SAP SuccessFactors ♡

SAP SuccessFactors Solutions

Develop a More Diverse and Inclusive Workforce
Using SAP® SuccessFactors® Solutions to Move Your Business Beyond Bias

THE BEST RUN **SAP**

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Foreword

Global organizations of all sizes have long discussed diversity, equity, and inclusion (DE&I). We've identified, and understand, the benefits of bringing together diverse perspectives and their effect on innovation and business results. We also know it's simply the right thing to do for our people.

However, we continue to combat systemic racism across the globe, and we need to do so much more to advance racial and gender equality, reduce economic disparities, and be active advocates for those who are marginalized.

There are countless instances of racism and discrimination that take place every day in the workplace. Consider these sobering statistics: almost half of Black women say they experience discrimination most frequently in the workplace, according to a recent study from **ESSENCE**. A November 2019 inclusion study conducted by **McKinsey** found that only 67 percent of employees say people of different backgrounds have an equal chance of being promoted and 69 percent an equal chance of being hired.

We must do better.

While we can all continue to learn, grow, and change, what I do know with certainty is this: Technology—specifically human resources (HR)

technology—has a leading role to play in helping organizations live and work by diversity, equity, and inclusive practices.

SAP has been working on putting this principle into action for quite some time. When we **introduced Business Beyond Bias in 2016**, our intention was to help customers optimize features within their **SAP SuccessFactors** solutions to eliminate inherent biases around age, race and ethnicity, differently-abled, and LGBTQ+ communities. All this **functionality** exists today.

Technology is just one important part to the solution. To make lasting change to workplace discrimination requires strong leadership—leadership with a clear and actionable point of view, a culture of learning and transparency, and a willingness to listen and discuss the issues with employees, customers, and partners, even when it's uncomfortable. At SAP, we have taken **a number of immediate steps** to rethink how we are addressing DE&I from the inside out.

These immediate steps are only the beginning. As an HR technology leader, and one that prioritizes meaningful and personal employee experiences, we understand the critical role we play to improve DE&I for our people and our customers' people. We can and will do more, and we commit to speaking about our efforts transparently and often.

Jill Popelka
President, SAP SuccessFactors

Introduction

Regardless of where you're located and what industry you work in, you've seen dramatic changes over the past decade in terms of whom you work with and how work is executed. Technology has linked us like never before, enabling us to work with people on the other side of the globe living in vastly different cultures. Economic forces have changed the age dynamic of our workforce, with people working longer and contributing to the global economy at a later age. Programs recognizing the impact of diverse talent on organizations have led to the inclusion of new populations in the workforce, ranging from individuals with disabilities to greater representation of women on boards. And technology plays a role here as well; the development of accessibility technology is predicted to result in 350 million individuals with disabilities entering the workforce by 2025.[1] In the United States alone, it is predicted that there will be no one dominant racial category by the year 2055, affecting the racial demographics of the workforce.[2] On a national and global level, the workforce is simply becoming more diverse in every way.

And yet the way we manage people has not changed significantly in decades. Many companies still recruit, hire, manage, develop, and reward employees using the same basic principles that were developed when the workforce looked very different–and much more homogeneous. We adopt processes to drive consistency and fairness, but meanwhile treat everyone as though they are the same. In this rapidly changing world, they are anything but. And, because harnessing a diverse perspective and abilities has become so critical to organizational success, we know we need to do things differently than we have in the past.

We also know that when this is done effectively, it pays off. Research suggests that gender-diverse organizations are 21% more likely to outperform their peers, and ethnically diverse organizations are 33% more likely.[3] Companies with gender diverse executive teams were 21% more likely to outperform on profitability, and 27% more likely to have superior value creation.[3] Improving parity between the genders could add US$8 trillion to the global GDP over the next decade,[4] and extending people's working lives could add US$3.5 trillion to the total GDP of the OECD countries in the long run.[5] Employees with disabilities tend to be more dedicated, stay on the job longer, have similar performance and supervision needs, and display less absenteeism than employees without disabilities–benefits that far outweigh the costs of accommodations for these employees.[6] Companies that include lesbian, gay, bisexual, transgender and queer (LGBTQ) employees outperform others in the

stock market by 3%,[7] and 78% of LGBTQ individuals, a group with US$5 trillion in annual spending power,[8] are more likely to buy goods and services from LGBTQ-friendly organizations.[8] Indeed, a major financial advantage of diverse organizations is their enhanced ability to understand an increasingly diverse customer base. The business case is not just there–it is staring us directly in the face. And with the rapidly increasing diversity of the global workforce, our only solution to ensuring we have the talent we need now and in the future is to find ways to attract, engage, harness, and include diverse people.

And yet diversity and inclusion remain a significant challenge for organizations, with only slow progress. Many companies still struggle to increase representation levels of diverse talents.

Big investments tend to go into programs and formal training that may increase temporary awareness among employees that diversity matters, but do not achieve much in the way of lasting change.[9] The outcomes of this approach have been disappointing and frustrating. Pay gaps between majority and minority groups continue to exist in many parts of the world.[10] Certain industries remain very segregated in terms of gender and other demographic characteristics.[11] And despite the growing diversity of the global workforce, leadership levels of most companies look strikingly similar to the male-dominated leadership teams of the past.[12]

Given that business leaders are increasingly recognizing the value of diversity, why do these disappointing diversity trends continue to vex organizations? One answer is that the solutions we have been focusing on, such as training, are inadequate for addressing the problem. Ultimately, who applies to work at our organizations, whom we choose to hire, how we choose to manage, whom we choose to expose to career-building development, whom we choose to reward and recognize, and whom we choose to promote into leadership roles are just that–choices. Diversity, or the lack of it, is a direct result of people making decisions about employees. On a global scale, these decisions appear to favor certain demographic groups more than others. This is often not intentional; our own unconscious biases cause us to have implicit ideas about what an ideal employee or leader looks like, and our decisions are made accordingly.[13] But diversity training approaches these biases as though they are conscious, or changeable through awareness. The fact that diversity remains a "problem" we have yet to solve indicates that the solution is not so simple.
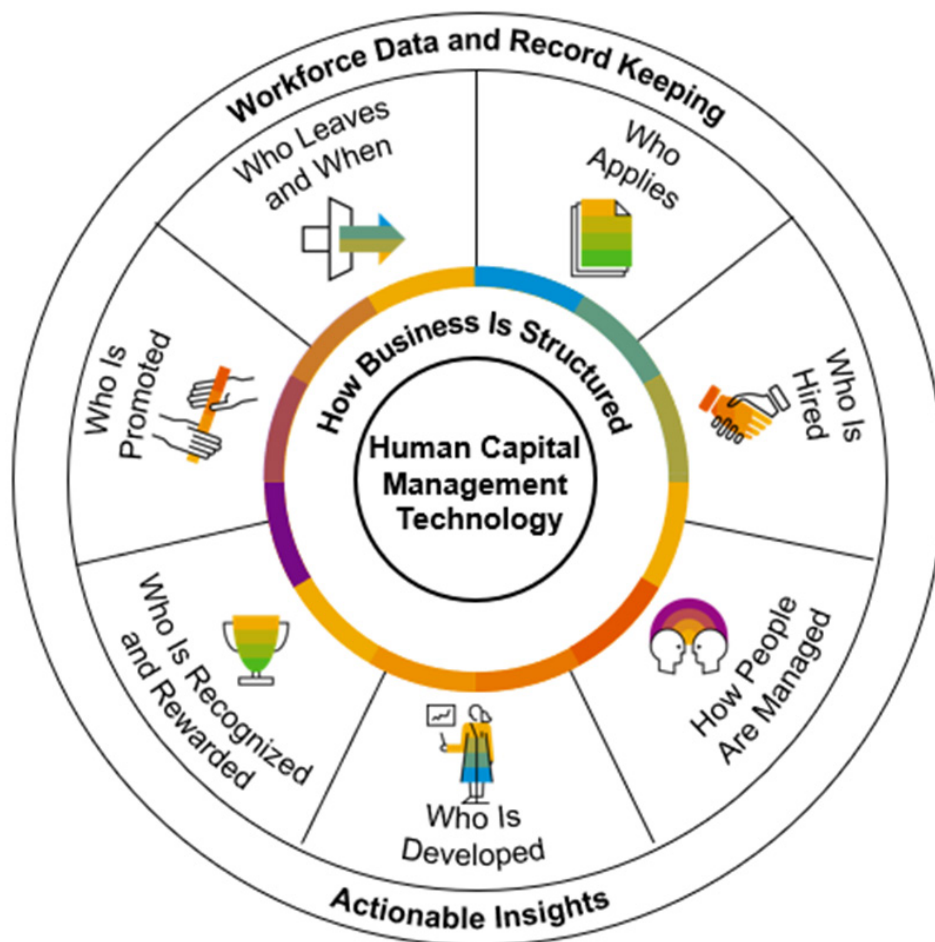
What organizations truly need in order to drive meaningful change in this important area are mechanisms, processes, and tools that directly influence how people make decisions. Business leaders need tools that provide them with relevant information at the point of decision, enabling them to rely less on gut feel about whether people "look right for a job" and more on job-relevant data, insights, and intelligence. Companies need tools that allow them to attract, engage, and harness all the best talent available in an increasingly diverse market. And in order to drive adoption of these tools, the tools themselves need to be intuitive and embedded into day-to-day operations. In the same way that Google has replaced traditional information seeking, these tools need to replace traditional decision-making methods when it comes to decisions that affect the makeup of an organization's workforce.

This is the vision behind SAP's Business Beyond Bias initiative. SAP SuccessFactors solutions enabling end-to-end human experience management (HXM) already support the full range of talent decisions organizations make, and do this on a day-to-day basis for more than 7,000 companies.[14] But to drive the most business impact in an increasingly diverse world, they must be used in a way that removes bias from those decisions, and supports processes that enable a diverse, inclusive workforce.

This document details many ways HR, managers, and employees can leverage features within SAP SuccessFactors HXM solutions to prevent, detect, and eliminate bias from their talent decision-making processes. Each section covers a piece of the larger HR landscape. Within each section, you will find research about how and why bias occurs in traditional approaches and processes, recommendations on how these processes can be executed differently, and concrete suggestions for how to use SAP SuccessFactors solutions to support those different, less-biased practices. In the appendix, you will find a variety of resources to help you implement and execute these recommendations in your solution. Although the document can be used in its entirety to guide more equitable, inclusive practices, each section can also be read on its own. This document, like SAP SuccessFactors solutions, was designed so you can start anywhere and go everywhere.

In today's rapidly evolving world of work, companies can no longer afford to continue doing things in the same way. The time is now to leverage tools, processes, and practices that will move your Business Beyond Bias.

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Laying the Foundation of Inclusion
Through Core HR Processes and Systems

When human resources leaders create strategic plans to address workforce diversity, they typically don't think of starting with their core HR systems. These systems were historically set up as static records of employee data, intended to facilitate the tracking and accessing of information and not to create workforce change. But core HR systems have evolved, and so too has their role in shaping organizational success. Companies are flatter, wider, and more dynamic than ever before. As a result, modern core HR systems have become highly flexible tools designed to support new ways of working. This makes them a unique and powerful tool for helping to shape and build more inclusive cultures, because we know that when it comes to harnessing diverse talent, the old ways of working simply don't work. Why?

Traditional job structures can be limiting for diverse talent. Up until fairly recently, a "job" was something carried out in the office for eight hours a day. Now we have the capabilities to provide opportunities for remote and flexible work and there are many different ways of doing business. Many core HR systems include basic data such as job requirements and job characteristics, including location and working hours. Often these systems have a default job structure that mirrors what is considered to be "normal." In many organizations this default continues to be a 40-hour work week conducted on location, even if this doesn't necessarily match the way many jobs are completed today. This can result in an overreliance on finding and keeping people who can perform the job based on the way it was traditionally designed (that is, full-time and on-site). It can make jobs appear less accessible to certain groups of people who have significant obligations outside of work, such as working parents who may be reluctant to take on a full-time role[1], or individuals with disabilities who in some cases may be more comfortable performing their work from home.[2]

Creating inclusive workforces may require reshaping how we think about the typical job. Is there a compelling reason an employee needs to be on-site full-time? In some cases there is, but in other cases the critical components of a job can be performed in a more flexible manner. Changes to the default job structure within a core HR system (for instance, setting expectations that jobs are virtual or part-time unless otherwise specified) can reframe core assumptions about what a person needs to do in order to be qualified for a role.

Traditional job family groupings can result in segregated data and poorly informed decisions. The core HR system is the central repository for all data related to how you manage your workforce. Inevitably, this data gets grouped into categories, such as job families and organizational levels. What companies rarely explore is the demographic breakdown of these categories. Consider the HR function in the United States, which tends to be dominated by women. If all HR jobs in a U.S. company are grouped together and individuals' salaries are then set compared to the group average, this female-dominated function may end up being paid less than other similar functions in the organization, perpetuating company-wide inequities in pay.

Organizations can leverage their core HR system to ensure job families and groupings are inclusive and representative of the kind of diversity they are trying to drive. Creating and using different job categorizations in the core HR system, such as grouping by geographical region rather than business function or organizational level, can decrease the risk of perpetuating existing workforce disparities.

Employee identification tends to be one-size-fits-all, which doesn't fit everyone. The core HR system is usually used to gather personal information about employees, such as their home address and start date. The kinds of information a company collects through its core HR system communicates to some extent what factors it believes are important (consider, for example, a company that collects information on the number of children each employee has and the message this sends). But the way the data is collected and eventually reported can actually indicate an inclusive–or exclusive–culture.

For example, if a global company inputs employee addresses in a U.S.-based format and communicates pay data exclusively using U.S. dollars, this sends the message to employees outside of the United States that their role in the company's culture is relatively minimal. As organizations become larger and more complex, core HR systems should be used flexibly to ensure data collection and storage aligns with employee preferences and expectations.

Core HR systems also tend to be the central repository for diversity-related data, such as demographic characteristics of an employee (gender, race or ethnicity, age). However, constructs around what it means to be "diverse" are changing. Consider the impact that a core HR system has when it simply labels gender as "male" or "female," or age as "millennial" or "non-millennial." These labels carry exclusive messages, particularly for those who don't fit neatly within those categorizations. Today's core HR systems need to be robust and flexible enough to allow collection and reporting of diversity data in an inclusive, comprehensive way.

Incomplete data provides an incomplete view.
One of the most pervasive workforce trends companies are facing is the rise of the contingent laborer.[3] Indeed, more and more people are providing expertise and skills to organizations on a project or on-demand basis. Yet, efforts to increase workforce diversity tend to completely ignore this group of workers because organizations rarely collect demographic data on them, even though they contribute to the organization's success and culture in much the same way that full-time employees do. If a company's contingent worker pool tends to be demographically homogeneous, this communicates something about the company's diversity practices and culture, even if the homogeneity is not intentional.

Given changes in the way we work, a company's core HR system should incorporate data related to all people who contribute to the organization, and not just those who work for the company in a traditional sense.

HOW CORE HR TECHNOLOGY IN SAP SUCCESSFACTORS SOLUTIONS ENABLES DIVERSITY AND INCLUSION

We've mentioned some ways organizations can ensure their core HR system foundationally supports an inclusive culture. The following are specific features and capabilities found within SAP SuccessFactors solutions that can be used to support diversity, equity, and inclusion.

Use localization services to communicate inclusion of employees in all geographic locations. Companies that use SAP SuccessFactors Employee Central as their core HR solution can use localization features to help ensure they are following local practices when entering employee data. In the image below, some of these features can be seen in action. Name data entry formats, for instance, can differ from country to country. In this case, the employee works in Brazil. We also see the address format specific to Brazil, as well as the employee ID that follows the company's Brazilian ID requirements. This format makes a much more inclusive statement than simply cramming this information into a U.S.-centric template.
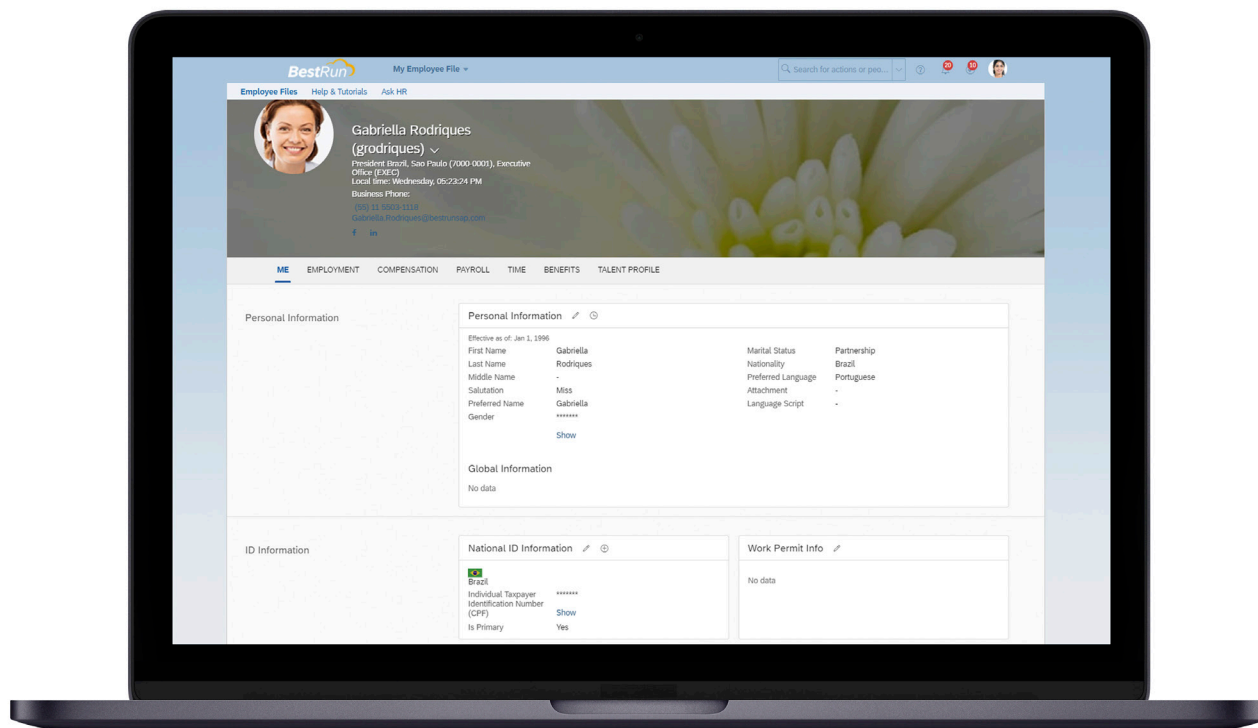
Additionally, SAP SuccessFactors Employee Central offers a name pronunciation feature that allows employees to record themselves speaking their own name, which other people can hear upon visiting their profile. This ensures coworkers and managers are referring to individuals accurately and in line with the individuals' preferences.
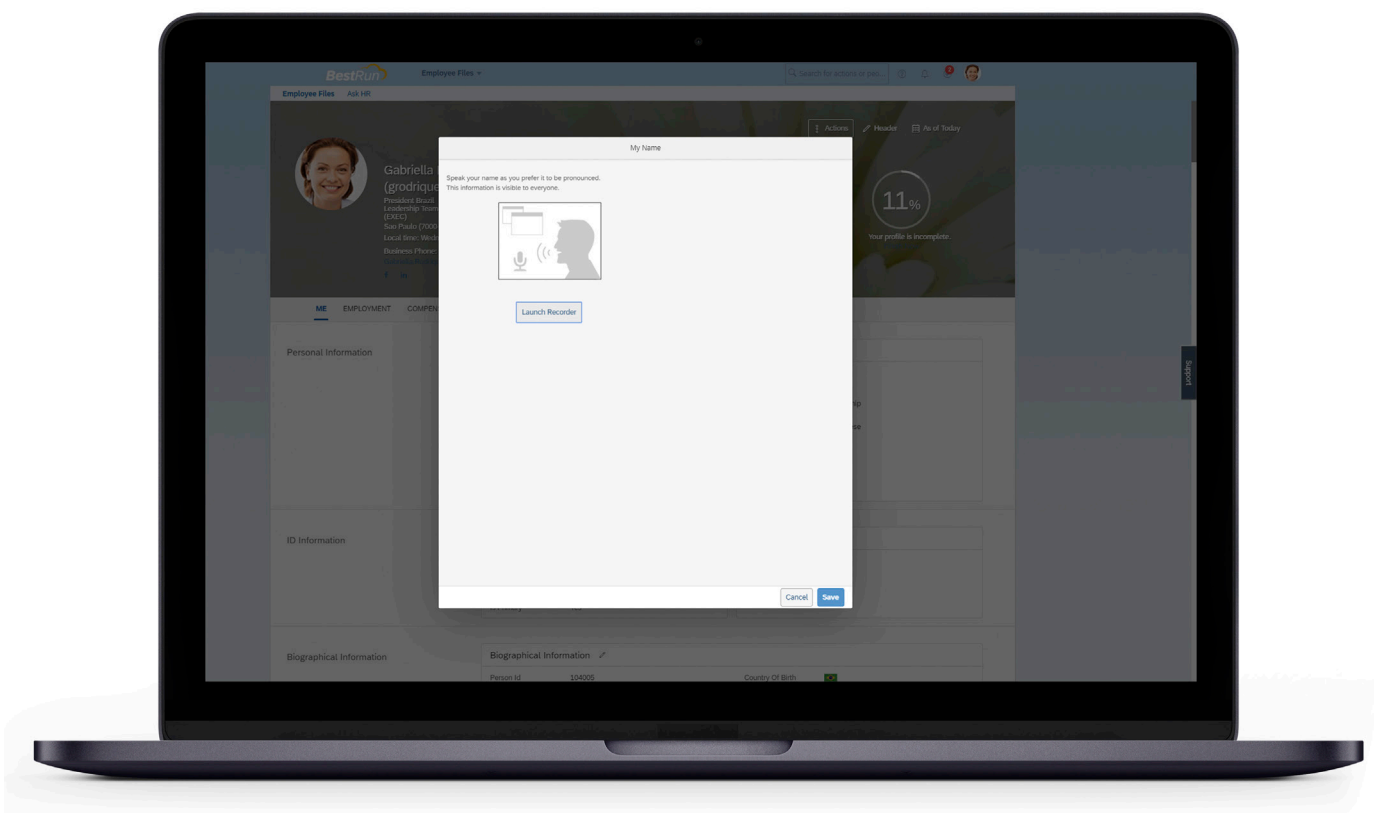

Localization features carry other advantages as well. Aside from allowing HR staff to easily see whether they are collecting data in a way that is legally appropriate and reflective of the region in which an employee works, these features allow employees themselves to exert some control over their workplace experience. Localization services allow employees to configure their HR system experience in a way that meets their preferences in terms of language, currency, dates, time zones, and bank information. Showing sensitivity to people's personal preferences communicates a welcoming appreciation for diversity in the workforce.

Collect diversity data in a way that aligns with what it means to be diverse. Companies can use SAP SuccessFactors Employee Central to collect critical diversity data on their employees, informing reporting, measurement, and development of a data-based diversity strategy. There is significant flexibility in how this data can be collected and input into the system.

