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Inclusive hiring: How to recognise talent

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Inclusive Hiring

Organisations need to learn how to recognise talent.

By Chandrasekhar Sripada

There is much talk today about a global talent shortage. While economists point to the bulging demographic dividend in Asian emerging markets, employers on the ground say they are facing acute talent shortages. According to ManpowerGroup's '2018 Talent Shortage Survey', the global talent shortage is at a 12-year high.[1] With technology evolving by the day, the crisis seems to be worsening—we cannot seem to find enough skilled electricians, mechanics and masons, not to speak of experts in artificial intelligence, machine learning, Internet of Things, and other such new-age skills.

Employers and youth alike are calling out for upskilling, reskilling and e-skilling, and governments are coming under pressure to reform the education systems to produce talent in large numbers to meet the burgeoning demand. While the plan to rapidly increase skill formation is the right policy initiative, can this be the panacea for the current talent shortage employers are facing? Or are we chasing a moving target?

Both academic theory and empirical evidence suggest that, while it is true that there is some shortage of talent globally, it is also true that there is a significant absence in recognising talent. I liken the global talent crisis to the musk deer paradox. The male musk deer is known (and poached) for the irresistible fragrance it emanates. The deer itself does not recognise where the sweet smell comes from and searches for it across jungles and mountains, not knowing that it is, in fact, within him. Similarly, societies and organisations have a lot of untapped talent but often lack the ability to detect, discern and develop it.

Diversity or inclusion?

Organisations often claim to take into account diversity and inclusion in their hiring practices without being fully aware of the nuanced difference between the two. Diversity is about recognising the differences we see in people—be it age, gender, ethnicity, culture, religion, disability, education or nationality—while providing an equal opportunity to work. Inclusion, on the other hand, goes deeper into respecting and valuing these differences, and tapping into the unique qualities, attributes and experiences that each individual brings to the organisation. While diversity asks that we be blind to differences, inclusion calls for full awareness with appreciation

of an individual's distinctive traits. Diversity risks becoming tokenism, or degenerating to a quota-filling or a mere box-ticking exercise for the hiring company. Inclusion, on the other hand, creates a sense of empowerment and belonging among hires, qualities that help to build high-performing organisations with highly-motivated talent. In effect, diversity is the mix and inclusion is getting the mix to work well together.[2]

While it may seem obvious why companies should embrace inclusion, most are unable to engage in an inclusive hiring process due to personal and mindset biases, lack of agility in selection processes, lack of discernment for what soft qualifications and attributes are really required for a given job, and the inability to evaluate the competency levels of applicants. The differentiating questions that one needs to ask are: What is talent? Which talent is fit for task? Is the way we define and 'frame' our understanding of talent objective enough to include everyone who has some talent? Or are we suffering from unconscious biases, such as a preference for certain educational pedigrees or age groups?

People, people everywhere…

If hiring managers do not attempt to answer these tough questions, they risk getting trapped in biases and narrow, archaic procedures and static perspectives, whether they are searching for talent within or outside the organisation. Much like Procrustes, the bandit from Greek mythology who stretched or amputated the limbs of travellers to make them conform to the length of his bed, our HR executives today are creating Procrustean beds in their organisations to which they map and fit job applicants. For instance, very often talent within the organisation

gets ignored due to a 'familiarity brings contempt' type of attitude. Leaders underestimate the value of continuity and cultural adaption that existing employees bring when they look at the novelty of external hiring. Ironically though, when external hires are considered, they are compared with the familiar bets within the company and are rejected on the assumption that they won't fit in! Such biases delay or deny access to talent both internally and externally.

Defining qualifications and attributes

If we take a futuristic view, we need to reimagine how we conceive and define talent needs. This starts with the education we are giving our youth today. Business schools the world over are reviewing whether standardised tests are useful in determining the real skills and talent that the world needs in the future. The graduate management admission test (GMAT), for instance, gauges analytical, writing, quantitative, verbal and reading skills—many of which can be replaced by artificial intelligence. In fact, our future business graduates would probably require greater skills related to judgement, critical thinking and empathy, which the current standardised tests do not take into account. If business schools continue to use these testing procedures to admit students, they will enrol cohorts adept at number crunching and quantitative analysis, skills that may no longer be required to be carried out by humans.

