market conditions, while a McKinsey study found that organizations with more women in upper management positions had a 17 percent higher growth in stock prices and a larger return on equity.⁴



Steps for businesses to ensure the fair recruitment of women

To successfully recruit women for employment, employers should:

- Develop an **active recruitment process** that **gets more women into the hiring pool**. Employers should focus on finding and recruiting quality female applicants.⁵
- Use the forces of many members of the management team for a concerted effort to **gather the resumes of women**, as well as men. In doing so, human resources must keep in mind that asking for a diverse applicant pool is a good start, but that hiring and promotion decisions cannot be made solely on the basis of gender.⁶
- Use **language in job postings** that appeals to women. Studies have shown that men will typically apply to job postings that they feel qualified for and interested in, regardless of the type of language employed. But women are more likely to apply to jobs that list qualities commonly perceived as feminine, such as creativity.⁷
- At the same time, employers must convey that they are making more than a surface-level, "box-checking" attempt to bring more women into their workforce. **Women must feel that they are truly welcome and belong**, based on their ability to contribute to the organization.

Fair recruitment checklist:

- Be proactive and transparent
- Enlist managers to gather resumes
- Job posting language matters
- Communicate a culture that values women and people of color

Recruitment plans to include more women in the workforce should have, at their core, the idea that hiring a talented, diverse workforce is a business imperative.

The presence of a recruiting plan that brings more women into the workforce is only the first step.

- Once a recruitment plan is in place, staff should continually **monitor and evaluate** it to determine what is successful and what changes should be made.
- In addition, hiring staff should examine the selection processes to **identify and remove obstacles** that have an adverse impact on the hiring of women. In addition, staff should check results and collect data to make it easy to discover where women are “washed out” in the hiring process.⁸
- Staff should develop recruitment plans that attempt to bring more women into the workforce with the idea that the plans are not a “special project” of limited duration that can end when “enough” women have been hired, but rather **permanent measures** designed to eliminate the gender bias that is inherent in many organizations.
- Further, both men and women should be involved in efforts to bring more women into the workforce. All job searches should consider all potential candidates, and considering diversity is not an option that employers should make only when it is convenient.⁹

Is the plan working? A checklist:

- Monitor and evaluate
- Remove obstacles identified in the selection process
- Treat diverse recruitment as ongoing, permanent focus
- All job searches should proactively work toward a diverse applicant pool

Employers that take steps to develop and constantly improve recruitment plans will benefit from a more diverse, inclusive work culture that reflects society. At the same time, employers must take caution that hiring committees evaluate employees based on merit, not just because they happen to apply for a job. Recruitment plans to include more women in the workforce should have, at their core, the idea that hiring a talented, diverse workforce is a business imperative.

Steps for businesses to ensure the fair promotion of women

Once companies have created recruitment plans to bring more women into the workforce, they need to come up with fair promotion strategies to ensure that women advance within the organization. Having professional support and training in place will help women achieve promotions at higher rates.

A 2010 Mercer study on women in leadership roles found that more than two-thirds of employers lacked a defined strategy or philosophy for developing women into leadership roles.¹⁰

- Human Resources should develop a means of assessing the company’s promotional processes to ensure that well-qualified women are given the support necessary to advance.¹¹ Training programs that develop women’s skills are key components in the effort to ensure that women retain a strong footing in the workforce.
- One strategy that fosters a more diverse workforce is the promotion of several female executives at the same time to avoid isolating women in top jobs.¹² All employers may not have the ability to promote multiple women simultaneously, particularly smaller employers with limited numbers of positions. But larger employers can send a clear signal about the importance of a diverse workforce by considering the approach.

“Fellow males, get on board. The closer that America comes to fully employing the talents of all its citizens, the greater its output of goods and services will be.”

Warren Buffet, investor and CEO
Berkshire Hathaway

Case study



One company that has had a great deal of success due to their business strategy of both recruiting and developing executive women is Cigna, the global health services organization. Cigna developed a succession-planning process that identifies and develops managers to move up the chain of command.¹³ The process increases women's exposure to training – helping them avoid professional stagnation.

Notes

- 1 Women in Leadership as an Economic Imperative? Forbes Magazine. May 6, 2013. Kate Brodock.
- 2 Women Take Top Spots at Banks. Portland Business Journal. <http://www.bizjournals.com/portland/print-edition/2012/01/27/women-take-top-spots-at-banks.html?page=all>
- 3 Women at the Wheel: Do Female Executives Drive Start-Up Success? Dow Jones and Company, Inc., 2012, http://www.dowjones.com/collateral/files/WomenPE_report_final.pdf
- 4 The New Business Imperative: Recruiting, Developing and Retaining Women in the Workplace, University of North Carolina Kenan-Flagler Business School.
- 5 But You Don't Look Like an Engineer (Includes the "Top Ten Myths About Hiring Diversely"). Chronicle of Higher Education. Hemami, Sheila S., van der Muelen, Marjolein C.H.
- 6 When Women Rise. Tahmincioglu, Eve. Workforce Management, 15475565, September 2004, Volume 83, Issue 9.
- 7 The Impact of the Wording of Employment Advertisements on Students' Inclination to Apply for a Job, The Journal of Social Psychology, Marise Ph. Born, Toon W. Taris, 2010 150(5), p. 498.
- 8 Recruiting and Retaining Women: A Self-Assessment Guide for Law Enforcement, Bureau of Justice Assistance Bulletin. June 2001.
- 9 But You Don't Look Like an Engineer (Includes the "Top Ten Myths About Hiring Diversely"). Chronicle of Higher Education. Hemami, Sheila S., van der Muelen, Marjolein C.H.
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- 11 Waiting for Your Coronation: A Career Limiting Trap. Nursing Economic\$. May/June 2014. Vol. 32 Issue 3, Pages 162-165.
- 12 Women Take Top Spots at Banks. Portland Business Journal. <http://www.bizjournals.com/portland/print-edition/2012/01/27/women-take-top-spots-at-banks.html?page=all>
- 13 When Women Rise. Tahmincioglu, Eve. Workforce Management, 15475565, September 2004, Volume 83, Issue 9.

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Bureau of Labor and Industries

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