When it comes to employee gender, for instance, categorization goes beyond traditional "male" and "female" to also include terms such as "non-binary / third gender" or "prefer not to say." Employees can self-select into these categories and determine how they want this information displayed, enhancing the degree to which they feel included and the control they have over how they identify themselves in the workplace.
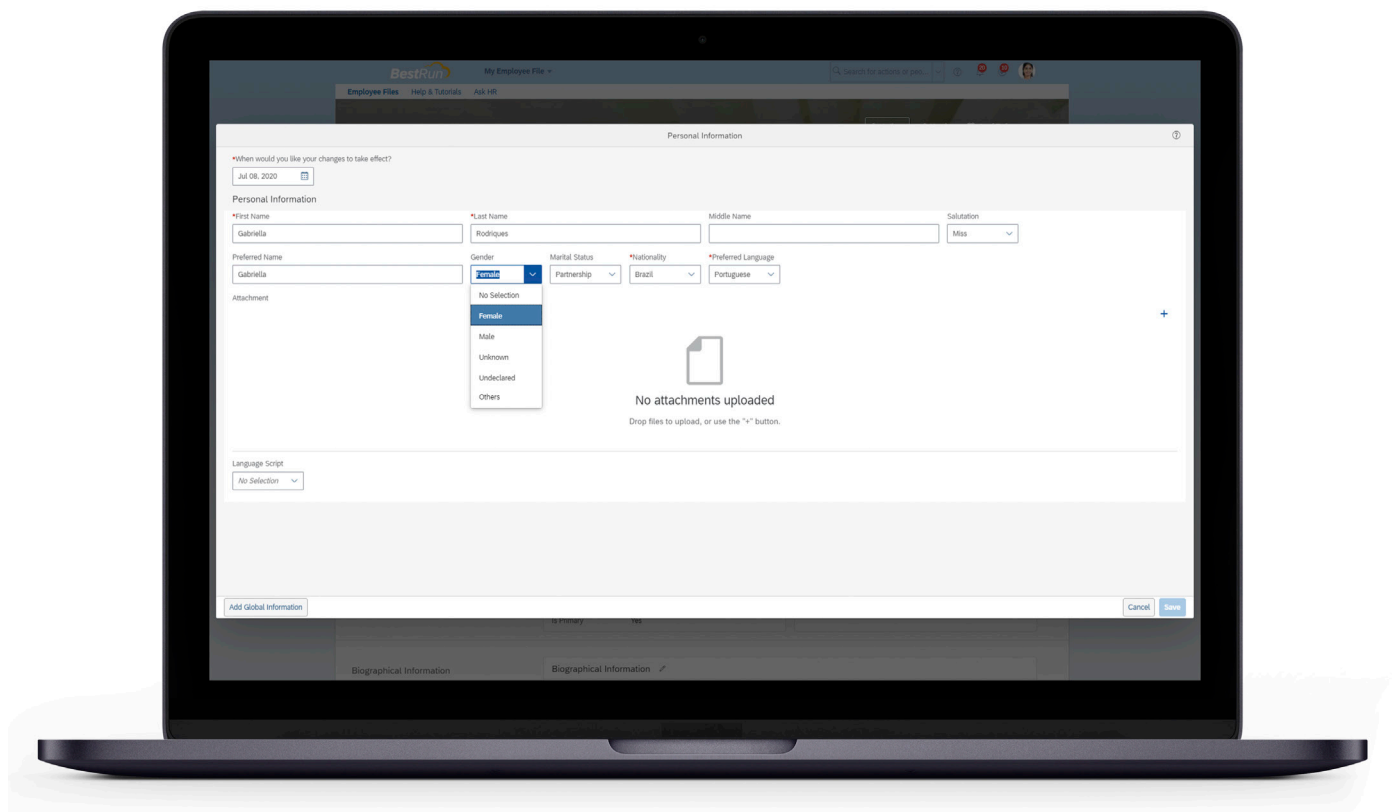
Ensure only job-critical components are associated with a role. We discussed the importance of a core HR system supporting flexible ways of working that go beyond the traditional job structure of the 40-hour, in-office work week. The job profile builder tool within the SAP SuccessFactors platform provides a range of tools to build appropriate job descriptions and requirements. This information then influences how the job is marketed and recruited, what a person in that role is expected to accomplish, and what skills and capabilities will make someone an ideal fit. Job structure elements can be recorded here as well, communicating to hiring managers and other stakeholders what the true requirements are for a job. For example, listing certain key skills and capabilities as requirements for a job, while ensuring historical hiring criteria such as physical location are not listed as necessary qualifications unless they are truly necessary to perform the role.
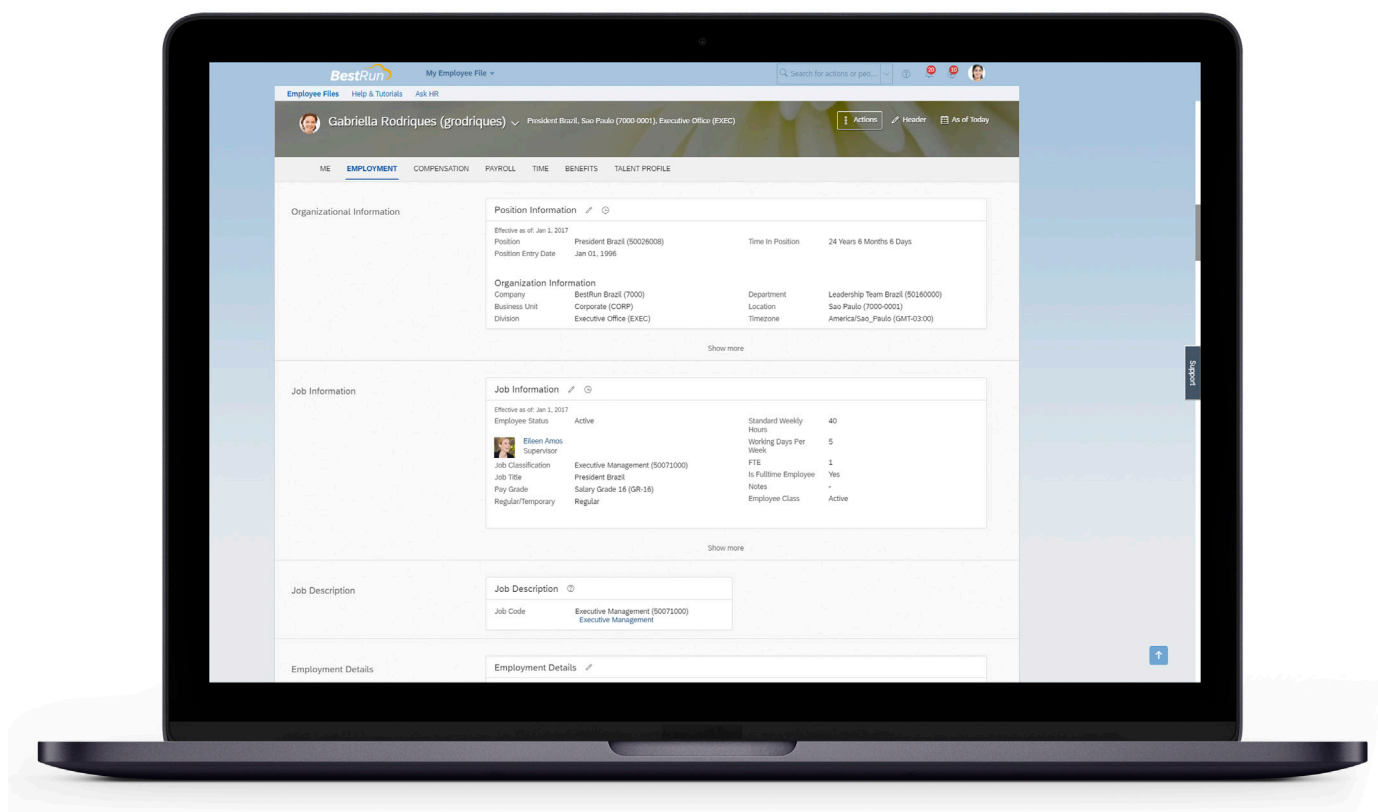
Make visible the diversity-relevant data that will best inform talent decisions. As discussed earlier in this section, core HR systems contain job family and group data that is used to inform how decisions are made about individuals. With SAP SuccessFactors Employee Central, companies can determine how they want to group people together as they input data. Additionally, they can determine how to make that data visible and consumable for people who will be making critical decisions about individuals.

In the image below, a manager is seeing an "employee snapshot" with critical information that can be configured by the HR team. This information relates to the employee's salary relative to the pay range of the referent group, and benchmark data. When the referent group is relatively demographically diverse and representative of the larger organization, this kind of insight forms the basis for managers to visualize and, if needed, act in order to ensure the individual is receiving fair pay.
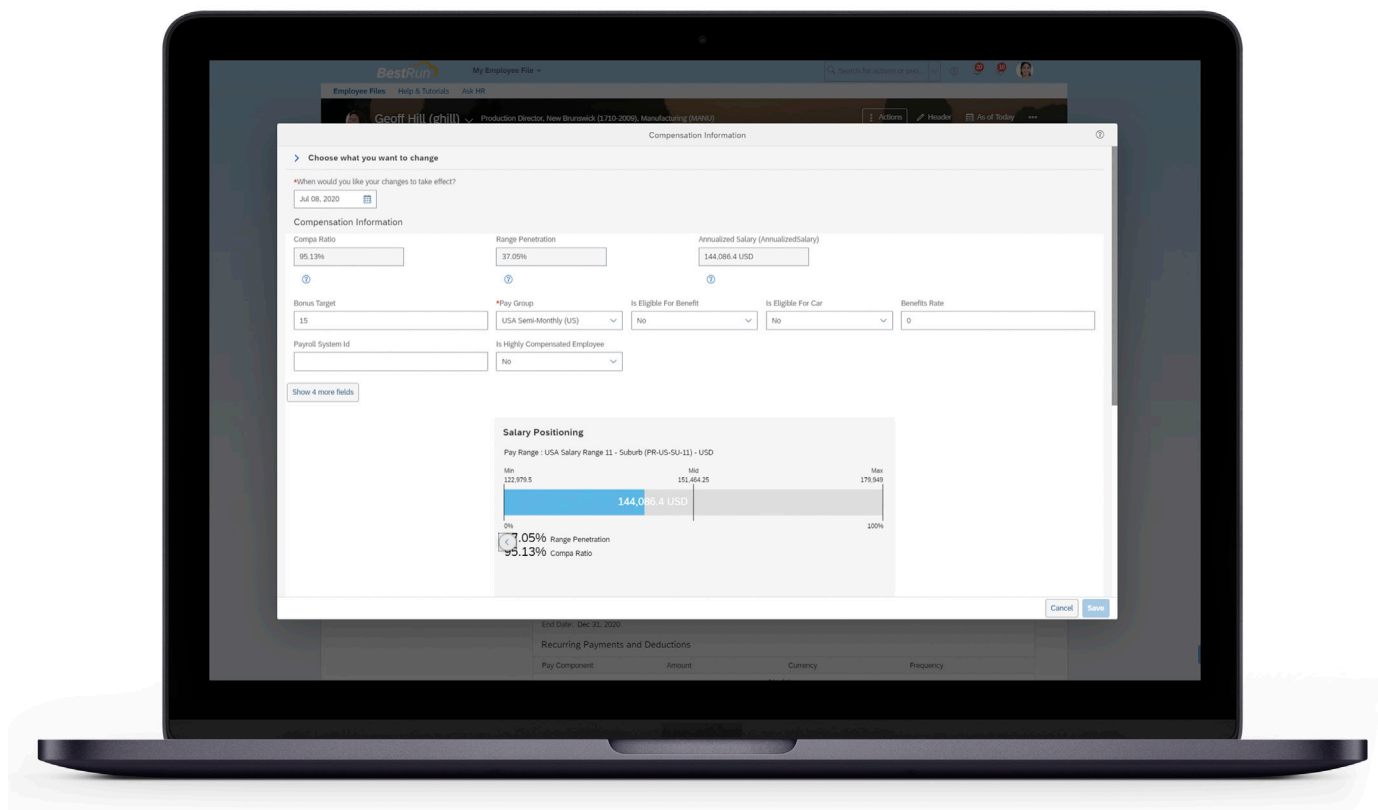
Include contingent workers in workforce analyses. The org chart within the SAP SuccessFactors platform is a quick and easy way for HR professionals, managers, and employees to see the structure, reporting relationships, and individuals that make up the organization. This capability extends beyond employees of the company to also include contingent and project-based laborers, allowing a more complete view of who contributes to the organization and how. In the image below, a team is visualized in the org chart, with a contingent worker included in the larger structure.
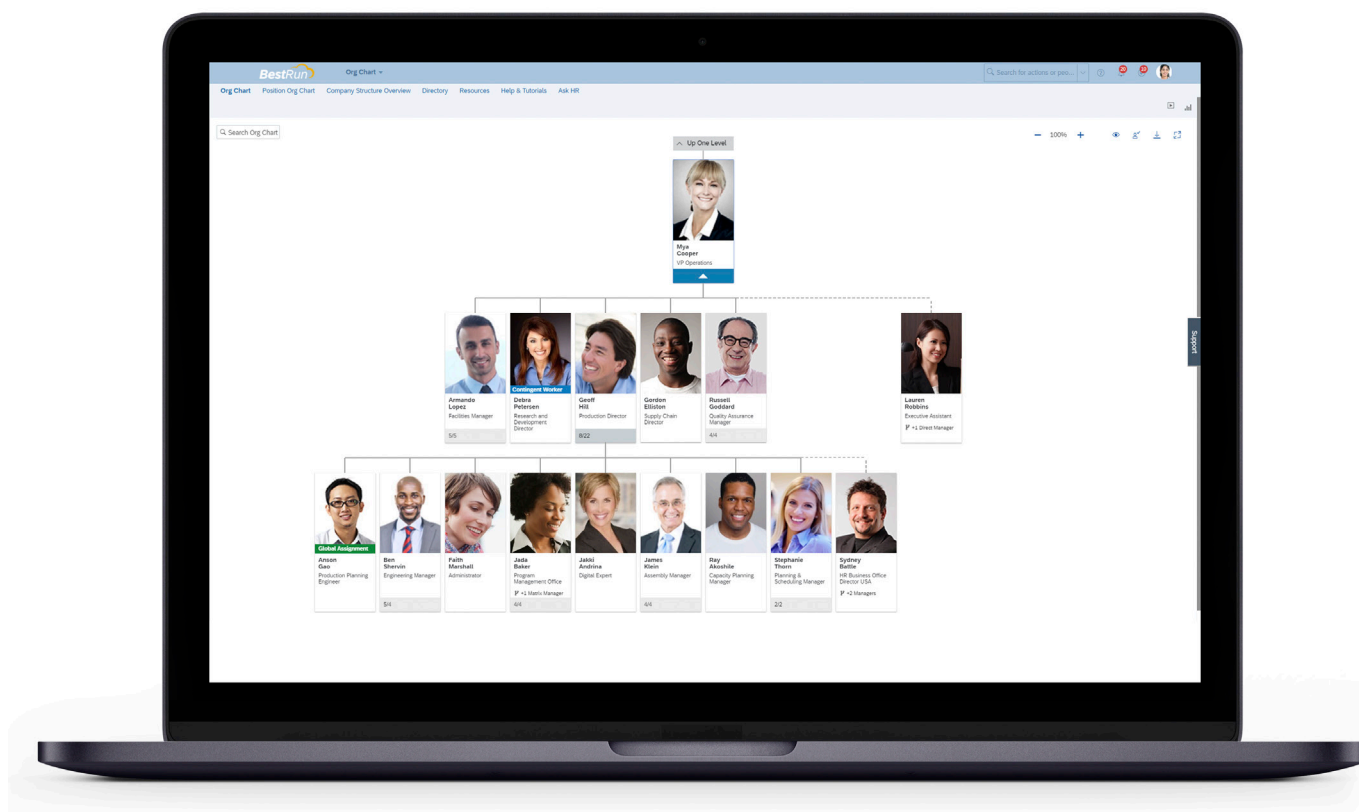
CONCLUSION

Foundational HR decisions have a significant impact on diversity, inclusion, and bias in an organization. Leveraging core HR system features to enable new thinking in employee identification, job structure, and data access and visualization is critical for engaging and including all the best and available talent.

How can you measure the impact of your diversity initiatives? Consider tracking the following metrics:

- End-of-period headcount by demographic group – The number of people employed by the organization at the end of the reported period, analyzed by the demographic groups the organization most seeks to affect
- Staffing ratio of various demographic groups (ratio of diverse to nondiverse) – The diversity balance of the workforce, for instance, the female-to-male staffing ratio or racial-minority-to-majority ratio
- Staffing ratio of various demographic groups (ratio of diverse to nondiverse): Managerial – The diversity balance of the managerial positions in the workforce
- Age or generational composition of the workforce – The relative number of employees within each age category or generational group
- Age or generational composition: Managerial – The relative number of managers within each age category or generational group
- Staffing rate: part-time by demographic group – The number of part-time employees as a percentage of the total workforce, analyzed by the demographic groups the organization most seeks to affect (for instance, female part-time employees as a percentage of the total workforce)

Note that these metrics will differ depending on the demographic groups the organization most seeks to affect. "Diverse" may mean different things for different companies.

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Generating Actionable Insights
from Diversity Data

Technology is one of the single most influential factors on how we work today. Because technology has become so pervasive in all aspects of organizational functioning, company leaders now have a wealth of data they need to analyze to remain competitive. When it comes to the workforce, technology has enabled us to get a better, more accurate view of the people who work for us than ever before. This has obvious implications for diversity. If we're able to see who works for us, then we are able to see where we are achieving a more diverse workforce–and where we will have some work to do.

Many companies have started analyzing and reporting on diversity numbers, at least internally (although, given recent media pressure, some companies have begun reporting externally as well). But, even though this practice is becoming more and more common, workforce diversity remains a challenge for organizations. So, we know simply measuring the numbers is not enough to truly drive change. Why?

Diversity data can create a liability. Companies may seek to better understand their diversity numbers through analytics, getting an accurate picture of women, minorities, and other under-represented groups across the organization. The issue is, in some countries it is not always advisable, or even legal, to ask about and record sensitive demographic information about individuals. Gender in the traditional male-female categorization is legal to ask about in just about every region of the globe, but nontraditional conceptualizations of gender are not so clear. In some parts of the globe, LGBTQ status itself is illegal, let alone companies seeking that information from their employees and then storing it. Even in regions where it is legal to ask employees to contribute this information, they may be hesitant to do so due to fear of discrimination, despite the fact that this information could be instrumental in helping the company shape strategy around providing inclusive work elements, such as domestic partner benefits.

Individuals with disabilities face a similar dilemma when deciding whether or not to disclose their disability, despite legislation in many parts of the globe prohibiting the exclusion of this group. In some regions it is illegal to ask about race and ethnicity, and even when it is legal, these categorizations may still be different than how people identify culturally. Employee age can be complicated as well. It is legal in most countries to collect age information, but despite older employees being a legally protected class in many nations, age discrimination is still evident in the workplace.[1]

Business leaders need to be very familiar with the data collection laws in the regions in which they operate. It can be tempting to collect a range of diversity data in an effort to inform diversity policy, but simply asking for and having this information can create legal liability as well as employee discomfort.

Another issue arises when business leaders use diversity data to uncover issues across the HR lifecycle. For instance, if an HR leader generates a report suggesting that men are systematically paid more than women in the organization, there is now documentation of this issue. It is one thing to have an equity problem and be unaware of it; it is quite another to have evidence of this problem and be perceived as failing to take steps to address it. In short, organizations need to ensure they have a plan for addressing the diversity-related issues they discover.

Data is difficult to interpret. It is easy to be overwhelmed by workforce data. Simply knowing what to focus on can be a challenge. Making sense of the data can be difficult, particularly if the company has no basis for comparison or benchmark to define whether certain numbers are "bad" or "good" relative to other similar companies. Incorrectly interpreting data, or focusing on one set of numbers while overlooking another, creates the risk of leading decision makers in the wrong direction. Diversity numbers can be misleading as well, especially when a diversity strategy is not realistically defined. If a company employs relatively few women but also operates in a market that has relatively few women participating in the workforce, this does not necessarily indicate that bias has taken place. The context of the data must be considered when drawing any conclusions about its meaning.

Data is rarely provided at the right time when it comes to affecting diversity. Even with advancements in workforce analytics technology, when it comes to workforce data reporting, reports and data outputs are not always used effectively. Workforce numbers are often presented in reports during meetings or through processes that are separated from the actions driving those numbers. Consider, for example, a manager who unintentionally provides bonuses and rewards to her team members in a way that results in employees with disabilities being paid less. She, of course, realizes that equity and fairness are important, but unless she has data during the process of adjusting people's rewards so she can monitor how her decisions affect the members of her team, she may be unaware of bias, and thus unable to change her behavior. If she is given a compensation report after the fact (which is the most common practice in organizations today), she might be able to spot the inequity, but damage to employee morale and retention has likely already occurred.

Perhaps this is why data alone does not change behavior. If it did, we would have seen advancements in workforce diversity mirroring the advances we've seen in workforce analytics technology and practices. In subsequent sections of this document, we cover the ways unconscious bias–completely outside of their awareness–influences managers and business leaders to make decisions about talent that are rooted in implicit conceptualizations of what success looks like. But for the purposes of understanding the specific influence of data on behavior, a major issue is that it simply isn't provided at the right time, when managers are making these decisions. Instead, it's provided to managers long after their decisions have been made and the workforce has likely been affected.

HOW SAP SUCCESSFACTORS WORKFORCE ANALYTICS AND REPORTING ENABLE ACTIONABLE INSIGHTS IN DIVERSITY, EQUITY AND INCLUSION

Here are ways SAP SuccessFactors technology can help ensure workforce data effectively affects diversity strategy, planning, and decisions.

Quickly visualize your company's diversity data, now and in the future. One of the reasons data interpretation is so difficult is because data reports need to be manipulated so that key findings and trends clearly show. Companies can use the SAP SuccessFactors Workforce Analytics solution to generate these kinds of visuals automatically, quickly identifying the information found in their data. The "investigate" functionality,

in particular, allows HR leaders to visualize data over time, and even forecast what the data will look like if current trends continue. The example below shows a company in which the number of minorities hired has been decreasing in recent quarters. This data can be plotted in the same graph as retention data, showing in this case that quarter over quarter, the company is also losing minority employees. If these trends continue, after two quarters the organization will be almost entirely non-minority. While it is not immediately obvious from this image why these trends are occurring, the ease of interpretation provides a good foundation for where the company needs to focus quickly: on practices that will better enable it to hire and retain minorities.
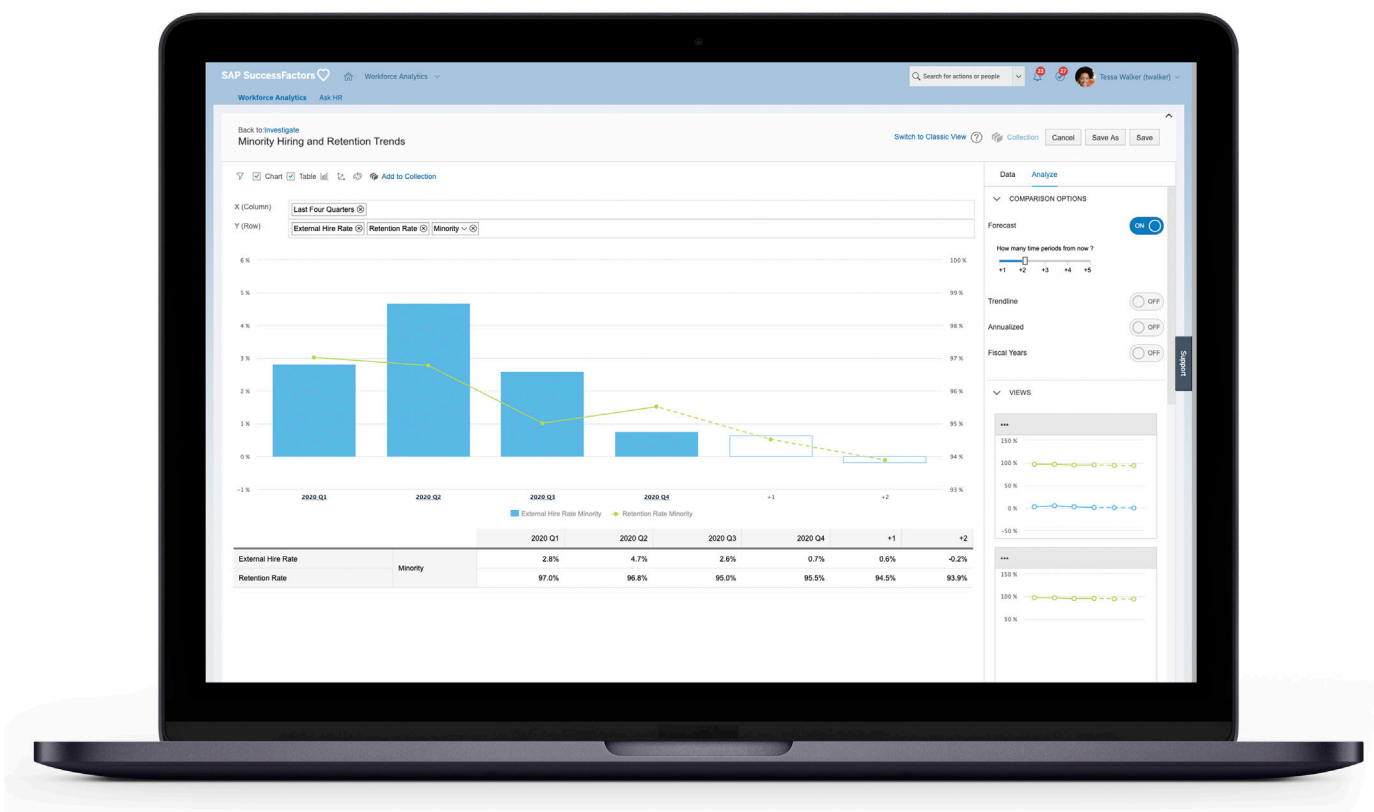
Utilize benchmarks with SAP SuccessFactors Workforce Analytics as a basis of comparison. SAP SuccessFactors Workforce Analytics contains more than 14 pages of key performance indicator benchmark reporting options that enable companies to determine where they stand on key metrics in comparison to other organizations. These standardized reports make it easy to quickly and consistently track diversity performance on a variety of dimensions, informing a basis for action where it is most needed.
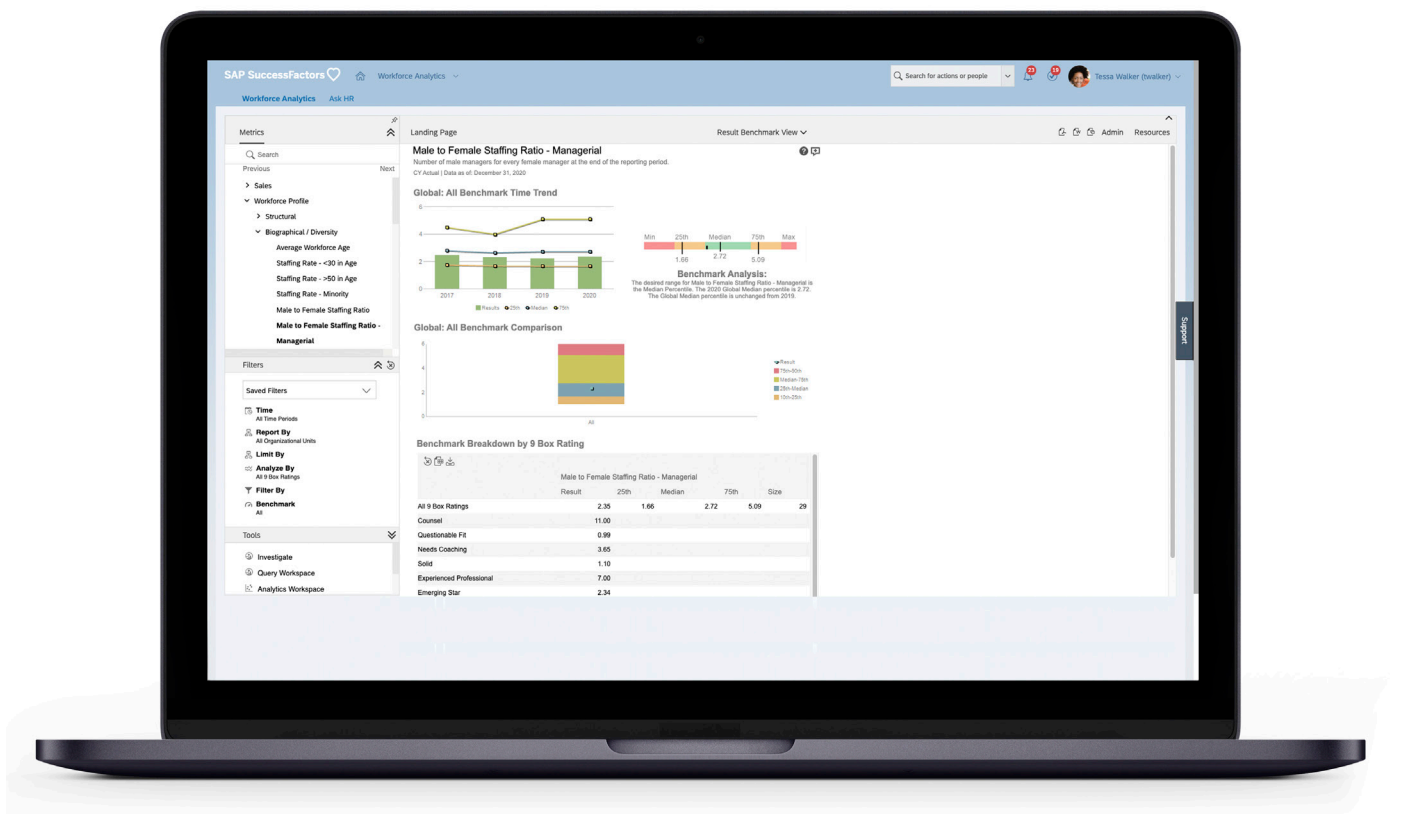
Leverage capabilities within SAP SuccessFactors Workforce Analytics to analyze and report on the metrics that matter. There are several ways SAP SuccessFactors Workforce Analytics simplifies diversity data analysis and reporting. First, the diversity template can be configured to show the data that matters most for your organization's diversity strategy. The template can then be easily refreshed over time to contain the most accurate, up-to-date numbers.