Just as education systems are preparing themselves to be skills-ready for the future, businesses need to do the same. Often, we are unable to tap into the wide diversity of talent because we have stereotypical views of what constitutes talent. When I headed the

HR department of a large pharmaceutical company, the company had a shortage of lab analysts because we were unable to find candidates with a master's degree in pharmacy (MPharm), a requirement for the job. After assessing the situation, we questioned the need for the applicant to have an MPharm degree. Further research revealed that a Bachelor of Science (BSc) degree was adequate for the job. In fact, some exit interviews revealed that the MPharm degree was an over-qualification, which often led to frustration among employees and resulted in a high attrition rate. We widened our selection criteria to include BSc graduates and overnight, we had access to a much wider talent pool, and the hiring crunch was solved. The BSc hires needed a longer training time, but their subsequent performance was on par with MPharm graduates and their retention rate was much better.

Mis-selling the job

Companies feel they need to 'sell' jobs to candidates, and in the process end up over-describing or over-selling the job. This is often seen in the case of business graduates, who are hired for 'strategy' roles but end up in jobs that are transactional or operational in nature. Such situations lead to tension, lack of motivation and attrition, and hurt the reputation of the company as an employer.

A pharmaceutical company based in India that manufactures generic drugs was experiencing a very high, almost 40 percent, attrition rate of medical representatives, i.e., sales representatives who market and sell the company's drugs to doctors. The company observed that while a lot of people applied for the job, they soon realised (often within one or two months) that it wasn't the job they were looking for. Deeper introspection

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revealed that the issue was with the job description—the company was advertising it as a very attractive job when, in fact, it was quite the opposite. The job was similar to that of a door-to-door salesman, in which the medical representative would go from clinic to clinic and face long waits to see the doctor. After the wait, doctors would either cancel the appointment or give inadequate time to the medical representative to explain the product. As the medical representative's remuneration depended on the number of orders he/she was able to get, many left the job.

To tackle this challenge, we created what we called a 'realistic job preview'. As the applicant pool for this job was very large, we set up a marquee-covered space outside our office, and, on a large screen, displayed a film titled, 'A day in the life

of a medical representative'. The film provided a realistic representation of what the job entailed. Interestingly, about 20 percent of people who came to apply for the job dropped out after watching the film. So the applicant pool that remained was not only skilled, but also fully aware of what they were getting into. To that extent, the realistic job preview potentially helped to reduce attrition and was more inclusive, as now we could focus on those applicants who were really keen on the job.

Tapping into the 'invisible' talent pool

Inclusivity also means being able to tap into new talent pools that have, till now, been ignored due to fixed mindsets and biases, like refraining from hiring the boy from the village who may not be fluent in English but is an eager learner; the woman who can only work flexible hours but is most qualified for the job; or the retired man who has the energy and the experience to contribute to the organisation. Such profiles get excluded because they don't fit into our straitjacket definition of what constitutes a qualified applicant.

The responsibility falls on the lap of the HR manager to reach out to these 'invisible' talent pools. A pharmaceutical company was trying to promote the hiring of women in its sales division. Typically women shied away from sales jobs as they were considered demanding and required a lot of travel. For similar reasons, the HR unit also, by and large, did not consider women for these positions. At that time, the company was trying to diversify its client base by selling its pharmaceutical products to hospitals. While doctors' clinics were dispersed across the city and could be located in small streets and alleys, hospitals were typically located in prominent, easy-to-access areas. Also, hospitals had separate procurement departments and procedures for purchasing drugs, with clear processes and personnel dedicated to the function—which was much less daunting for a sales representative than trying to access doctors in their busy clinics. Through discussion, we realised that women may be willing to take up a sales representative position if they had to work only with hospitals.

After further probing, it was found that the purchasing department of the hospital generally met with medical representatives either in the mornings or in the afternoons. This added a part-time (morning or afternoon) angle to the job description. Rather than tapping into a new applicant pool, the company decided to contact former female employees who had left on maternity grounds, and offered them this job category. Interestingly, the job category was named 'SHE' or 'special hospital executive'.

The results were exceptional. It immediately raised the percentage of women in the company's sales force and enabled it to reach out to a very different talent pool, i.e. young mothers. The company spent less on the part-time positions, training costs were lower because it hired former employees, and attrition was reduced because the women had chosen this category with full knowledge of what the job entailed. Finally, it resulted in greater loyalty and work efficiency as these women became strong ambassadors for the company. The company was able to serve its business interests and contribute towards a social cause at the same time.

