

# HOW TO ELIMINATE BIAS IN HIRING

Building a fair and equitable workplace starts with hiring. Companies with a diverse pool of employees and an inclusive culture not only have higher levels of innovation, collaboration, and engagement, but they also outperform their competitors. Despite these obvious benefits, it's hard for managers to remove bias from the hiring process. They may think they are evaluating each candidate fairly, but [a study co-authored by Wharton professors Judd B. Kessler and Corinne Low](#) shows just how easy it is for subjectivity and implicit bias to creep in when managers are looking at resumes.

## THE RESEARCH

Using an innovative technique called “[Incentivized Resume Rating](#),” the study measured the preferences of recruiters hiring at the University of Pennsylvania. The study found that even for firms with a stated commitment to diversity, there was a disparity in how candidates were treated by race and gender. For firms hiring in STEM, a white male candidate with a 3.75 GPA was given the same rating as a female or minority candidate with a 4.0. And female and minority candidates were given less credit for prestigious internships and were rated as less likely to accept a job offer if one was made.

Here are four ways to **reduce bias** in hiring:

### 1 RECOGNIZE IMPLICIT BIAS

Kessler and Low think firms weren't intentionally discriminating, but rather that they aren't always aware how the name on the top of a resume shapes how they evaluate a resume. Says Low, “We're all aware of the biases that are possible with algorithmic hiring. What I think fewer people realize is that our brains are historically trained algorithms—they take in data from the world around us and use it in snap decisions. So, we need to recognize that if the data we're taking in is skewed, our decisions can end up biased unintentionally.”

### 2 SLOW IT DOWN

One way to cut down on the effect of implicit bias is to use slower and more objective evaluation methods, even in early resume screening phases, rather than going with gut feelings or snap decisions. Otherwise, firms may end up screening out the types of candidates they're looking for unintentionally! For example, Kessler and Low found that firms gave less credit for paid summer work than for unpaid internships, unintentionally excluding lower socioeconomic status candidates. Objective metrics like “All work experience counts, whether paid or not,” could help avoid this issue.

### 3 DON'T THINK YOU'VE SOLVED IT

Employers falsely believe that candidates of color and female candidates are harder to recruit and less likely to accept a job offer, which simply isn't true. One explanation for this persistent myth is that managers may think these candidates are in high demand because of the prominence of corporate diversity efforts. This may also explain why they gave less credit for prestigious internships when they appeared on female or minority resumes. In other words, thinking you've solved your diversity problem could be making it worse.

### 4 GET HELP

Firms can also use methods like Incentivized Resume Rating to evaluate whether their pro-diversity intentions are showing up in their hiring practices. The method can also be used to deliberately remove demographic preferences from resume screens. Firms interested in partnerships can [access the IRR tool here](#).



# LEARN MORE ABOUT THE STUDY

Although the study focused on top-tier employers who recruited from the University of Pennsylvania, the results are relevant for all organizations looking to establish goals for hiring diverse talent and measuring progress. Even firms with a demonstrated commitment to diversity must work to diminish bias in order to treat job seekers equally in the resume screening process. The study's key findings can help employers become more aware of their own biases as they review resumes or create algorithms to do that task for them.

## MEET THE **SCHOLARS**



**Corinne Low** is an assistant professor of business economics and public policy. Her research brings together applied microeconomic theory with lab and field experiments to study questions about gender, discrimination, and equity. She holds a bachelor's degree in economics and public policy from Duke University, and a Ph.D. in economics from Columbia University. She previously worked as consultant for McKinsey and Co.



**Judd B. Kessler** is the Howard Marks Professor in the business economics and public policy department. His research uses a combination of lab and field experiments to answer questions in public economics, behavioral economics, and market design. He holds a bachelor's degree in economics from Harvard University, a master's degree in economics from the University of Cambridge, and a Ph.D. in business economics from Harvard University.

**The Wharton Coalition for Equity and Opportunity (CEO)** The Wharton Coalition for Equity and Opportunity (CEO) creates research-driven solutions to help current and future leaders ensure equity in business relationships and leadership. Dean Erika James, who is Wharton's first Black and first female dean, is emblematic of a paradigm shift in executive leadership. She has launched the Wharton Coalition for Equity and Opportunity as the hallmark of her leadership commitment to diversity, equity, and inclusion. The initiative is being led by Kenneth L. Shropshire, Wharton emeritus professor of legal studies and business ethics. Shropshire is the former director of the Wharton Sports Business Initiative and former CEO of the Global Sport Institute.