Additionally, diversity metrics can be brought into the dashboard in SAP SuccessFactors Workforce Analytics, so current trends and data can be seen on key metrics every time an HR leader enters the system. Companies can configure these dashboards to help ensure the most important metrics are prominently displayed to reinforce the company's diversity strategy and goals.
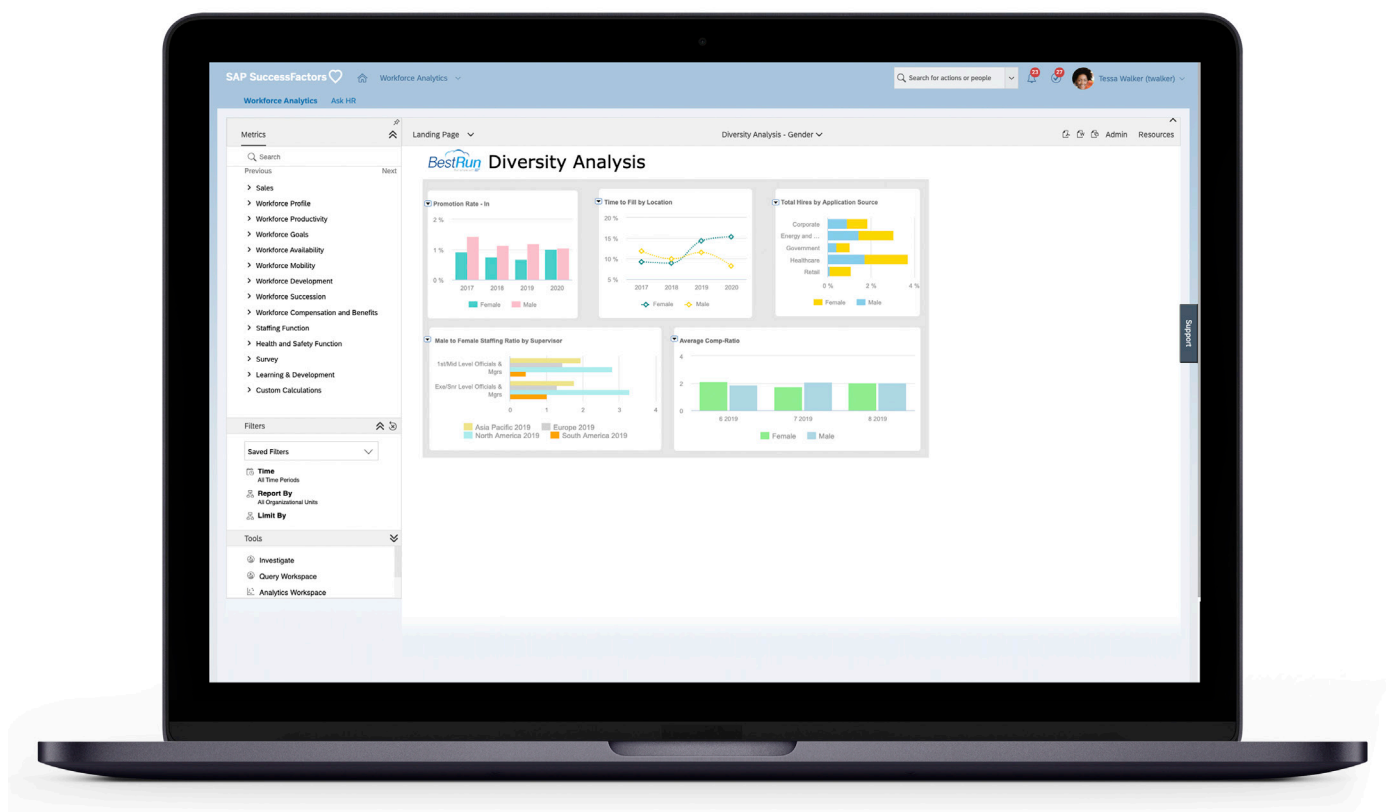
Provide relevant data at the point of decision. SAP SuccessFactors Workforce Analytics can be integrated with other SAP SuccessFactors solutions to provide data directly to decision makers responsible for staffing, performance, and compensation decisions as part of ongoing talent processes. Managers can access data and relevant reports as they use different parts of the solution to inform their decisions around hiring, performance management, development, compensation, and promotion of the people on their teams. The value is that the data is presented at the same time they are making decisions, so it can influence decisions as they are made. System administrators can determine which metrics to pull in to each solution and who is able to see them.
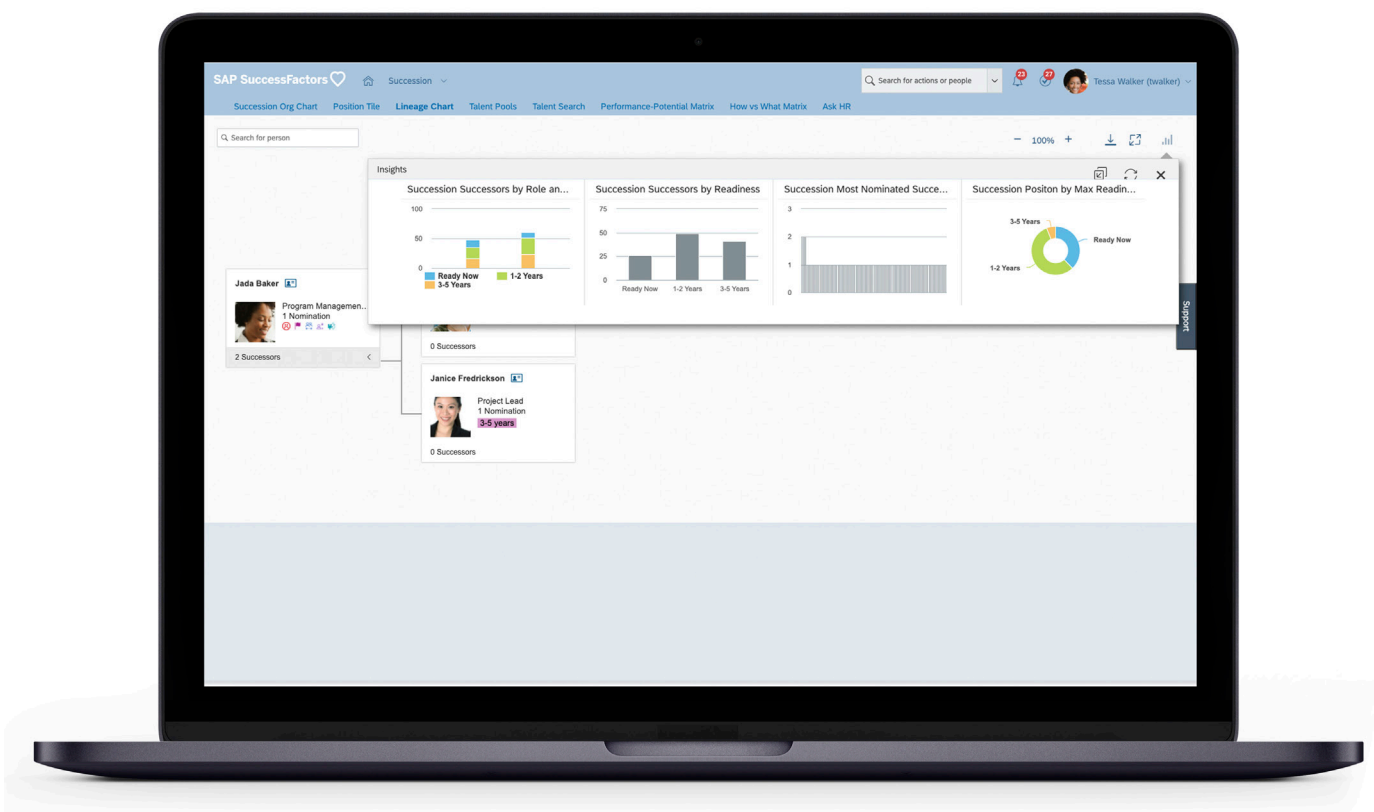
CONCLUSION

Workforce data should inform the diversity strategies of organizations. The challenge is ensuring business leaders have access to the data, interpret it correctly, and act on it. Quarterly or annual reports are good for tracking the impact of past decisions, but are poor tools for influencing future decisions. To truly maximize the value of workforce analytics technology, it is crucial that data be woven into processes used to make employment decisions in a way that will support a more diverse, inclusive workforce.

A key advantage of having a sophisticated workforce analytics solution is that you can gain insight into not only who is currently in your organization, but also who is leaving and when. The SAP® SuccessFactors® Workforce Analytics solution has a range of turnover and termination metrics that HR teams can analyze to determine whether organizational practices are resulting in the disproportionate loss of diverse talent.

Some examples of metrics that can be tracked in this effort include:
- Voluntary termination rate by demographic groups – The relative rate at which different demographic groups leave the organization
- Average workforce tenure by demographic groups – The relative length of time that different demographic groups stay in the organization
- Employee engagement by demographic groups – Average engagement scores across different demographic groups

Within the solution, these metrics can then be compared to other people analytics generated by processes we will discuss in subsequent sections, such as average performance ratings, salary, and promotion rates, to determine whether bias may be influencing these key decision points, and whether this is causing certain groups of people to leave.

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Eliminating Bias in Who Applies and Is Hired: Building a Diverse Workforce

Focusing solely on recruiting is an incomplete method for creating enduring workforce diversity, but it is a critical first step. The global workforce is becoming more diverse by the day. Without a mechanism to ensure diverse candidates are not only recruited, but have a fair chance at being hired, your organization will quickly fail to attract the talent it needs. And in a world of widening skills shortages, this is not only detrimental, but can be disastrous for organizational success.[1]

Unfortunately, the use of traditional recruiting and hiring practices could actually impede organizational efforts to attract diverse talent.

What issues can traditional practices cause?

Career sites and other first-impression recruiting messages can communicate exclusivity. In today's increasingly social world, candidates are often aware of an organization's reputation and culture before they ever pursue a job at that company. A company that markets its diverse, inclusive culture will be more successful in attracting diverse talent. The opposite is true as well—if a company's recruiting site, images, and other information convey that only one kind of person is likely to be successful, other kinds of

people will be deterred from pursuing the opportunities presented. Most employees say that an employer's policy on diversity, equity, and workforce inclusion is an important factor when deciding whether or not to work for them.[2] Consider the implicit message sent by a recruiting site that shows images of men in the boardroom and women behind the reception desk, or exclusively young, able-bodied people in the workplace. Career-site design directly affects initiatives to recruit female leaders, older workers, individuals with disabilities, and other diverse candidates. Organizations should use first-impression recruiting events as opportunities to convey an inclusive culture.

Companies always use the same tried-and-true recruiting sources. Often organizations find successful hires from certain recruiting sources and continue to use those same sources when looking for new talent. This is a good, data-based practice, but given how rapidly the labor market is evolving, it can also lead organizations down a path of recruiting disproportionately from certain demographic groups.[3] Companies seeking to find and attract diverse talent should consider analyzing the recruiting sources they regularly use and using this information to determine whether to consider leveraging additional, different sources for talent.

Job descriptions are written using biased terminology. Recruiters often advertise jobs using phrases such as "Work for our dominant firm!", "Thrive in a competitive environment!", and "Crush the competition with us!", because this language is thrilling and allows job candidates to see how exciting the position can be. Unfortunately, considerable research has shown that some of these phrases can repel certain demographic groups from applying. For example, using too many "masculine-type" words (like ambitious, aggressive, challenging) in job postings, can repel female candidates from applying for these jobs.[4] Further, there are words and phrases that can communicate exclusivity toward individuals with disabilities ("energetic," "on-the-go"),[5] and older workers ("recent grad," "fresh").[6] In short, the words used in a job description matter. Organizations seeking to attract a more diverse workforce need to build awareness of the kinds of words and phrases that may impede them, and replace these with more inclusive language.

Candidates are unfairly judged because of diversity indicators. We'd like to believe that we are good at identifying the best match for open positions by looking at the skills, capabilities, and experiences listed on a resume. But unfortunately, research suggests that we tend to focus on other, irrelevant, information too.[7] Many studies have shown that when identical resumes–that differ only in demographically identifying information such as candidate name and group affiliations–are sent to organizations, such diversity can hinder chances of being considered for a position. Applicants with female names,[8] non-white-sounding names,[9] disclosed disability,[10] and LGBTQ group affiliation[11] have significantly reduced chances when it comes to getting a callback for an interview. In fact, simply reporting membership in an LGBTQ-friendly association hurt candidates' chances even when they were slightly more qualified than their nonaffiliated counterparts.[11]

The influence of subconscious bias on candidate evaluation is not limited to resumes. Reviewing job candidates' social media accounts, either through formal or informal processes, has become a pervasive practice in the recruiting space. Research conducted in the United States has shown that indications on social media that a candidate is Muslim results in a 13% lower chance of that candidate being called in for an interview.[12] This supports findings from Germany revealing that women wearing headscarves (revealed via a photo attached to the resume) tended to be discriminated against, especially, when applying for high-skilled jobs or jobs with more customer contact.[13]

What can companies do about this? Many job applicants are aware that revealing true, personal information in a resume can impede their chances of being considered for a position. This is why experienced older workers sometimes omit skills, experiences, and even educational attainment in their resumes—they don't want to reveal themselves to be old-timers in cultures that value young, fresh talent.[14] So one option is to encourage job applicants to obscure the things that may reflect that age or background.

Another option is to provide tools and methods that obscure demographically identifying information from the people making the hiring decisions. This practice is sometimes called "anonymous recruiting" and has been shown to have some effectiveness in aiding in the selection of a more diverse workforce.[15] But this can be quite different from existing practices, and difficult to implement in organizations. And it cannot replace deep, transformative, cultural work.

A third option is to ensure that hiring managers, interviewers, and other people involved in reviewing job application materials are properly trained on what truly matters for filling open positions, enabling them to focus on the skills, capabilities, and competencies that indicate someone will be successful in a given role. This is not just a good practice from a diversity standpoint, but a good practice in ensuring your business leaders are making effective hiring decisions overall.

Interviewers and hiring managers are unconsciously biased. All people are biased to some extent, including interviewers and hiring managers. People carry internal assumptions about what a "typical" or "ideal" person looks like for a certain role, and this can influence their perceptions of a candidate, even if the influence is unintentional. Some of these assumptions are built around the status quo. If a certain kind of person was effective in that role in the past, the people hiring for that role are more likely to view the same kind of person as the best option for filling that role in the future. But if interviewers and hiring managers are enabled and understand how to focus only on components critical to success in the role in the hiring process, they will be better able to make an unbiased hiring decision.

Hiring decisions tend to favor good interviewers, not good candidates. The purpose of a job interview is to assess whether a candidate is a good fit for a role. Unfortunately, research has found that some personality characteristics can influence this process heavily, and these personality characteristics are often associated with specific demographic groups. Based on statistical stereotypes, men tend to be associated with a potential higher productivity compared to women, which leads to more positive interviewer impressions even if qualifications between male and female applicants are identical.[16] The job interview can also be difficult for individuals with disabilities. People on the autism spectrum, for instance, may socialize differently and therefore seem less sociable in a job interview, which can impede their chances of being hired even if they are well qualified for the role.[17] Although the job interview remains an important component of the hiring process, the people doing the interviewing have to be well trained to identify skills and competencies that will predict success in a role, and not be influenced by a candidate's extraversion or sociability, especially when these are not important aspects of completing the job successfully.

HOW SAP SUCCESSFACTORS HELPS ELIMINATE BIAS IN RECRUITING AND HIRING

We've mentioned some ways companies can ensure they are effectively attracting and hiring diverse talent. The following are some ways SAP SuccessFactors technology can support these efforts.