Taking a competency view

Warren Buffett once said, "If past history was all that is needed to play the game of money, the richest people would be librarians." This also applies to how we make talent decisions. We often confuse pedigree with performance and background with future potential. No one wants to bet on nascent talent within organisations. What is ironic though

is that when it comes to pitching to investors and fundraising, bright youngsters from the very same backgrounds appear to be trusted and plead for greater tolerance for 'failure'— but when it comes to their turn as entrepreneurs, they have no patience with unproven talent.

The competency view becomes even more relevant in senior hiring, when companies are looking for work experience. Most HR departments prefer to hire applicants who have experience. For example, when hiring a professor, one can look for candidates who have been professors before. However, the belief that only a professor can be a professor is highly limiting. Instead, one can select the candidate on the basis of required competencies for the job, such as learning transfer, effective communication and classroom engagement, subject and industry knowledge, and research abilities. In the latter case, one is hiring on the basis of transferrable skills a candidate offers rather than on the basis of a rear-view mirror approach of having been a professor. So, does experience come first or does the job come first? The answer is neither—it is the competencies that come first. Competencies are transferable, experiences may not be.

Invest in people

We have held on too long to the 'resource' view of humans—something to be utilised and expended. Instead, we need to move quickly to the 'capital' view of people and
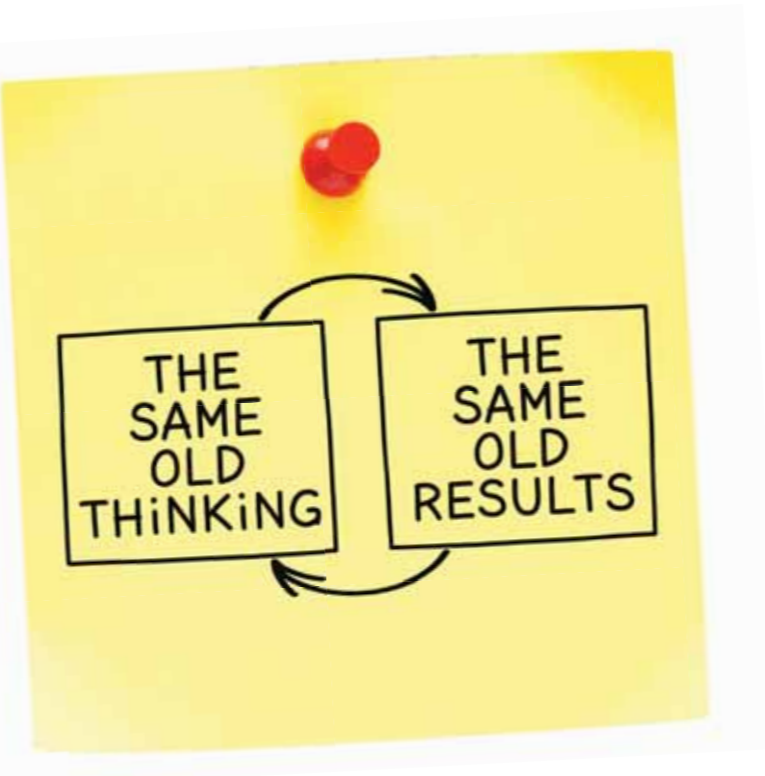
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understand that we must invest in people to make them more valuable over time. People can be grown (trained), expanded (developed) and harnessed (motivated) like no other capital—and yet we are stuck with a narrow 'accounting' view of people. Our answer to talent shortages will not come from wishing for a magical 'production' of talent from government-run skill factories. The answer instead lies within each company's leadership view of human capital. Identifying future skill needs, selecting raw talent, investing in proactive talent development and providing a level playing field are some of the things companies can do to address the alarming talent shortage.

All this is not to say that we have an abundance of talent and it is easy to find the right talent. But we may not be lacking talent as much as we fear. What we lack is a talent for recognising talent. We need to redirect our attention to finding, honing and harnessing what we already have. A more inclusive approach to talent, accurately identifying job requirements and communicating it, and greater willingness to bet on nascent talent and tapping uncommon talent pools, can significantly mitigate the talent shortages for organisations the world over. This is the way to widen the global talent pool and win the war against shrinking or invisible talent.

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References
[1] ManpowerGroup, "2018 Talent Shortage Survey," June 2018.
[2] Global Diversity Practice, "What is Diversity & Inclusion?"