Leverage career site builder to deliver inclusive recruiting messages. Companies can use the career-site-builder tool in the SAP SuccessFactors Recruiting solution to develop recruiting career sites that send a message of inclusion. With this tool they can combine a variety of content and engagement elements to clearly communicate an inclusive culture. Dedicated landing pages can reinforce the company's focus on diversity and inclusion, helping recruiting leaders to ensure all candidates feel welcomed and excited about exploring potential job opportunities.
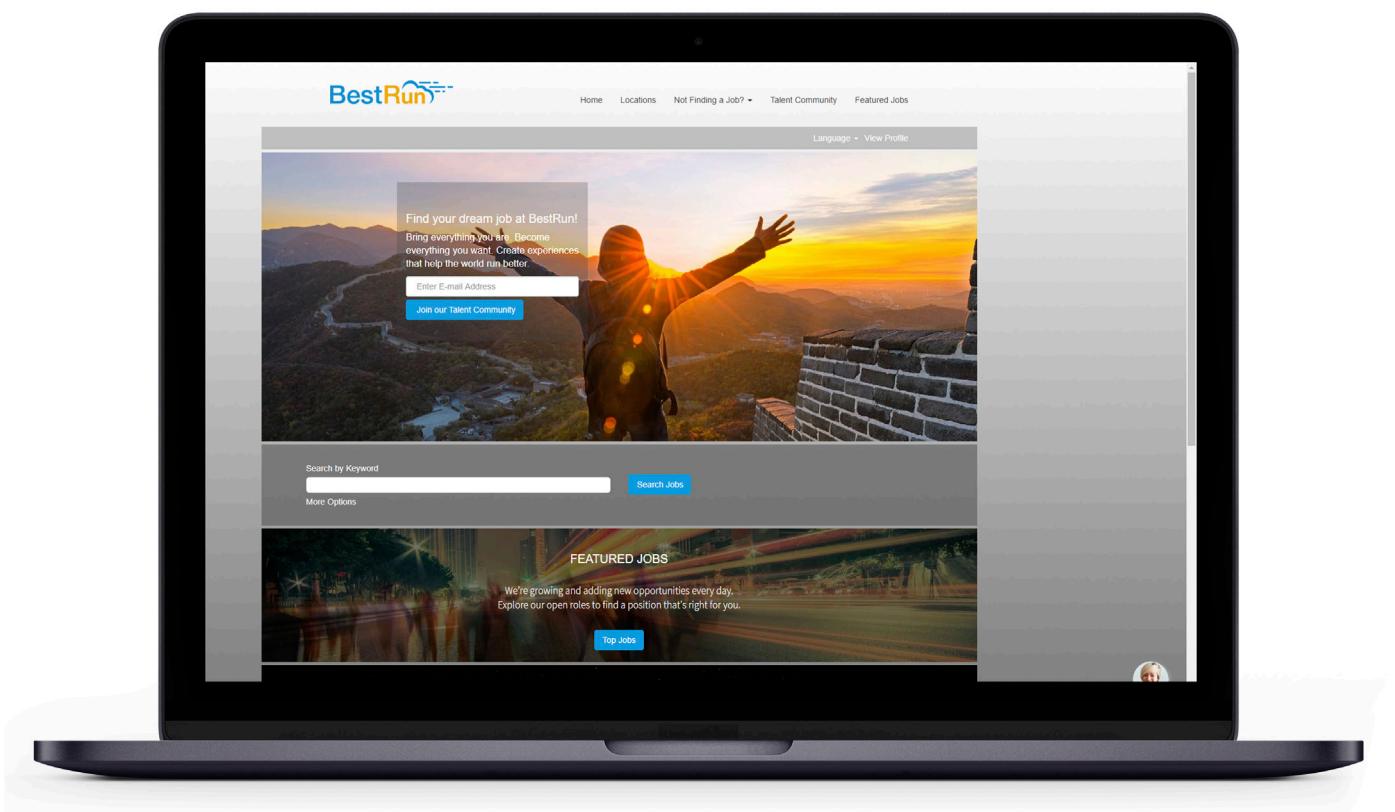
Leverage recruitment reports to help ensure an inclusive sourcing approach. Within the recruiting tool, companies can access analytics to evaluate the reach and performance of recruiting sources. While this provides insights into key metrics, such as which recruiting sources have yielded the greatest number of hires and associated sourcing cost, it can also be leveraged to evaluate the diversity of the company's sourcing methods. Understanding if specific sources are more prone to attract a specific type of talent, and identifying the need to extend the sourcing reach to ensure all talent is included, are key to building a diverse pipeline of candidates.
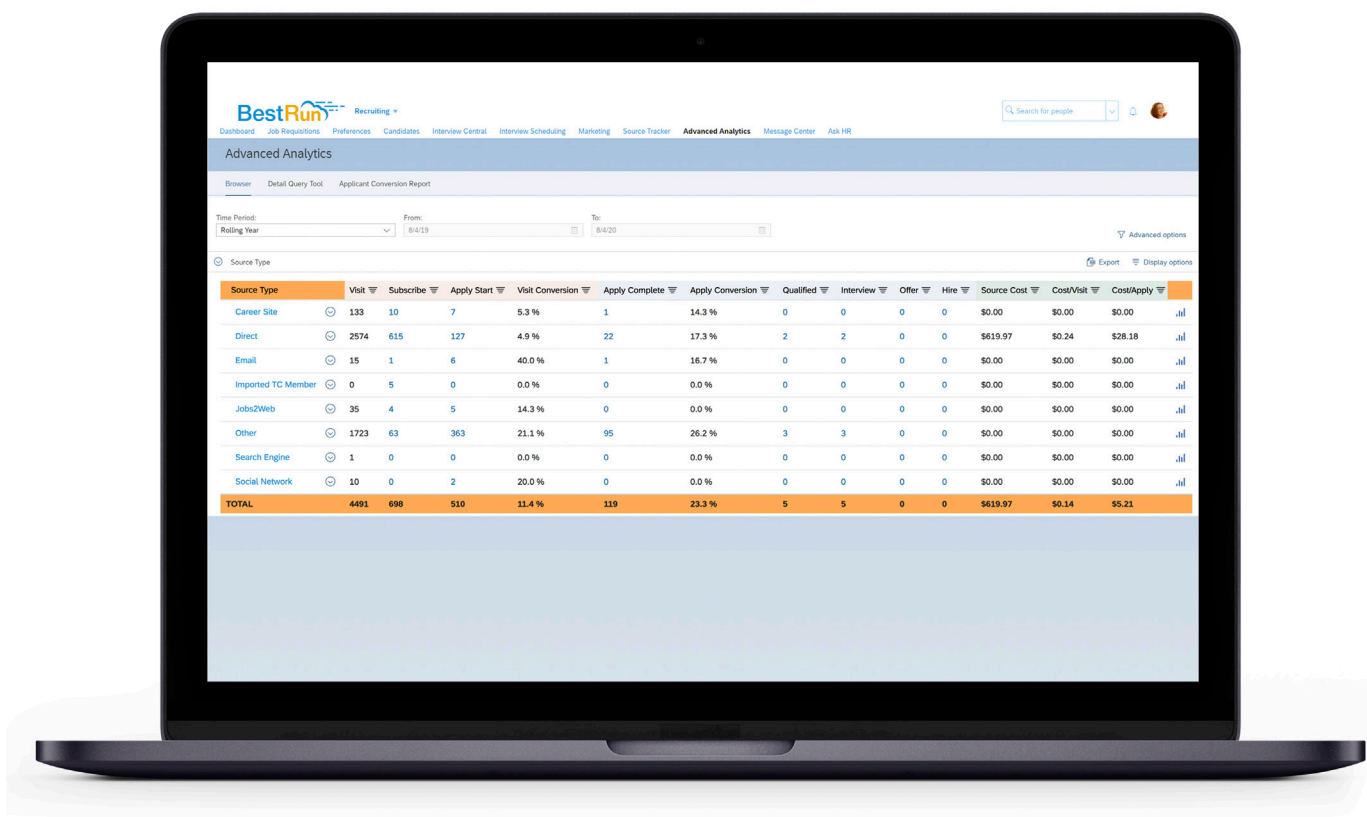
Rely on job profile builder information to form the basis for a job description. Earlier, we discussed the value the job profile builder tool within SAP SuccessFactors solutions provides for defining the critical aspects of a role. Information from this tool can give recruiters a starting point in crafting the job description, helping them ensure they avoid highlighting skills and capabilities that are not truly necessary for success in the role (a practice that has been shown to deter diverse talent from applying), and describe the job using appropriate and relevant terminology.
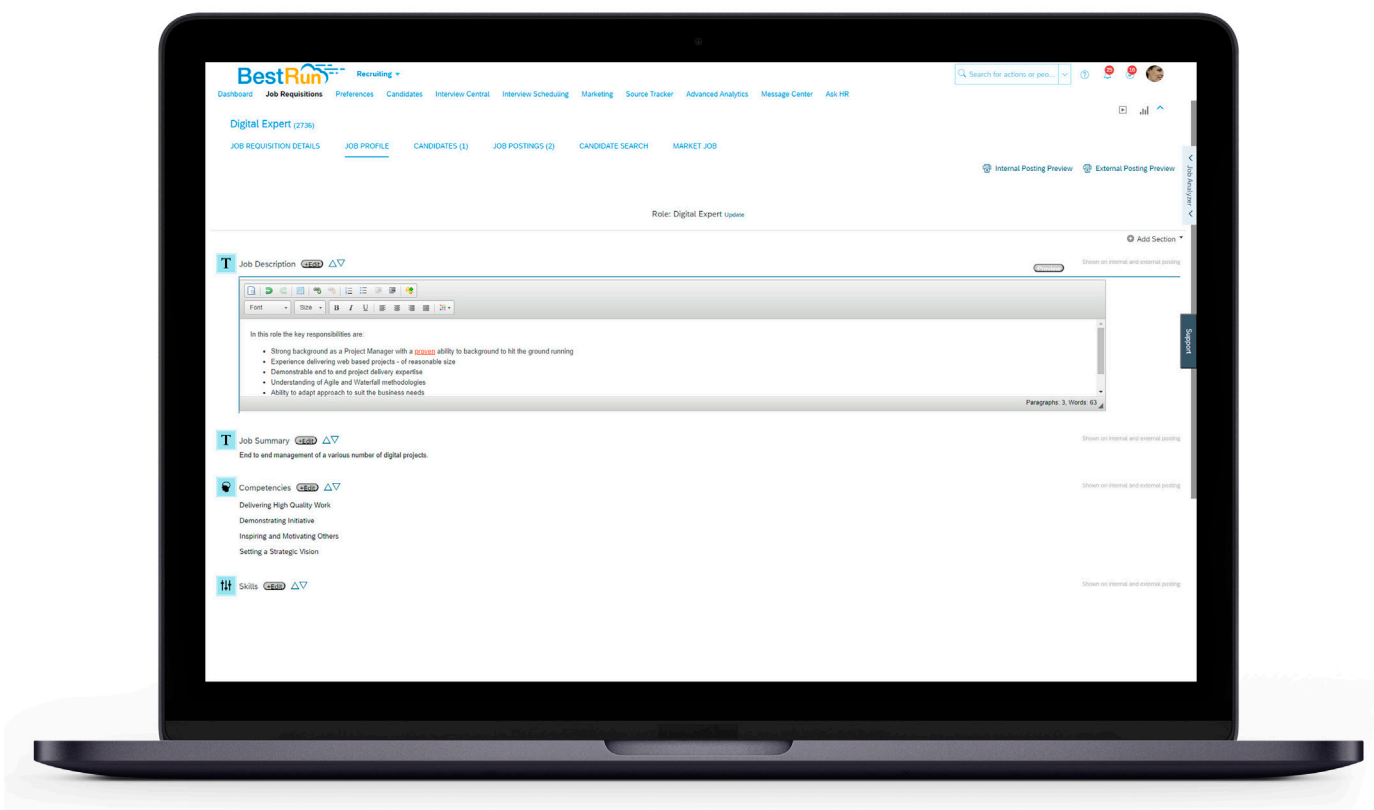
Identify and eliminate biased language in job descriptions. We've discussed how powerful the language used in job descriptions can be. The job analyzer capability within SAP SuccessFactors Recruiting uses machine learning to detect and replace gender-biased language in its job descriptions. By analyzing historical data on gender breakdowns of former applicant pools, this tool is intended to highlight words and phrases that have been found to deter men or women from applying. After the gender bias scan, users are presented with recommended gender-neutral replacement words which can be selected and automatically incorporated into the job description.
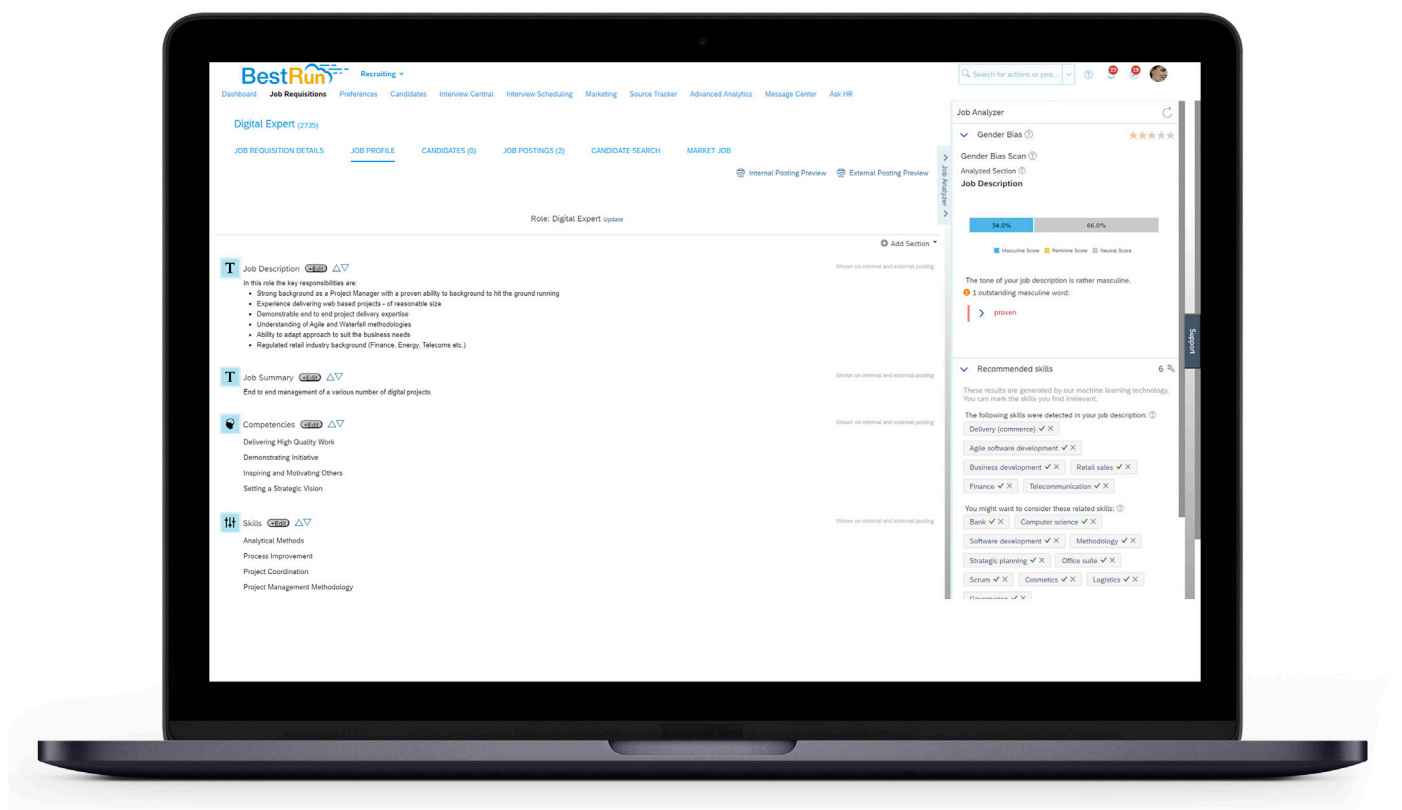
Use a learning management system (LMS) as a tool for training interviewers and hiring managers. Although unconscious bias cannot be fully eliminated with training, having well-trained interviewers can reduce the impact of bias on hiring decisions, by ensuring the interviewers know how to identify job-relevant skills, experiences, and capabilities across different kinds of candidates. This kind of training can be delivered through the SAP SuccessFactors Learning solution.
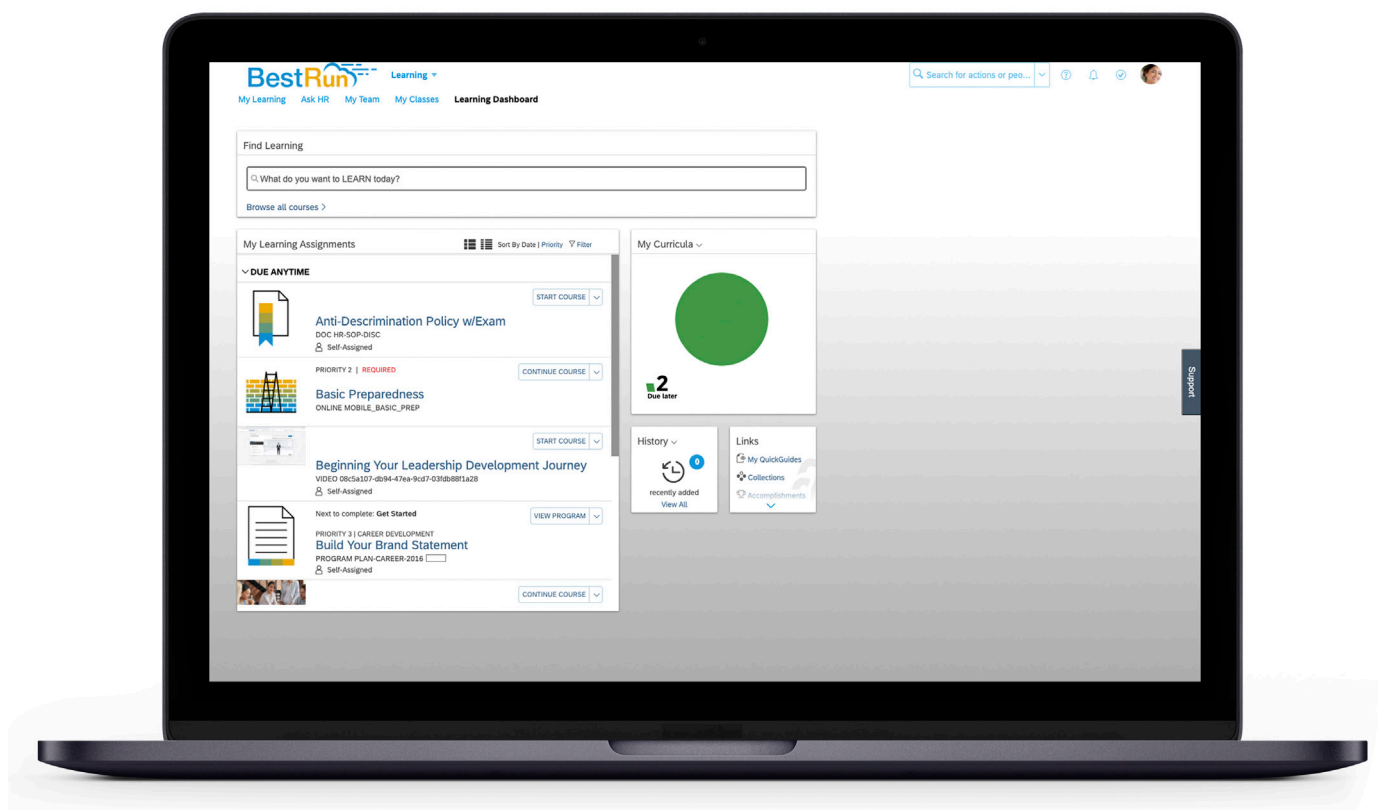
Ensure the use of validated hiring assessments.
One way organizations reduce the influence of
hiring managers' gut feel and potential bias on
hiring decisions is to utilize validated hiring
assessments that have been empirically tested
to predict performance in a given role. SAP
SuccessFactors Recruiting can be configured to
incorporate the use of assessment instruments
in the hiring process. Assessment scores can
then be brought into the solution and used
alongside interview notes and other hiring-
related data to improve accuracy and decrease
bias in the hiring process.
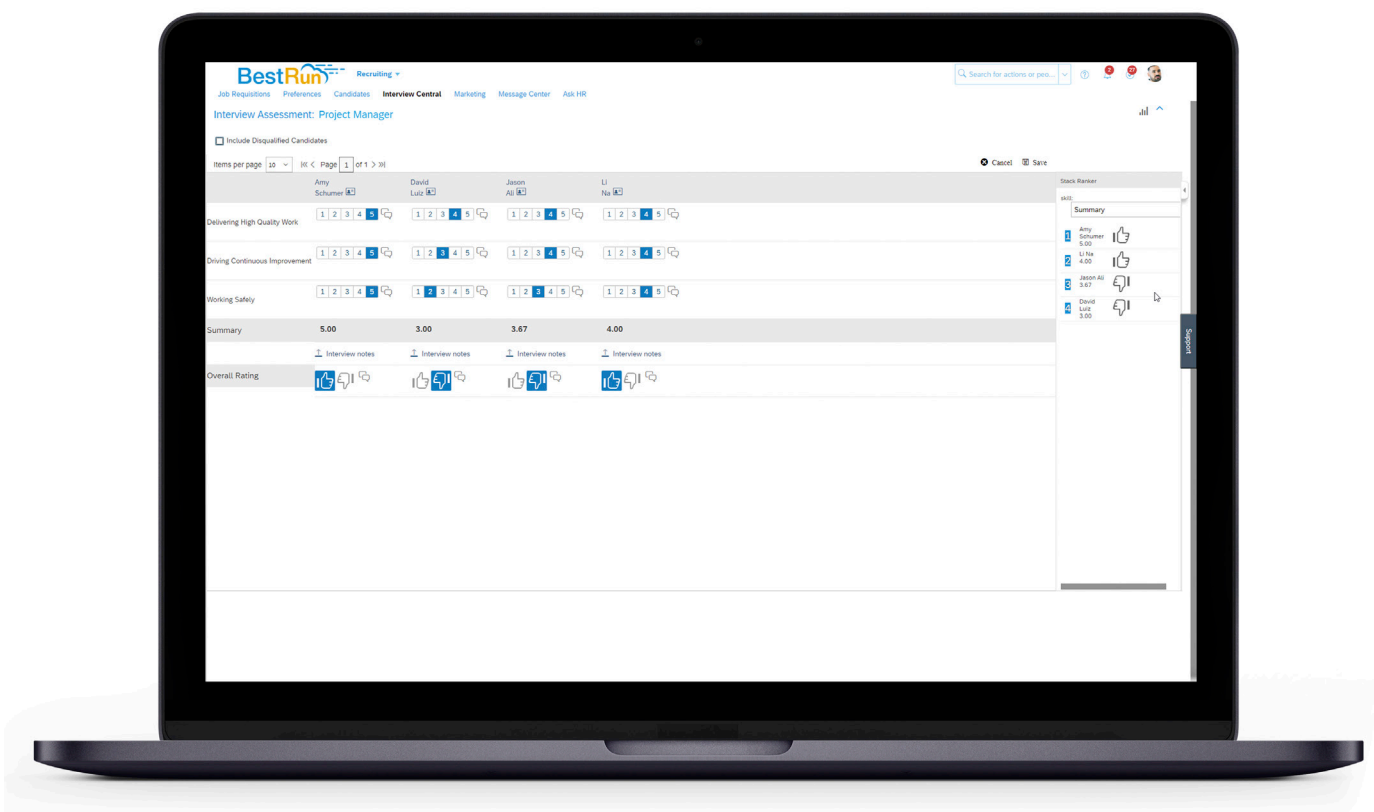
Standardize the interview process across all candidates. Research shows that structured job interviews in which the same, job-relevant, questions are asked of all candidates tend to be the most valid in terms of predicting job performance.[18] The interview central functionality within SAP SuccessFactors Recruiting facilitates this by highlighting the competencies that are relevant for the role, and specific behaviors, experiences, and responses to note during the interview. This ensures interviewers have all the information they need on hand in order to conduct consistent, structured interviews across all job candidates.
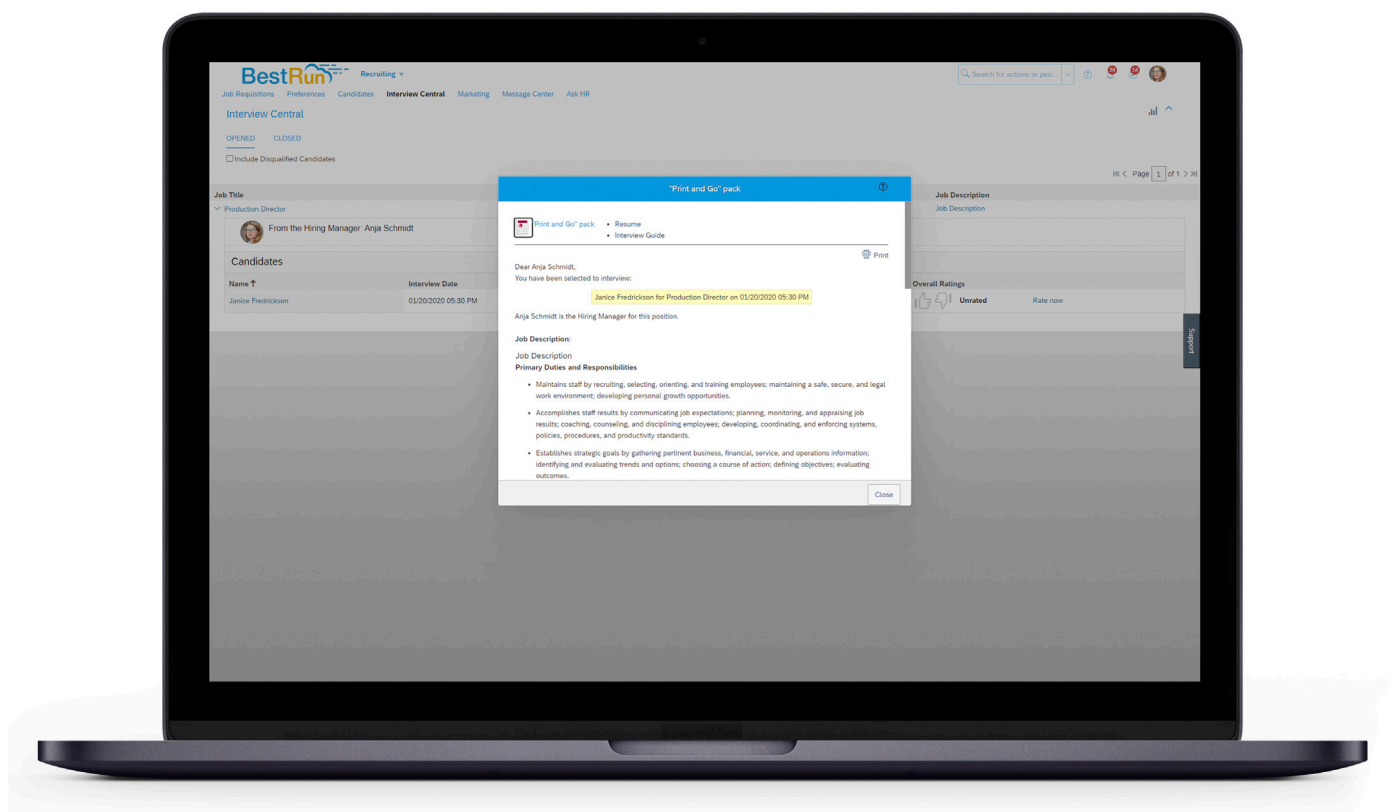
Leverage interview central functionality to form a panel of interviewers. One way organizations can reduce the influence of a single interviewer's bias is to have multiple people interview a job candidate. Leverage the interview central functionality in SAP SuccessFactors Recruiting to create a panel of interviewers. It can also push job-relevant information, such as the job description and interview guide, straight to every interviewer, helping ensure they all have a shared understanding of what is required for someone to be successful in the role.
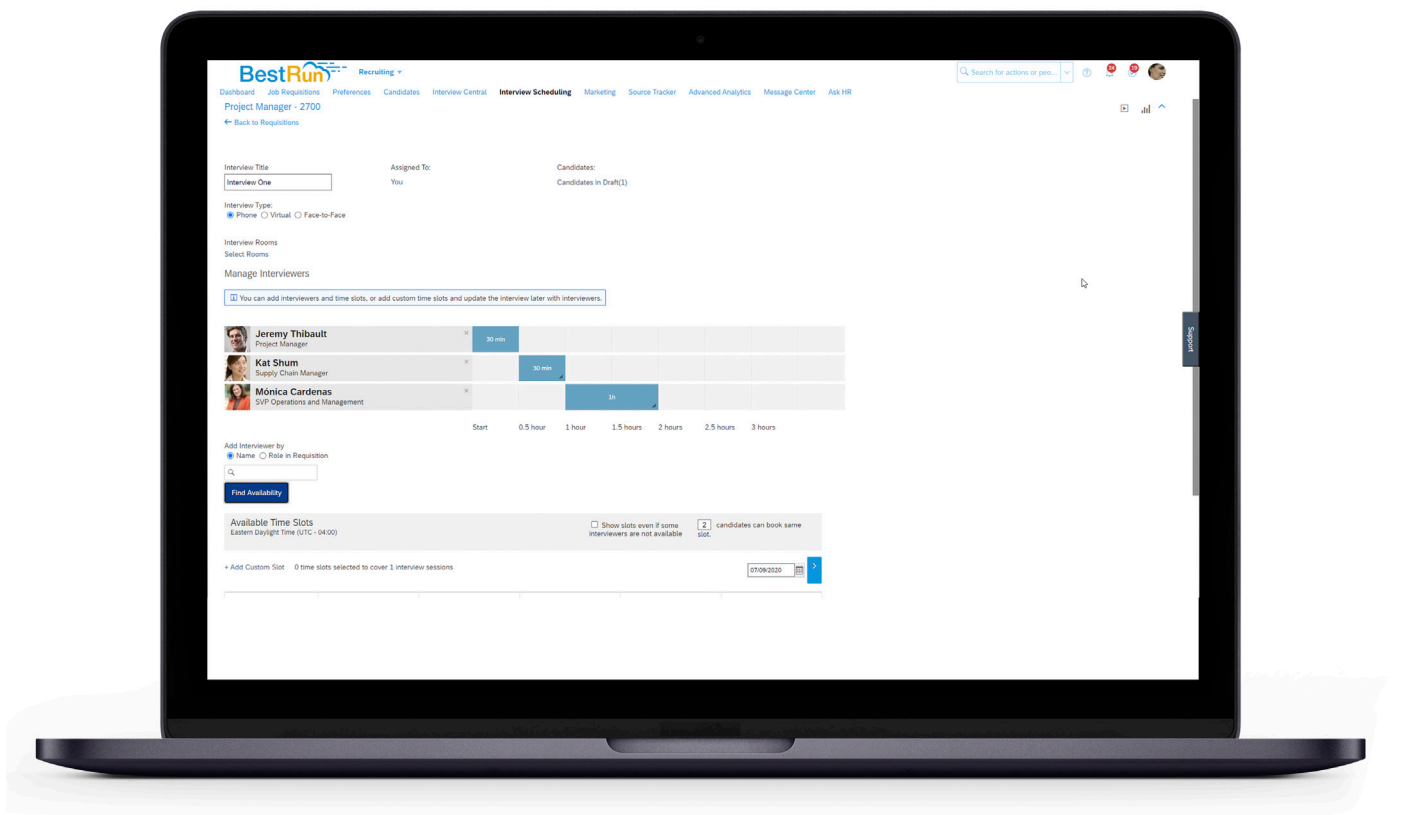
CONCLUSION

To build and maintain a diverse workforce, companies need to first attract and hire diverse talent. By using technology to communicate inclusivity in the recruiting process, source candidates from a variety of places, intentionally craft job descriptions in a way that reduces bias, and mitigate interviewer and decision-maker bias, organizations can ensure they are setting the stage for equitable access to key job opportunities.

How can you measure the impact of your recruiting and hiring practices? Consider tracking the following metrics:

- Net hire ratio by demographic groups – Total number of external hires that replaced terminated employees, broken down by demographic groups
- External hire rate by demographic groups – The percentage of the current workforce hired from external sources, broken down by demographic groups
- Diversity group applicant conversion rate analyzed by recruitment stage – The number of diverse applicants who successfully move on within each recruitment stage
- Number of diverse employees hired per hiring manager – The average number of diverse employees (for instance, women or minorities) hired by each manager in the company
- Percentage of diverse applicants selected by recruiting source – The percentage of diverse employees hired by recruiting source, helping identify which recruitment channels provide the best opportunities for diverse talent to join the workforce

Note that these metrics will differ depending on the demographic groups the organization most seeks to affect. "Diverse" may mean different things for different companies.

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Eliminating Bias in How People Are Managed: Managing a Diverse Workforce

Research suggests that an employee's manager is the single most influential factor in his or her experience at work.[1] The common adage that "people don't leave companies, they leave managers" seems to hold true. Indeed, in traditional organizational structures, the immediate manager tends to act as the gatekeeper for career development opportunities, pay increases, and eventual promotions.[2] But what happens when this gatekeeping is not performed fairly or consistently across different demographic groups?

This frequently happens in organizations, even if it is not the manager's intention. Research shows that diverse talent tends to have a different experience in being managed than nondiverse talent, which can detrimentally affect how long they will stay and undermine efforts to create lasting workforce diversity.

Why does this happen?

Performance is multidimensional, but we tend to focus on one aspect, ignoring others. Recent research has suggested that the performance of men and women tends to be described differently, with women receiving feedback that is overwhelmingly focused on communication style. In contrast men, who are viewed as leaders by default, tend to receive specific feedback tied to business goals and technical skills that accelerate advancement.[3]

Additionally, research shows that female employees are 1.4 times more likely to receive critical feedback, even when they have the exact same strengths and weaknesses as their male counterparts.[4]

As we will discuss, part of this is due to biases in how managers perceive the contributions of individuals. But let's suppose for a moment that because people are diverse, their contributions in the workforce are actually a bit different too, as has been demonstrated in studies examining differences in male and female leaders.[5] Especially given that organizations are becoming flatter and more team based, is it really more valuable to the organization that people are accomplishing things on their own, or is elevating the team something that should be rewarded as well?

Similarly, older workers have been shown to exceed their younger counterparts in key aspects of performance, including safety performance and organizational citizenship behaviors (for example, taking on functions that promote the organization's success that aren't necessarily part of one's formal job description).[6] Yet, their work performance is expected to be and perceived as worse than their younger counterparts.

It is critically important that employees accomplish things related to the organization's objectives, but other aspects of performance are becoming increasingly critical as well; and an equitable performance management process, that recognizes the diverse contributions of employees, is essential.

Certain demographic groups are more likely to receive vague performance feedback. Performance feedback is a key way for managers to communicate expectations, ensure employees understand their role, and enable employees to improve and grow in their careers. Yet, research suggests that feedback may not be as enriching for certain demographic groups. For instance, women tend to receive more vague feedback along the lines of "Good job!" or "Needs improvement." They frequently fail to get specific, actionable instruction that not only helps them improve and offers them clear guidance to reach their next career level, but also contributes to their job satisfaction and engagement.[7]

Employee age also has an interesting relationship with performance feedback. Business leaders typically think that younger, millennial employees need constant positive feedback, but that isn't quite accurate. What younger workers actually desire is content-rich feedback that specifically helps them improve and learn, whether the feedback is positive or negative.[8]

Clearly, high-quality feedback is important, and it can be detrimental for workforce diversity and inclusion when entire groups of employees do not receive it. Managers need instruction and guidance on how to deliver effective, specific feedback to all employees.

Managers' unconscious biases determine how they evaluate employees. Research shows that people tend to rate employees' performance more highly when the employee "matches" implicit conceptualizations of the ideal, or typical, kind of person in the role (for instance, managers may rate women more favorably than men in nursing roles, and men more favorably than women in police jobs or leadership roles).[9] There is some evidence that demographic characteristics other than gender play a role in this. Black employees, for instance, have been shown to receive lower ratings from customers and supervisors than white workers[10], even when their performance is objectively the same (and even when evaluated equally, minority and female employees still face a pay gap).[11] Additionally, older workers are expected to perform more poorly than their younger counterparts, even though research does not support this. These expectations influence what managers notice and how they assess an employee's performance, even if the influence is subconscious. When expectations unfairly influence how employees are evaluated at work, they notice. As many as 20% of LGBTQ employees believe they were passed over for job opportunities because of their LGBTQ status.[12] Fewer LGBTQ women believe their manager has the capacity to evaluate them fairly than do their non-LGBTQ female counterparts.[13]

Because our implicit ideals are so influential in how we see the performance of others, it may not make sense to base employees' career opportunities entirely on the assessment of one individual at one point in time. Performance management practices that include having multiple raters and more continuous evaluation can help address and minimize the impact of individuals' potential biases.

Unsupportive supervision can disproportionately impact certain groups.
Historically, managers existed only to lead teams and ensure business outcomes were being met. As the nature of work has evolved, managers are increasingly being recognized as leaders who promote the success of their followers. That's why we see so many leadership training programs and seek managers who are personable and transformational. Not everyone can provide the guidance, leadership, and support that employees need to stay engaged and perform their best.

Many of us have encountered an unsupportive manager in our careers. This is a manager in whom we don't feel comfortable confiding, and who doesn't show much understanding when our non-work obligations occasionally need to come first. Research shows managers like these are bad for the engagement, morale, and performance of all employees. Additionally, there is evidence that employees are more likely to leave the company when supervised by a bad boss.[14] But there is also evidence to suggest that some groups of employees suffer more as a result of unsupportive management.

For example, many effective managers display family supportive supervisory behaviors, or understanding and support when employees' family obligations, such as children's or elderly parents' medical appointments, occasionally take precedence over work. These behaviors have been linked to increased job satisfaction, engagement, and commitment among employees.[15] But when this level of support is not present, primary caregivers are especially disadvantaged, and in many parts of the world, primary caregivers are still women and employees within a certain age range.

Support does not need to be tied to something as specific as family obligations. General impressions of how supportive a manager is can influence whether LGBTQ employees feel comfortable coming out at work. In fact, 1 in 10 LGBTQ people have left a work environment specifically because it was unwelcoming.[16] According to a new report, 51% of transgender people have hidden their identity at work for fear of discrimination and 1 out of 8 has even been physically attacked by a colleague or customer in the past year.[17]

We see a similar effect with employees with disabilities. Unsupportive management is considered to be a major barrier to disclosing a disability in the workplace. Failure to disclose can and usually does result in a failure to get the accommodations an employee truly needs to succeed.[18]

The level of support present in manager-employee interactions can vary based on managers' demographic characteristics as well. For instance, research shows an "own race bias" when it comes to manager-employee dyads, with white employees working for a nonwhite manager being twice as likely to leave due to dissatisfaction with their manager.[19]

The manager's role in an employee's work life is not just to evaluate performance but also to guide, coach, and engage. Managers need to be enabled to do this across the full range of diverse employees they supervise.

Calibration sessions are considered in many organizations to be the "final word" on an employee's performance, but they too can be influenced by bias. A calibration or talent review session brings together multiple managers to discuss the performance of the individuals on their teams. Often this discussion is supported by a "9 box" or something similar, where employees are charted based on their performance and potential. Their location on the chart determines a host of career outcomes, such as merit-based increases, promotions, and disciplinary action where needed. Among the participating managers, calibration sessions promote a shared understanding of what it means to perform well in the organization. All in all, this practice helps bring other perspectives into the evaluation process and drives greater accuracy in how employees are evaluated and what their career outcomes are as a result.[20]

Unfortunately, other perspectives do not always mean bias-free perspectives. There are a host of biases that can influence a calibration session, ranging from groupthink to managers simply misunderstanding what is meant by performance and potential. An effective calibration session is one in which these biases and misunderstandings are detected, discussed, and eliminated.

HOW SAP SUCCESSFACTORS SOLUTIONS HELP ELIMINATE BIAS IN HOW PEOPLE ARE MANAGED

We've mentioned some ways organizations can ensure managers are effectively managing the full workforce.

How can technology support these efforts?

Cascade goals throughout the organization to ensure everyone understands the basis for performance evaluation. With the goal management functionality in the SAP SuccessFactors Performance & Goals solution, companies are able to cascade goals from the top down. Similarly, goals can be made visible all the way up the managerial chain to ensure alignment with overall objectives; so, as employees craft their own goals, they know how their work relates to the organization's success. Since cascaded goals clarify how employee accomplishments relate to those of the business, they are an excellent data point for performance evaluation, and they form the basis for managers to provide feedback on critical, job-relevant events. Companies using both goal and performance management functionality in the SAP SuccessFactors solution can bring these goals directly into the performance evaluation form, helping ensure managers have them front and center as they are assessing all employees.
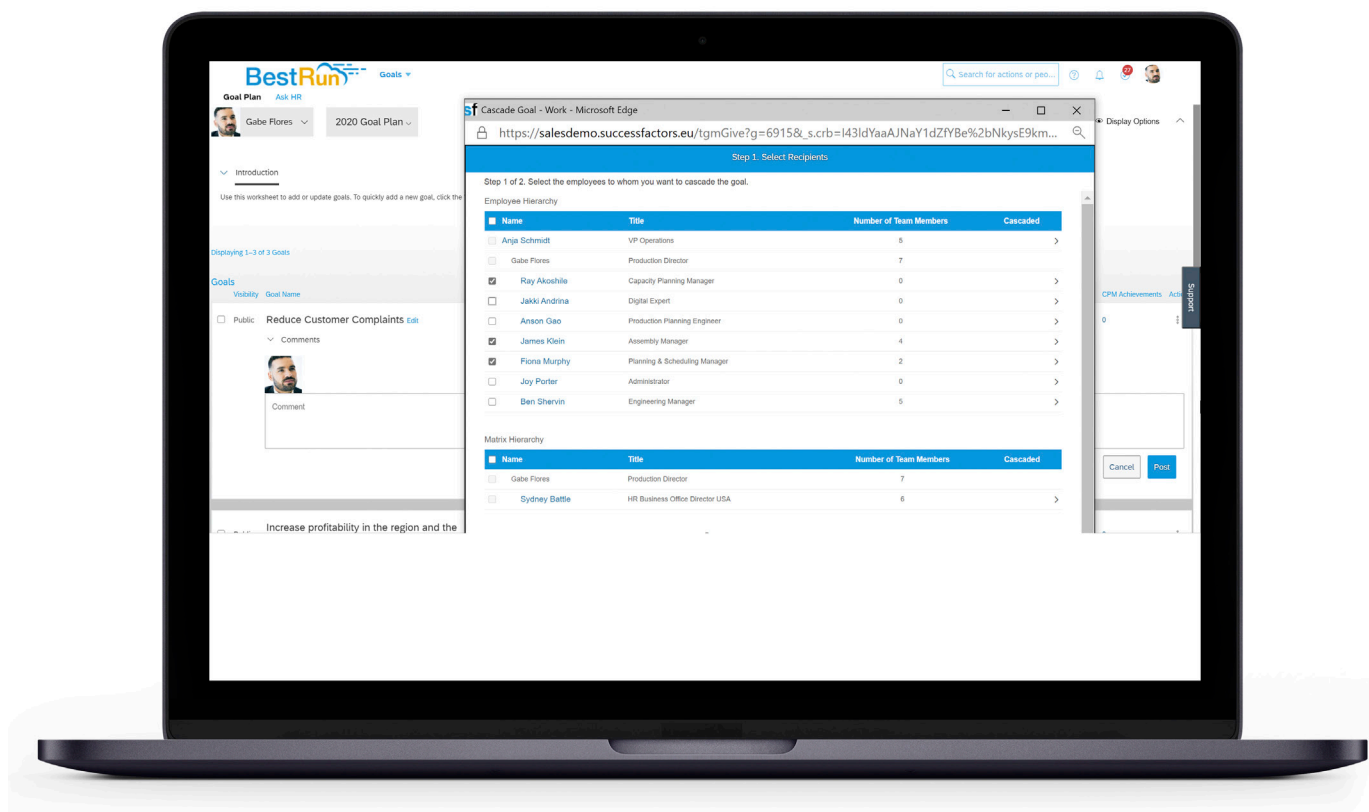
Get a comprehensive view and ensure all criteria are considered during an evaluation. With the performance management functionality in SAP SuccessFactors Performance & Goals, companies can automatically bring other sources of information into the performance evaluation form, such as competencies. These can be evaluated along with employee goals, and factored in for a more holistic view of performance. Competencies can be used across organizations, or they can be applied more specifically to certain teams or organizational levels. Regardless of how they are used, the use of well-defined, behaviorally-based competencies enables the assessment of certain aspects of job performance that are not necessarily tied to employee goals but are important for embodying the culture and values of the organization, and therefore are also critical to all employees and their performance.
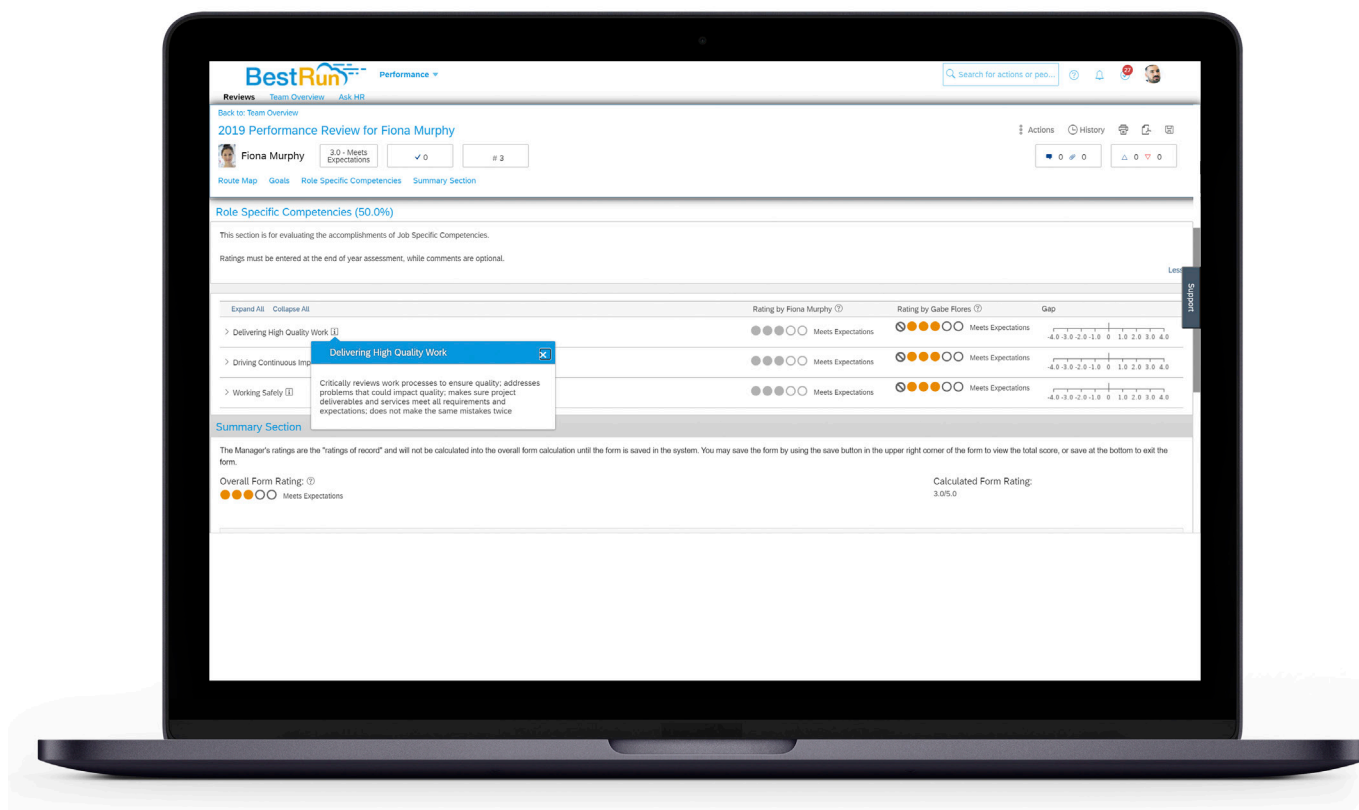
Leverage the writing assistant / coaching advisor capability to help managers craft clear and actionable feedback. Giving high-quality feedback can be very challenging for managers. The writing assistant / coaching advisor tool in SAP SuccessFactors Performance & Goals is designed to help managers deliver more effective feedback on all aspects of performance. As managers include feedback in the performance evaluation form, this feature can guide them in determining the proper sentence structure, level of information they should provide, and tone, helping ensure clarity and relevance of feedback on various performance-related factors. Getting clear, actionable feedback is positive for all employees, but especially for those who have tended to receive vague, unclear feedback in the past.
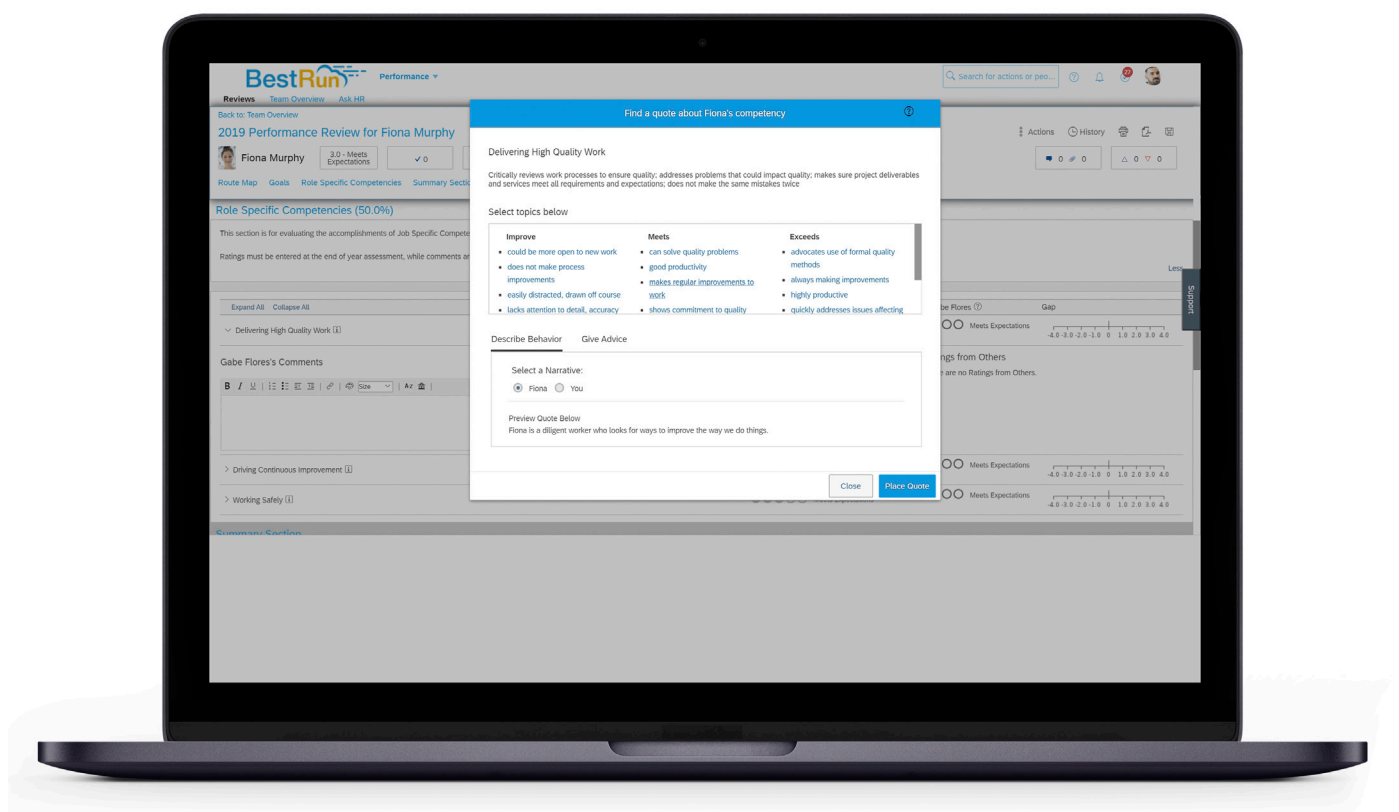
Conduct 360 reviews to reduce the influence of individual managers' bias. Unconscious bias can influence the way managers evaluate employees so other perspectives may be beneficial in building an accurate, well-rounded view of an employee's performance. Companies can use the 360 tool in the SAP SuccessFactors platform to support multiple raters evaluating one individual, including coworkers, direct reports, and even themselves.
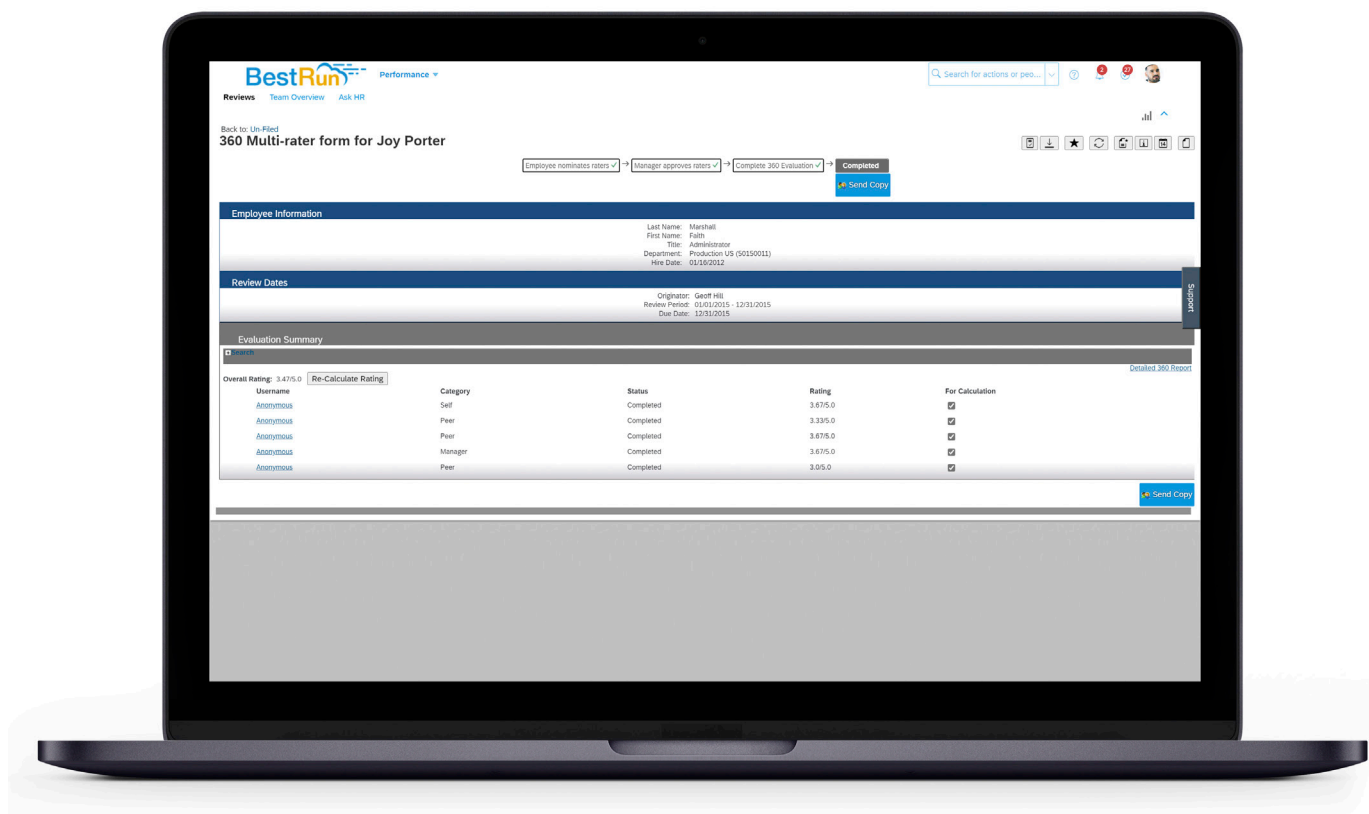
Leverage development plans to help ensure employees have the training they need to support diversity, equity, and inclusion (DE&I) programs your company may have. You can do this by assigning learning activities to employee development plans (requires SAP SuccessFactors Learning), offering mentoring programs to help accelerate DE&I efforts, and more.
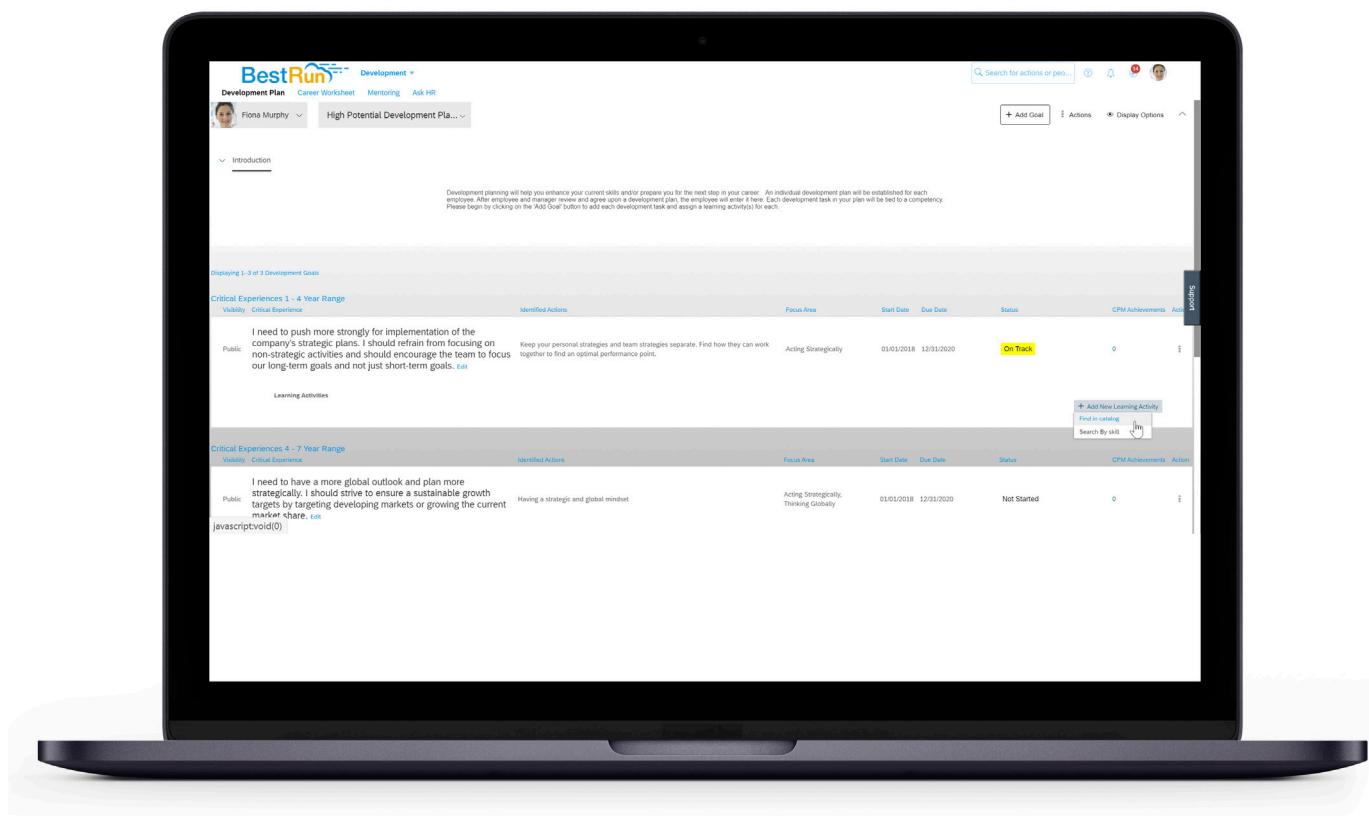
Leverage continuous performance management (CPM) to help ensure ongoing feedback and improvement. Unconscious bias not only influences how managers evaluate an employee but also what they remember about an employee's performance.

Annual reviews are conducted at one point in time, and they rely heavily on a manager's memory. This increases the risk of bias influencing people's memories of performance and their subsequent ratings. The CPM tool in SAP SuccessFactors Performance & Goals can

reduce this risk by making performance evaluation a more ongoing, conversational process between managers and employees. This gives managers multiple opportunities throughout the year to objectively assess how an employee is performing. If companies choose to also conduct more formal annual reviews, managers using the CPM tool then have a year's worth of performance data to inform their final evaluation.
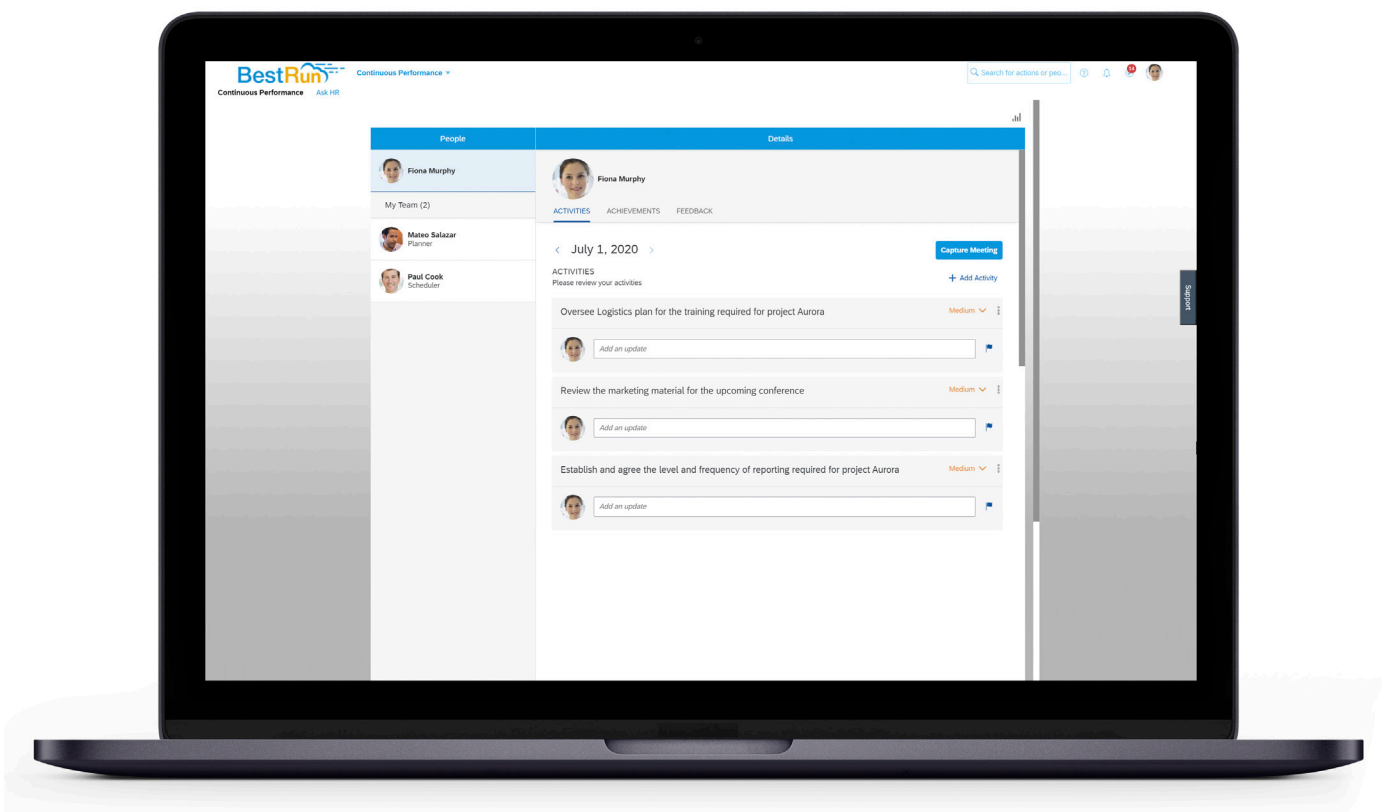
Detect and eliminate bias in calibration.
Calibration talent reviews, where employee performance is discussed in a group setting, are among the more effective ways to reduce bias in performance evaluations, provided the sessions are conducted appropriately. There are a number of features within the SAP SuccessFactors calibration tool that help surface and eliminate potential bias during calibration reviews.

First, using the calibration tool, companies can provide in-line notes or text defining each of the boxes used to assess and categorize employees. By providing a clear description of what performance and potential look like within each box, managers can work from a shared

understanding of what it means to truly perform in the organization.

The gender summary view in the calibration tool provides managers with a quick snapshot of the gender breakdown of each assessment category to help determine whether employee gender has inadvertently influenced the assessment results. Or, as shown in the example below, you can remove employee profile pictures and use photoless calibration to further remove any unintended bias.
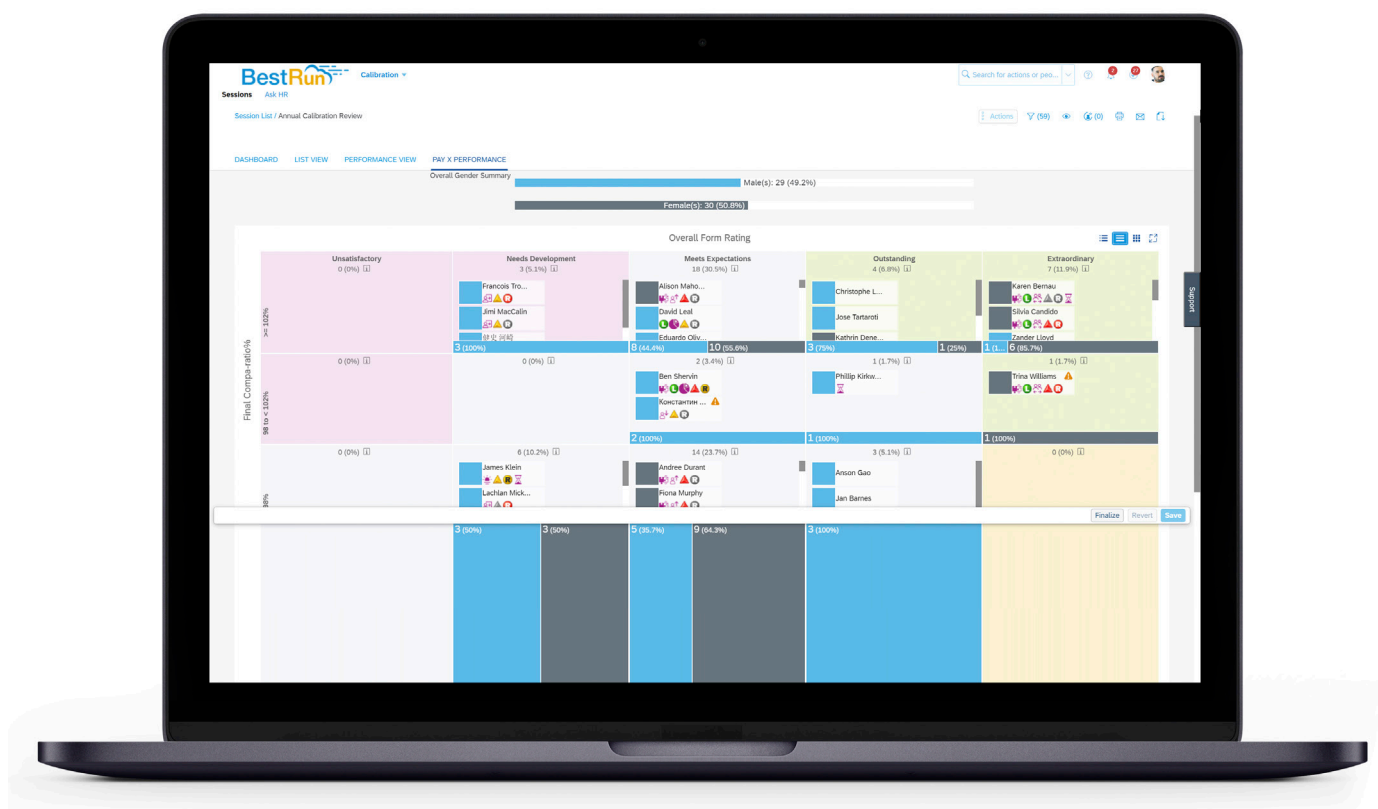
Finally SAP SuccessFactors has an alerts feature in the calibration tool. This feature pulls from historical data within the HXM system and alerts managers when the data meets certain conditions that may indicate bias is taking place. In the example below, an employee who has consistently received high performance ratings has not received a promotion in over three years.

Because the condition is met, the solution surfaces an alert, inviting the manager to review the decision. Conditions that generate alerts are configurable and can be applied across the whole organization or to specific demographic groups.
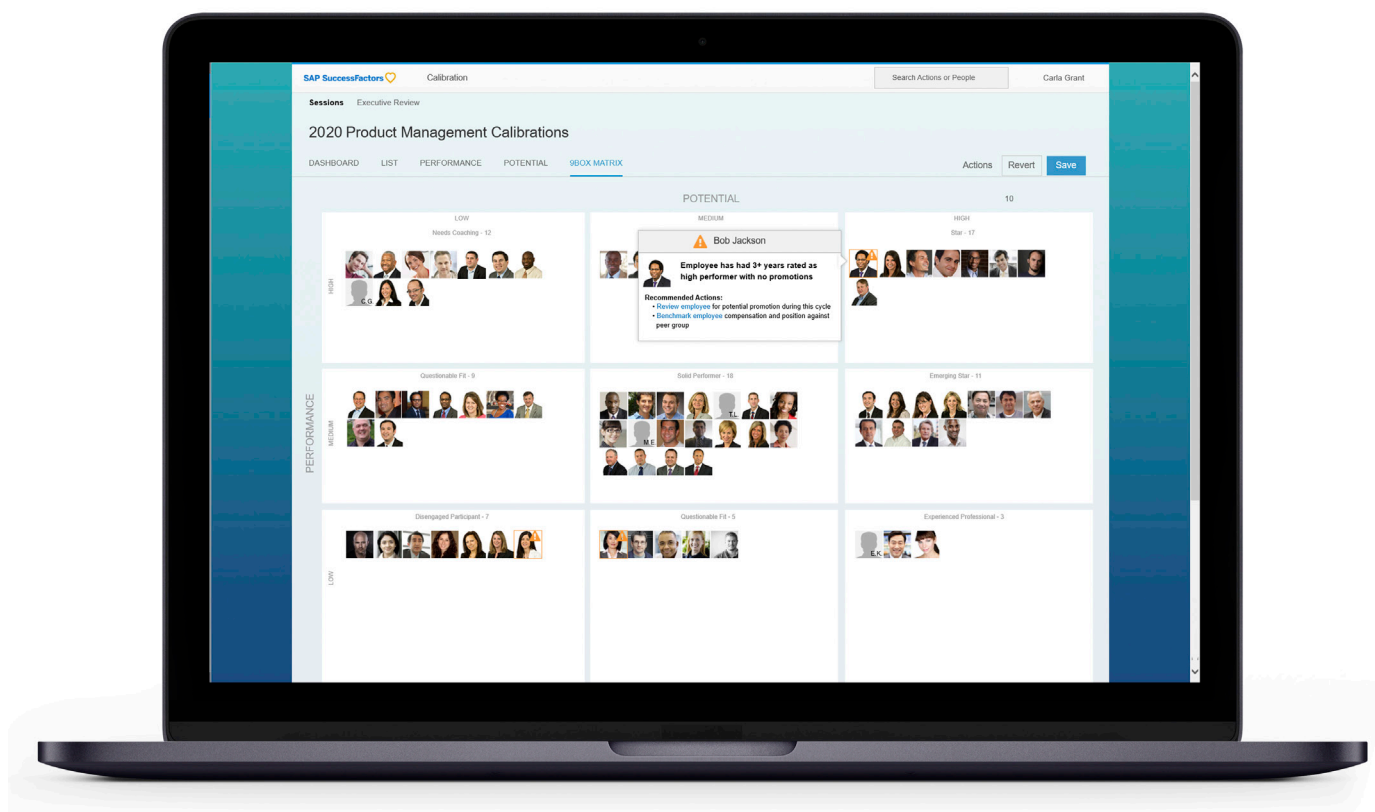
CONCLUSION

An employee's manager is hugely influential in determining his or her experience, engagement, and retention. The manager often acts as a gatekeeper for further career opportunities such as development, rewards, and promotions. When these opportunities are awarded based on evaluation and practices that favor certain demographic groups, diverse talent is quickly disengaged and lost. Companies can leverage technology to support comprehensive evaluation, high-quality feedback, supportive supervision, and fair calibration, helping ensure the performance and retention of all the best talent.

How can you measure the impact of your performance management processes? Consider tracking the following metrics:

- Self-other performance rating gap analyzed by demographic groups – The difference in performance perception comparing self-assessment and peer assessments to manager ratings for each demographic group, shedding light on potential manager bias
- Average performance rating by demographic groups – Overall average performance rating for all appraisals for each demographic group
- Performance by manager contact time, analyzed by demographic groups – The performance ratings of employees by the amount of "contact time" they have with their managers in the continuous performance management tool for each demographic group
- Number of one-on-one meetings, analyzed by demographic groups – The number of manager coaching sessions held by managers for each demographic group
- Percentage of goals categorized as being "high priority" by demographic groups – The percentage of high-priority goals allocated to each demographic group, helping determine whether impactful work is being equally spread across different demographic groups
- Employee engagement score by demographic groups – The measurement of overall employee engagement based on day-to-day experiences and work environment, analyzed by demographic group

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Eliminating Bias in Who Is Developed: Engaging and Retaining a Diverse Workforce

Career development and learning opportunities are critical in building employee skills, capabilities, and careers. People in leadership positions did not simply appear there; they were developed as leaders. But the relative lack of diversity in the leadership ranks of most industries gives us an indication of how biased traditional career development processes can be. Research shows employees from certain groups are more likely to drop out of the workforce before attaining higher levels of leadership.[1] And those who stay are less likely to be developed and promoted.[2] Why does this happen?

Implicit ideas about what "future leaders" look like determine who receives development. Subconsciously, we tend to associate certain demographically linked traits with "typical" or "ideal" leaders. We perceive the best leaders to be the ones who look like previous successful leaders, and we provide development accordingly.[3] For many organizations, women, minorities, and employees with disabilities do not fall into the category of looking like "typical" or past leaders and as a result are often overlooked when it comes to opportunities for receiving career development.[4] Similarly, older workers are often overlooked when it comes to career development because it is implicitly believed that they will not be in the workforce long enough to benefit from it. But these implicit beliefs are frequently untrue and unjustified.[5]

Companies need to ensure that managers are able to evaluate who is best suited to receive developmental experiences and opportunities based on merit and interest, and not unrelated things such as demographic group. Additionally, providing a mechanism for employees to indicate interest in development on their own can also help reduce bias in how employees are selected for developmental opportunities.

Demographic similarities drive learning relationships, and they shouldn't. Research suggests that women and minorities can have a difficult time finding mentors at work, often seeking out mentors who are demographically similar to them.[6] Many employees and organizations ascribe to the idea that demographically similar pairs can better learn from and support one another. Mentoring is a valuable, career-enhancing process intended to expose employees to skills, capabilities, and experiences. Access to this process should not depend on the demographic characteristics of the people involved. But, because there are relatively few diverse leaders to serve as mentors, diverse employees often do not receive mentoring at all.[6]

A similar effect can be seen with specially designed demographically homogeneous groups, such as women's networks. These groups can be excellent for support, shared experiences, and networking, but if the objective is to learn job-specific skills and competencies, then focusing on demographic similarity is not necessarily helpful and can be limiting. Organizations need to ensure that learning relationships, such as mentorships and employee groups, are focused on the outcomes that matter regardless of the demographic characteristics of the people involved.

Developmental courses and programs tend to favor people with fewer nonwork obligations. Most developmental assignments require people to take on additional responsibilities well beyond their current role. Research shows that perceptions around people's capabilities to dedicate extra time and effort to development influence whether they are nominated for development assignments. Women, for instance, are selected far less often for expatriate opportunities because it is believed they don't want to uproot their lives and families (with no relation to whether this is true).[7] A way for business leaders to objectively assess who is best positioned, or most interested, to receive developmental experiences is needed to overcome this bias. Additionally, in today's increasingly flexible world, nonwork obligations shouldn't factor so heavily on employees' ability to participate in developmental activities. Providing development and learning on the go is critical to keep pace with changes in how work is being done.

Learning and development courses can inadvertently be designed in a way that is inaccessible. Not everyone learns in the same way, or at the same pace. But learning is often provided in a one-size-fits-all manner that is unlikely to meet the needs of a diverse, varied workforce. Older employees, for instance, have been shown to benefit more than their younger counterparts from self-paced learning.[8] They also tend to show greater preference for group-based learning activities in which they can collaborate and talk things through.[9]

In addition to making learning and development accessible by providing courses on the go, technology used to deliver the courses should be flexible enough to accommodate different learning styles and preferences.

People self-select out of developmental opportunities that don't feel relevant to them. Career development activities can inadvertently be designed in a way that makes them more or less appealing to certain groups of employees. As a simplistic example, consider the implicit message being sent when a developmental activity occurs on the golf course. This may be appealing to some, but will likely cause others to perceive the development as not being applicable to them. The core content of learning courses and developmental experiences should be presented in a way that is appealing, interesting, and relevant to all employees.

Organizations fail to deliver effective onboarding, starting the development gap early. Research shows that employees' onboarding experiences predict how engaged and effective they will be in their jobs over the long term.[10] Onboarding is critically important in socializing a new hire to the organizational culture, values, and relationships they need to succeed. Yet, formal onboarding is frequently overlooked.[11] A poor onboarding process can be detrimental for anyone, but diverse talent can be especially negatively affected. A lack of understanding of how the organization functions, and who the key contacts are, can start the disengagement process early. Adding value in a new role requires confidence and support. Without an effective onboarding program to help instill this, diverse talent may not find that confidence and support elsewhere, particularly in organizations where unconscious biases are widespread and unmanaged.[12]

HOW SAP SUCCESSFACTORS SOLUTIONS HELP ELIMINATE BIAS IN WHO IS DEVELOPED

We've discussed some of the ways organizations can reduce bias in decisions around who receives learning and career development opportunities.

How can technology help?

A learning management system can challenge manager bias by providing training. For a manager to determine who is best suited to receive career development, he or she has to be able to effectively identify characteristics such as employee potential. Companies can use SAP SuccessFactors Learning to provide manager training on how to identify and evaluate potential across all employees.
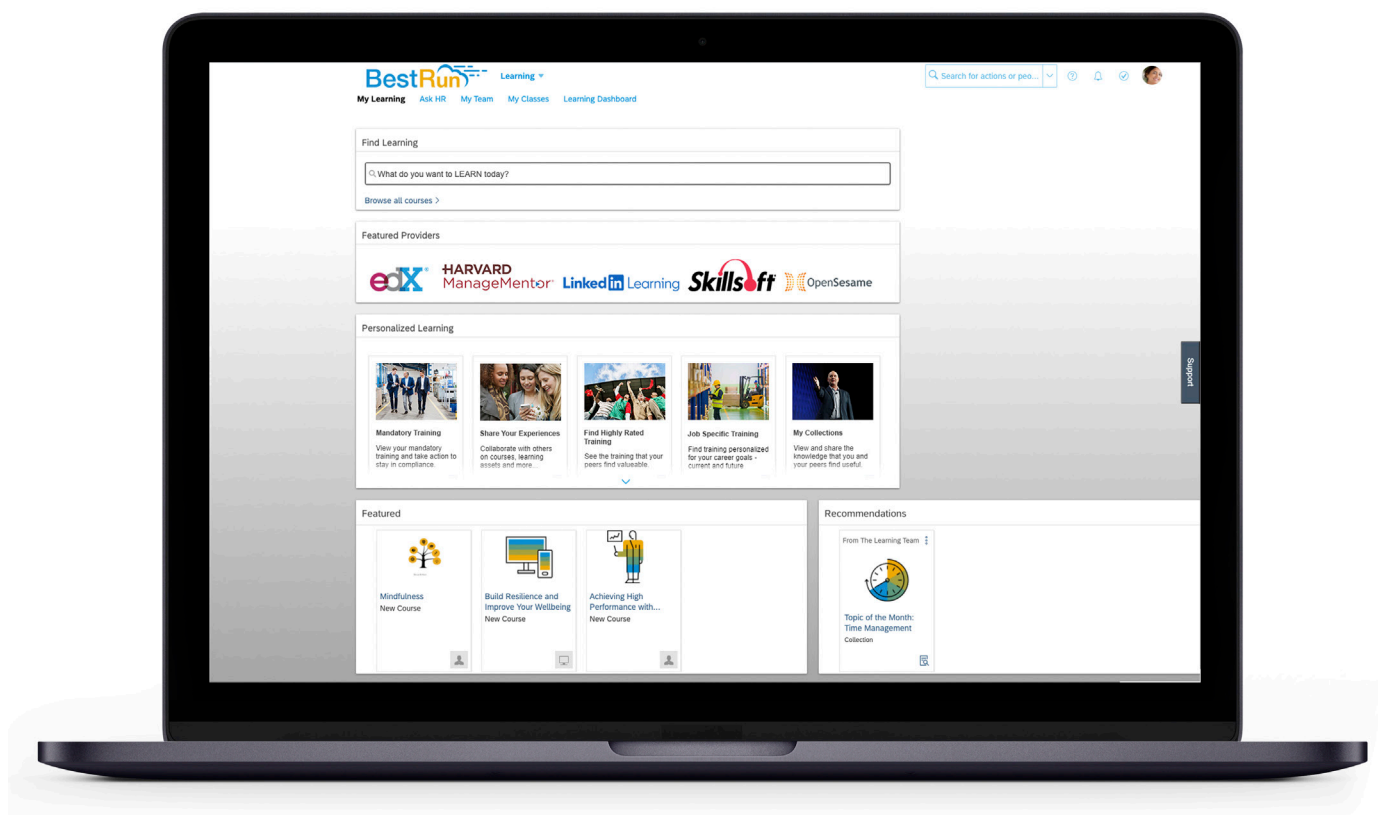
Leverage technology to push demographically balanced learning. Enable users to find relevant courses without the need to search for them. Learning recommendations help employees stay competitive by connecting them with personalized learning beyond traditional course catalogs to fit their learning goals and situation. Relevant and personalized learning recommendations use machine learning capabilities to apply algorithms that consider data from the learner, such as learning activity, indicated topics of interests, preferences, or peer-to-peer recommendations. Prebuilt curriculum maps and personalized learning paths guide learners throughout the stages of their careers, consistently building on their existing knowledge and helping people to grow.
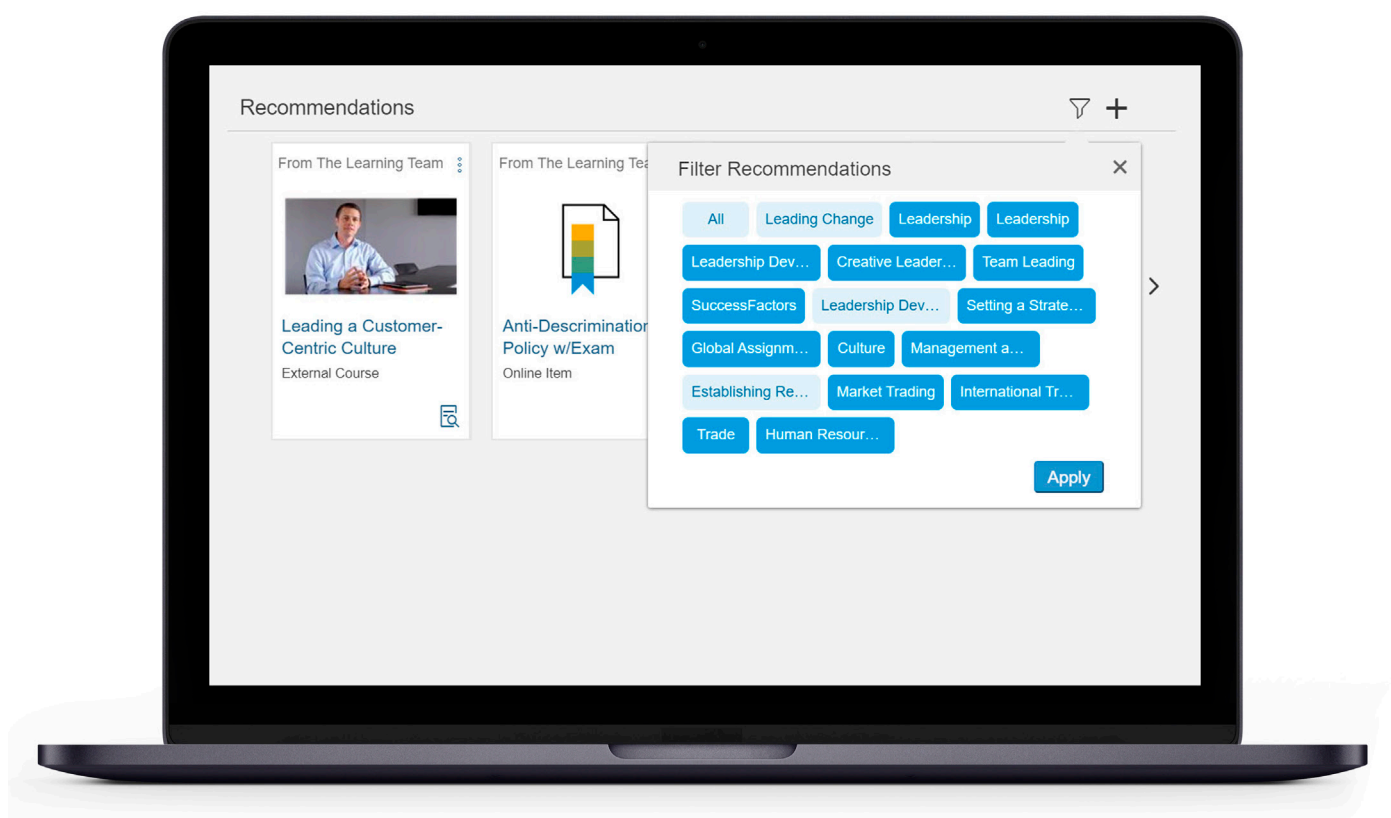
SAP Work Zone for HR and the SAP Jam collaboration platform connect employees and allow them to collaborate and interact. Group administrators can review membership in key job-relevant groups and determine if participation is diverse, or if steps need to be taken to present the groups more inclusively.
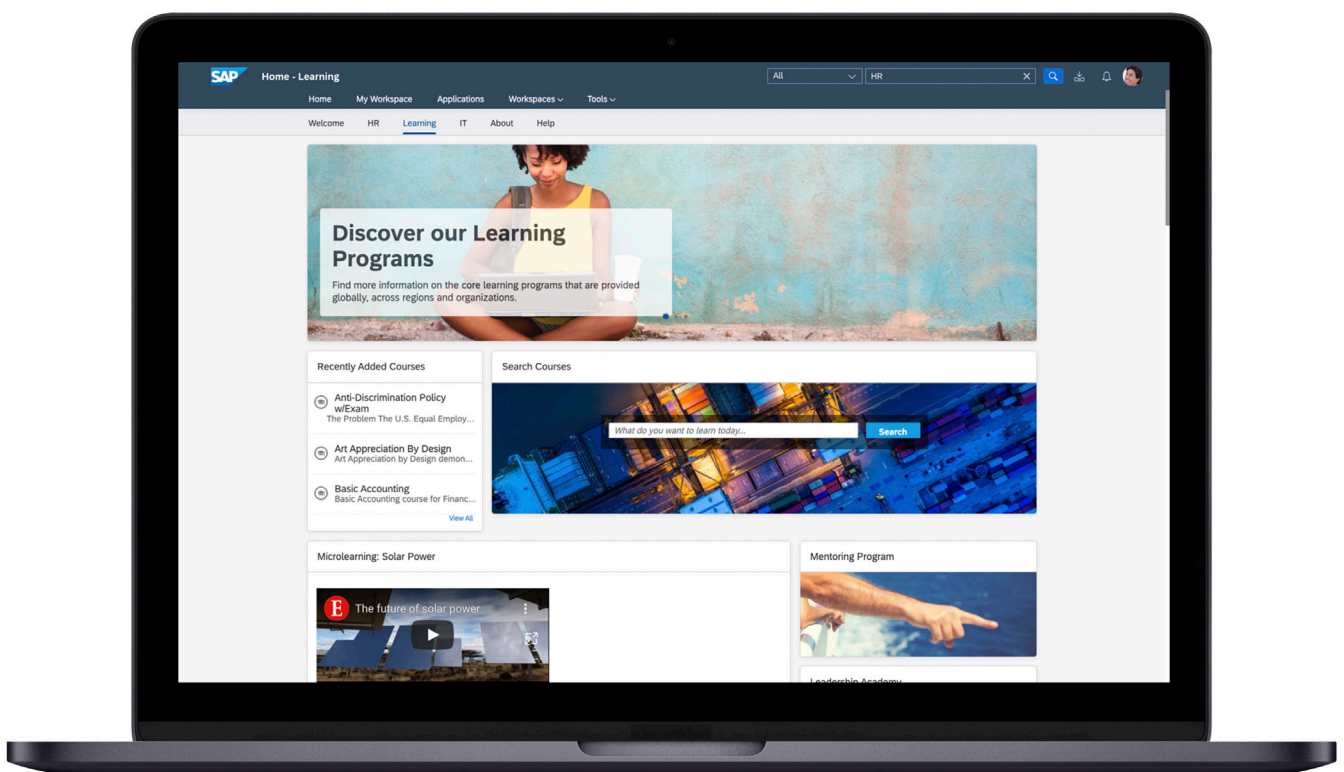
Build learning relationships based on what matters. The mentoring capability found within the SAP SuccessFactors Succession & Development solution can be used to administer and manage an inclusive mentoring program. Mentees can search for appropriate mentors by indicating the skills, competencies, capabilities, and experiences they desire to gain. They obtain a list of mentors that can link them with those opportunities, ultimately supporting them in finding relationships based on the aspects that matter rather than demographic similarity.

Leverage employee profile capabilities to allow employees to self-select into development. Traditionally, an employee's immediate manager acted as the gatekeeper for developmental opportunities, selecting employees he or she believed would most benefit from the experience.

We've discussed some of the reasons this selection process can be biased. To address this, companies can use the employee profile functionality in SAP SuccessFactors solutions to allow employees to directly indicate their level of interest in receiving certain opportunities. In SAP SuccessFactors Succession & Development, employees can identify career aspirations as well as skills and capabilities they would like to develop. Similarly, they can make visible the skills and experiences they have completed, increasing their eligibility for further experiences when these are used as criteria for determining whom should be developed.
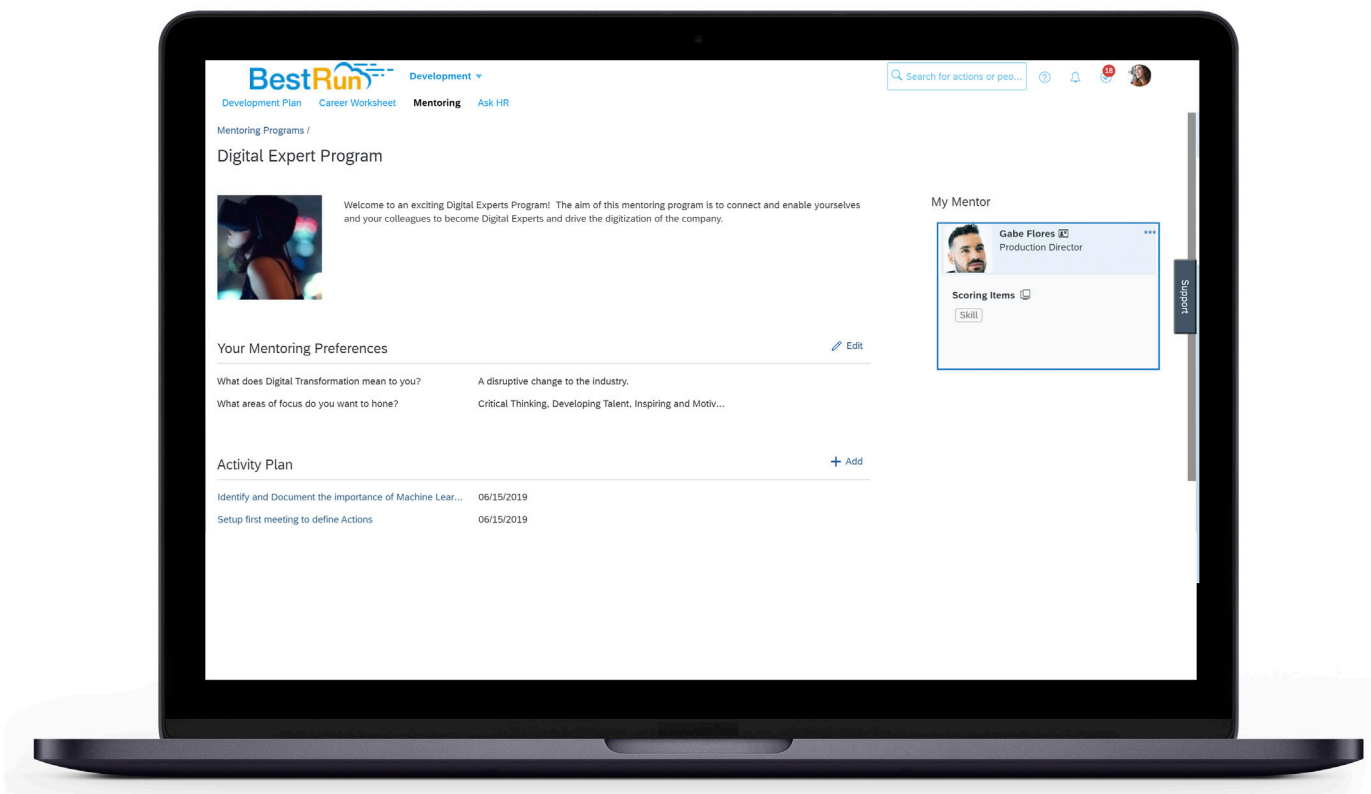
Further visibility into the development-related interests of employees can be driven through the employee profile, where they can enter information related to skills and capabilities and geographic mobility preferences, all of which can be considered when selecting employees for developmental experiences. Below is an example of an employee leveraging SAP SuccessFactors Succession & Development to identify development opportunities and to showcase developmental experiences he or she has already had, as well as an example of employee skills and geographic mobility recorded in the employee profile.
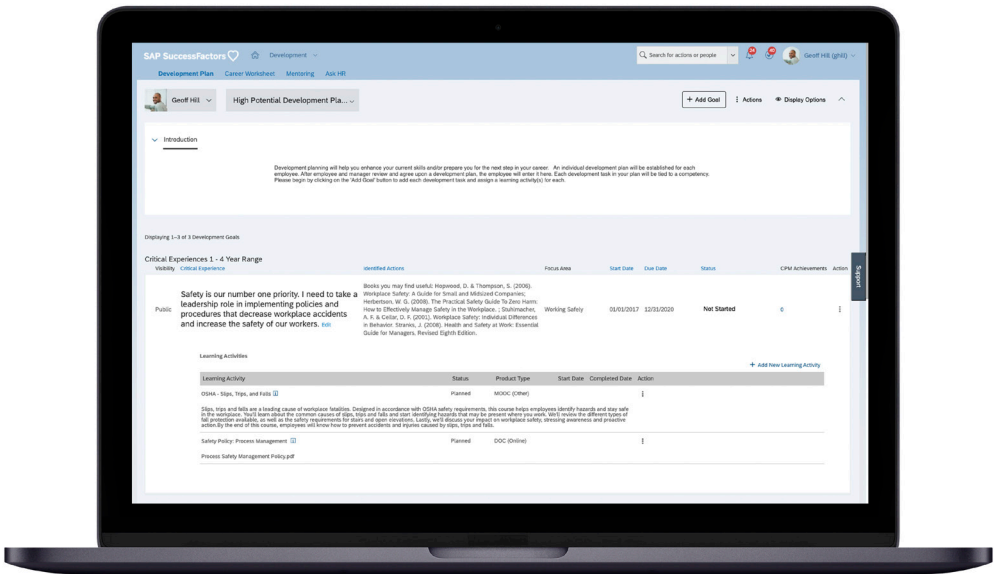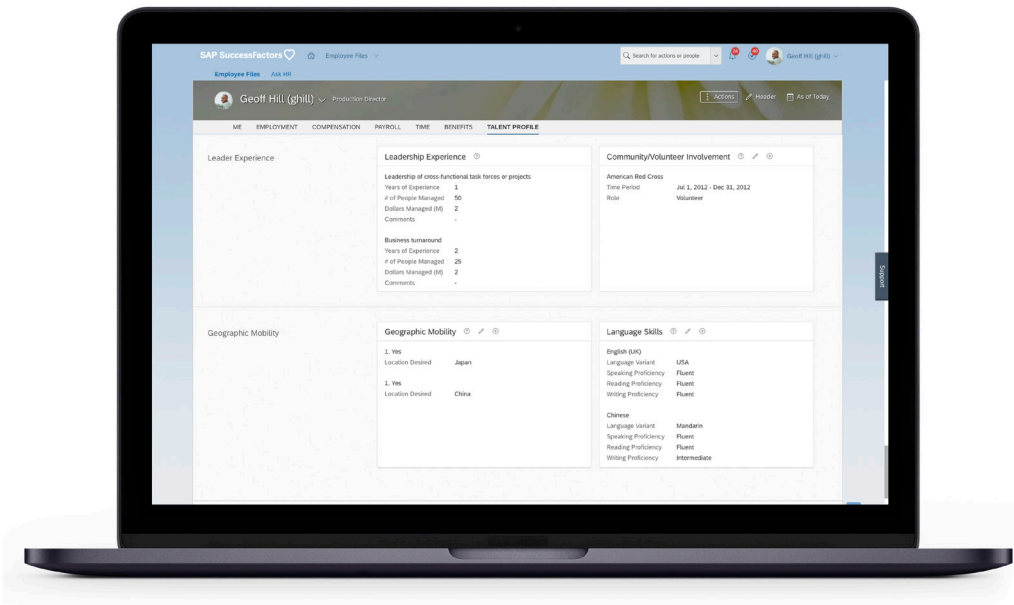
Use technology to support building learning and development experiences that engage everyone. Companies can use SAP SuccessFactors Learning to create and deliver learning content in dynamic ways. They can make learning courses self-paced or timed, and they can evaluate learning outcomes using a number of metrics. In conjuction with SAP Work Zone for HR or SAP Jam, learning professionals can use this learning management solution (LMS) to create learning communities in which specific developmental activities are assigned. As social collaboration and sharing tools, SAP Work Zone for HR and SAP Jam can also be used to learn from employees what kinds of training and development they will find the most engaging, supporting the development of courses and programs that will appeal to many. In addition, capabilities of SAP Work Zone for HR or SAP Jam can be used to support social and collaborative learning, allowing people with different learning styles access to the same information presented in a variety of ways.
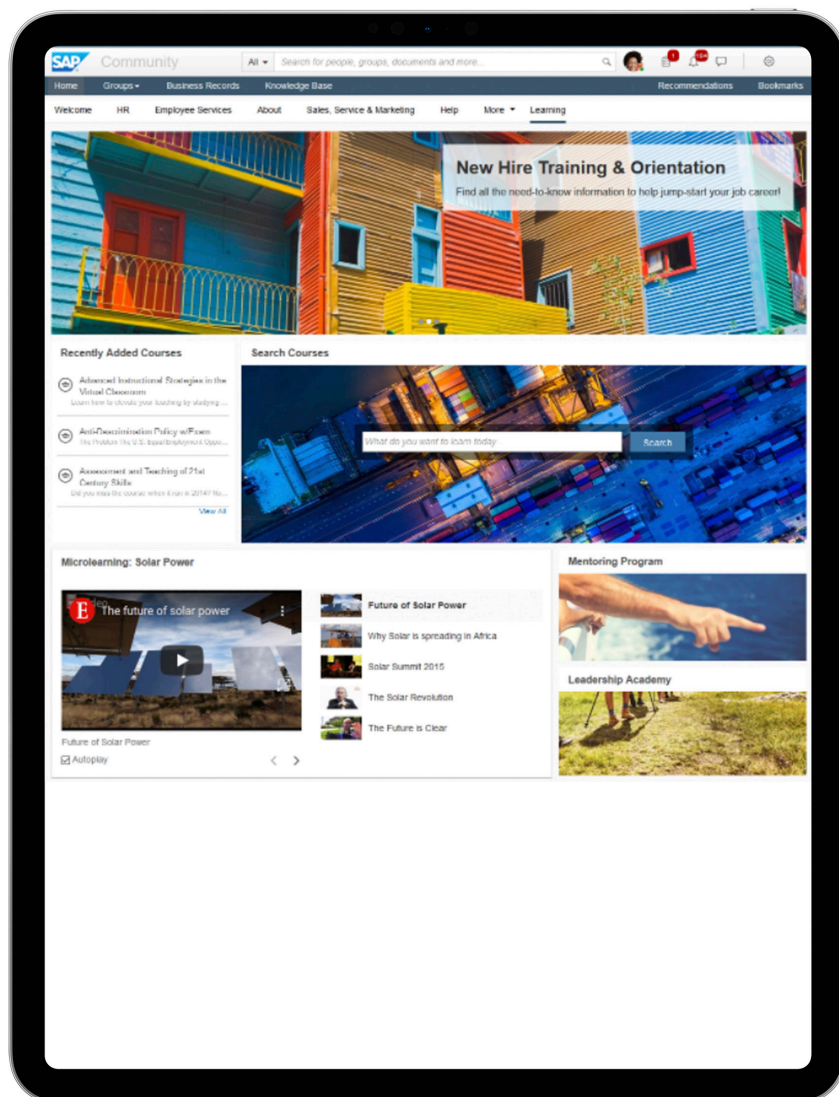
Empower employees to take charge of their own learning. SAP SuccessFactors Learning allows employees to easily create learning goals that are tied to personal development. They can close a gap in their current role or prepare for a future role. Employees can also explore recommended roles for the future through their career worksheet so they can, if desired, discuss next development steps with their manager.
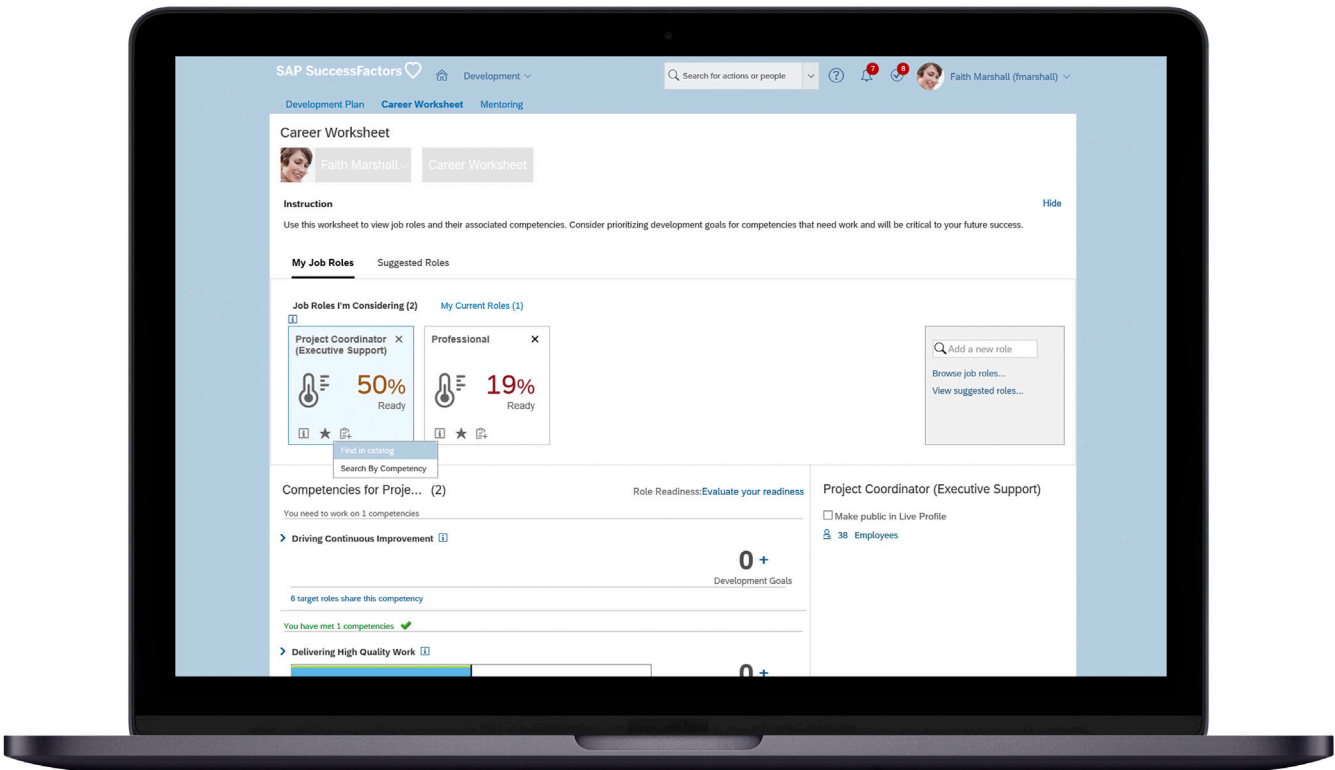
Provide remote access to learning opportunities through mobile solutions. SAP SuccessFactors solutions with mobile capabilities help companies ensure their employees have access to learning and development opportunities on the go, removing a critical barrier to career development for contingent, telecommuting, and other nontraditional workers, as well as people whose nonwork obligations preclude them from participating in learning and development occurring in a physical location.
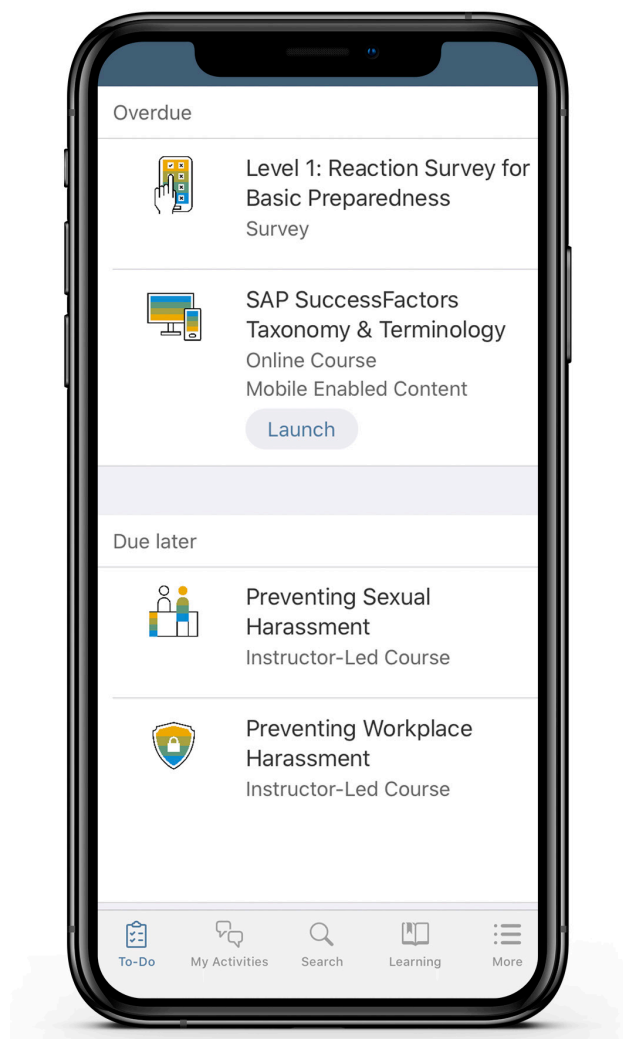
Leverage onboarding, LMS, and SAP Jam or SAP Work Zone for HR to help ensure development happens where it matters the most–when someone first enters the organization. Companies can use the SAP SuccessFactors Onboarding solution to manage new hires' onboarding experiences. In addition to helping ensure new hires are making the right social connections in the company, organizations can use the solution in conjunction with SAP SuccessFactors Learning and SAP Jam or SAP Work Zone for HR to help ensure new hires are getting the support, training, and development they need to start adding value in their roles. Below is an example of a group in SAP Jam that serves as a central location for new hires to access important documents, training, and critical milestones in their initial development. This will be beneficial for all new hires, but especially for enabling initial socialization of diverse talent.
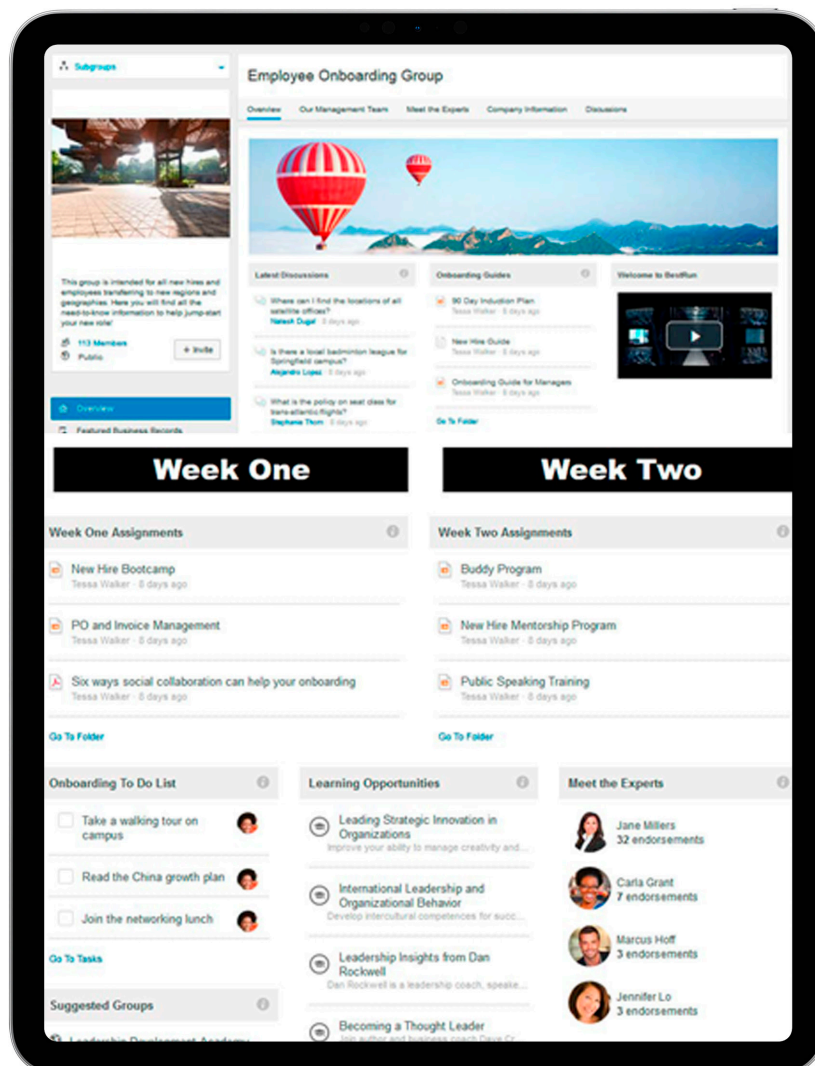
CONCLUSION

There are many reasons diverse employees may be overlooked when it comes to decisions around who should receive valuable career development and learning. Organizations can significantly reduce the influence of bias in these decisions by using technology to challenge manager bias, ensure learning relationships and communities are demographically balanced, allow employee interests and capabilities to determine the developmental opportunities they can access, enable the creation of learning and development content that appropriately engages all learners and learning styles, and provide initial and remote access to critical learning opportunities.

How can you measure the impact of your company's developmental processes? Consider tracking the following metrics:

- Number of development goals by demographic group – The average number of development goals analyzed by demographic group
- Goal completion by demographic group – The average number of goals completed within a reporting period, analyzed by demographic group
- Mentoring coverage by demographic group – The number of employees who currently have an active mentor in the workplace, by demographic group
- Average annual training hours by demographic group – The annual number of training hours per employee, analyzed by demographic group
- Learning activities completion rate by demographic group – The percentage of all learning activities completed during the reporting period, analyzed by demographic group
- Training channel delivery mix by demographic group – The mix and breakdown of different course offerings through various channels taken up by employees, analyzed by demographic group. This information helps identify the uptake of learning for different groups by delivery channel (such as classroom, e-learning, and others).
- Training course abandonment rate by demographic group – The number of courses started but not completed, analyzed by demographic group
- High-potential employees by demographic group – The number of high-potential employees in the organization, analyzed by demographic group

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Eliminating Bias in Who Is Rewarded: Compensating a Diverse Workforce

While engagement and a sense of purpose are important aspects of job satisfaction, one of the primary reasons employees work is to get paid. Financial rewards and recognition provide a significant motivator for employees to perform well and maintain that performance over time. Rewards also play a large role in retention, with better pay opportunities being a primary reason people change jobs. So when it comes to ensuring diverse talent stays in your organization, rewards and recognition are a key place to focus.

Unfortunately, research suggests that pay and rewards are often not equitably distributed across employees of different demographic groups.

Why does this happen?

Demographically-based pay gaps persist even when other factors are accounted for. The gender-based pay gap is well documented on a global scale, with women making less than men on average. In the United States, for instance, women are estimated to make about 79 cents for every dollar men make.[1] On a global level, this number is closer to 59 cents, and it has been reported that at current rates of progress it will take 202 years to achieve economic gender parity.[2] The accuracy of these numbers has been hotly debated because they represent an average that does not account for the different industries, number of hours, and specialties that men and women pursue. Indeed, when these factors are considered, the pay gap often shrinks, but it is still there; when all employment factors are accounted for, women still make an average of 95 cents for every dollar men make.[3] And this can't be accounted for by a difference of performance or relative contributions. Research shows that compensation decisions carry gender bias 14 times greater than performance evaluation decisions, a discrepancy that becomes even larger in industries that tend to be more male dominated, and for jobs that are highly specialized in terms of skills and experience.[4]

This sort of pay gap extends to other groups beyond gender. There is research evidence of a racial pay gap that is actually wider than the gender gap, although this is partially explained by differences in education level and industry participation.[5] Pay disparities between Black and white employees in the United States are larger now than they were 40 years ago, even at the hourly wage level.[6] On average, individuals with disabilities make 34% less than their counterparts without disabilities, largely because individuals with disabilities are more likely to work in sub-minimum-wage jobs and are significantly more likely to be unemployed, underemployed, to lose a job or to be refused a job in the first place.[7] Pay gaps between LGBTQ and non-LGBTQ individuals have been demonstrated as well, with transgender women seeing their pay drop by up to a third after transitioning to female[8] and bisexual men and women are found to earn less as well.[9] Study after study shows that compensation is rarely equally distributed across demographic groups, even if the extent of the bias does vary across industries, organizational levels, and job types.

Pay gaps start at the date of hire and persist over time. So why does this effect happen? The research suggests that two factors tend to perpetuate pay gaps. First, certain groups of people may start at a lower salary when they enter a company. Second, companies may not equally allocate pay increases after people are hired.

Extensive research evidence indicates that pay gaps start to emerge when people are initially hired. LGBTQ individuals in the tech industry, for instance, receive salary offers that are, on average, $3,000 less than their non-LGBTQ counterparts.[10] Women in the same industry receive lower starting salary offers than men nearly two-thirds of the time,[11] which partially explains why women under 25 in tech earn 81% of what their male counterparts earn.[12]

Beyond the initial offer, certain organizational practices perpetuate pay gaps over time. Consider the common practice of awarding bonuses and merit-based increases as percentages of existing salary. Even when people are awarded the same performance rating, the person starting out with a smaller salary will be rewarded less; and research indicates that person is likely to be diverse talent. Age interacts interestingly with pay as well. While older workers tend to make more, having been in the workforce longer, age also tends to exacerbate other demographically based pay gaps. Older women, for instance, earn 12.3% less compared to older men when all other employment factors are considered–a gap that is more than twice as large as that of the overall average.[13] As discussed earlier, demographic differences across job families can also perpetuate pay disparities because pay decisions are often made by comparing employees working in the same jobs. If a job family is mainly populated by female employees, the pay benchmarks for employees in those jobs are likely to be lower compared to a job family that is primarily populated by men.[14]

This means that organizations have two key areas to focus on when providing equitable rewards: processes that allow them to pay newly hired employees equally, and processes that correct pay disparities of existing employees over time.

Certain groups of employees are less likely to speak up about pay, resulting in other groups getting ahead. Another factor in gender and other demographically based pay gaps is the willingness of people to ask for higher levels of pay, which can differ across different demographic groups. Research has shown, for instance, that men are more likely than women to receive a raise.[15] But when managers and business leaders reward employees based on their wiliness to negotiate as opposed to their performance, they are likely to create pay gaps that do not necessarily favor those who are actually contributing more to the organization. In order to create a culture where everyone is comfortable discussing rewards, all employees have to be treated equally in terms of the influence they have on their compensation through engaging in discussions about pay.

HOW SAP SUCCESSFACTORS SOLUTIONS HELP ELIMINATE BIAS IN WHO IS REWARDED

Employee rewards are not only critically important in retaining top talent but also a potentially sensitive point for organizations when it comes to diversity and inclusion. Many lawsuits stem from perceptions or realities that organizations do not pay equitably.[16] So, it is imperative that organizations remove bias, even that which is unintentional, from this process.

How can technology help?

Use recruiting and promotion processes that provide diverse talent access to higher-paying positions. Some demographically-based pay gaps are a result of the different occupations and organizational levels that certain groups of individuals tend to work in. Individuals with disabilities, for instance, are more likely to work in entry-level jobs.[17] Transgender individuals are more likely to work in low-paying jobs.[18]

Female-dominated occupations not only tend to be paid less, but as certain jobs become more female dominated, the relative salaries for those jobs actually decrease.[19] From a national, global, and societal perspective, achieving pay equity across all demographic groups means removing the barriers that prevent certain groups from participating in higher-paying jobs, occupations, and industries.

In an earlier section, we discussed how recruiting processes should be structured to provide equitable access to opportunities in your organization, ensuring your interviewers and hiring managers are able to select the best possible candidates for a role. In the next section, we will cover promotion processes and how companies can ensure they are being equitable and accurate in selecting the company's next great leaders.

Base employee pay on company averages, not former salary. When certain demographic groups start out with a lower salary due to some of the systemic issues we've described, continuing to base employee pay decisions off of that data exacerbates the disparity between underrepresented and well represented groups. The practice of asking new hires to indicate their previous salary is so influential in perpetuating pay gaps that it has been outlawed in several states in the US.[20] Rather than using candidates' previous salary levels to set pay, pay should be set based on independent compensation benchmarks ideally gathered from a diverse population of employees.

For instance, average wages can be calculated for certain roles, and this number can be adjusted based on factors such as years of experience and perceived future value to the company, providing a data-based foundation for determining how people should be paid.
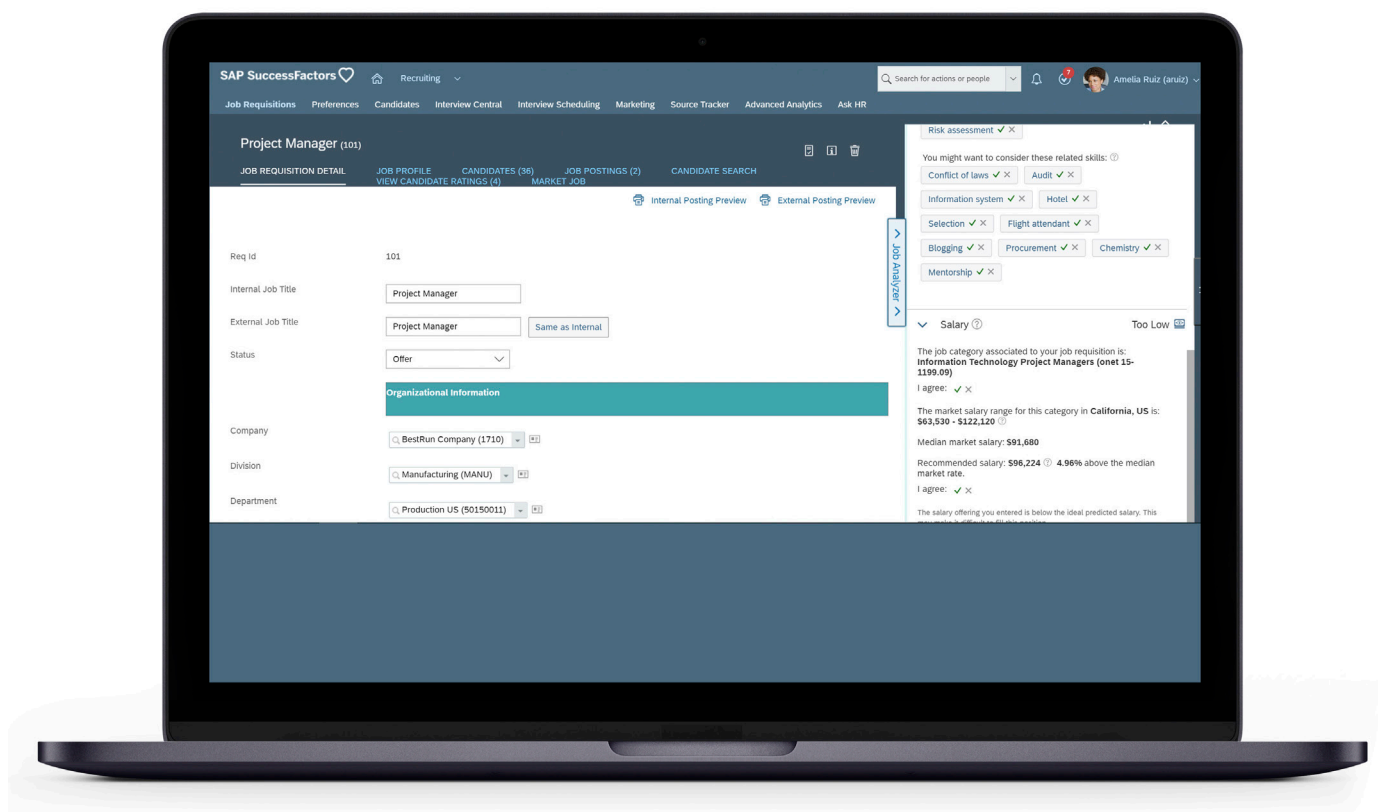
Adjust pay based on compa-ratios where appropriate. Compa-ratios provide insight into employee pay levels relative to average ranges for different job categories. Using SAP SuccessFactors Compensation, companies can easily see where employee salaries fall relative to the rest of their job family or group within the company. Furthermore, external survey market pay information such as external compa-ratio and pay range data can be brought into the compensation worksheet to provide additional data points for ensuring fair and equitable pay decisions. We discussed in an earlier section the importance of ensuring these groupings are demographically diverse.

Once this is done, features such as color coding can be used to indicate where an employee lies relative to the group's salary midpoint. This allows compensation professionals to easily visualize where potentially demographically based issues may be occurring. If certain groups of employees regularly fall below the midpoint for reasons unrelated to performance or other pay-related factors, this can inform decisions to adjust pay to reduce demographic differences in compensation levels.

Link pay to performance. Finding ways to link pay to performance remains a critical component of an equitable compensation program. People should be rewarded for their contributions. Companies can use the calibration tool in SAP SuccessFactors Compensation to help guide the discussion among managers of who should be rewarded more based on their performance levels.

Calibration helps managers visually compare employees across different dimensions, such as compa-ratio versus performance rating, to ensure fair and equitable rewards decisions. Photoless calibration helps further eliminate any unintended bias to drive more accurate performance assessments and pay decisions.
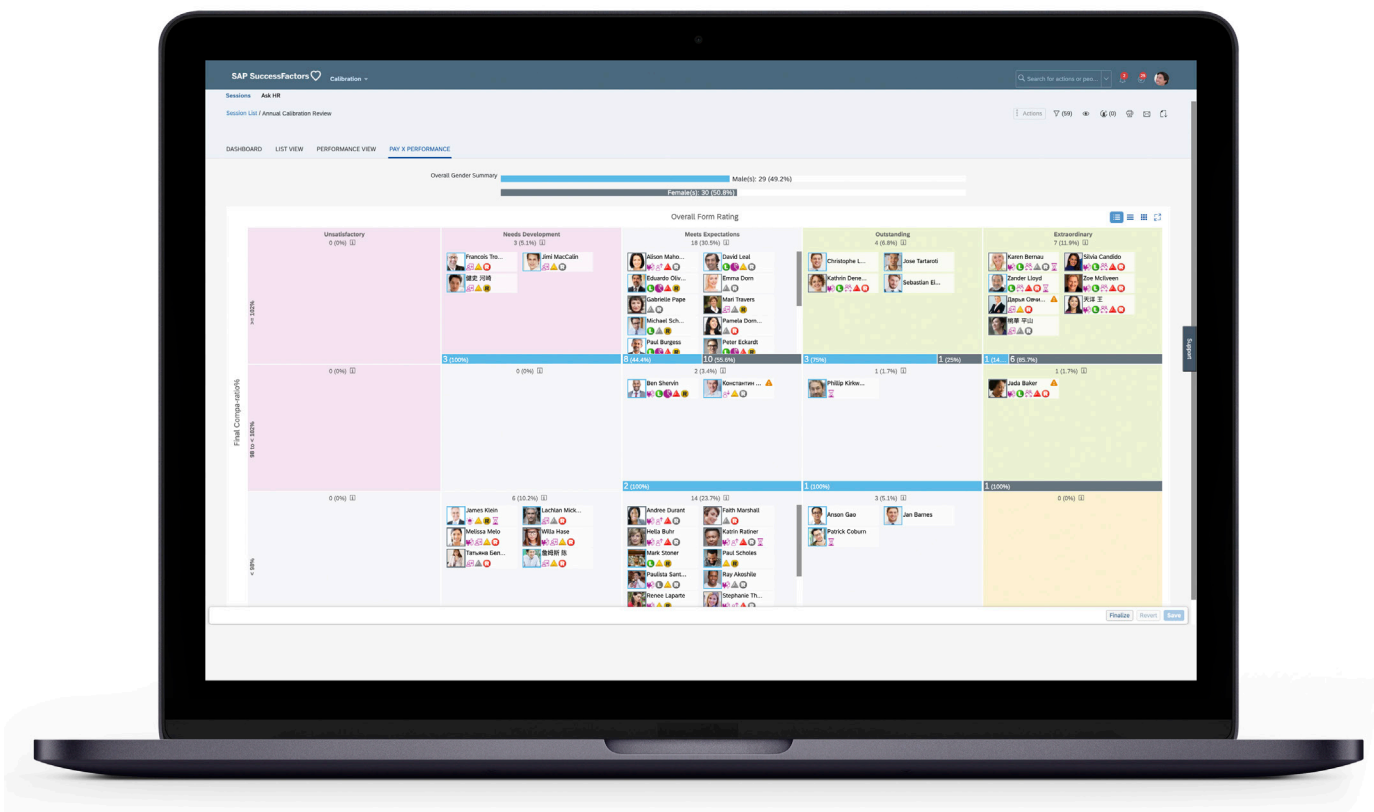
Calculate pay increases using absolute values instead of percentages. A very common practice in organizations is to award pay increases and bonuses based on percentages of current salary. This aligns well with how budgets are typically calculated, but it does little to alleviate pay gaps among different demographic groups. If high performance ratings correlate with 5% increases across the company, a female employee making less than a male employee will still technically be rewarded with less money; and this disparity will actually grow over time with subsequent 5% increases. Compensation professionals should consider awarding increases and bonuses in absolute values instead. While this will not alleviate initial pay gaps, it also won't perpetuate and increase them in the same manner that percentage increases will. In the merit guidelines worksheet within SAP SuccessFactors Compensation, toggling between "percentage" and "absolute" awards is as easy as pushing a button.
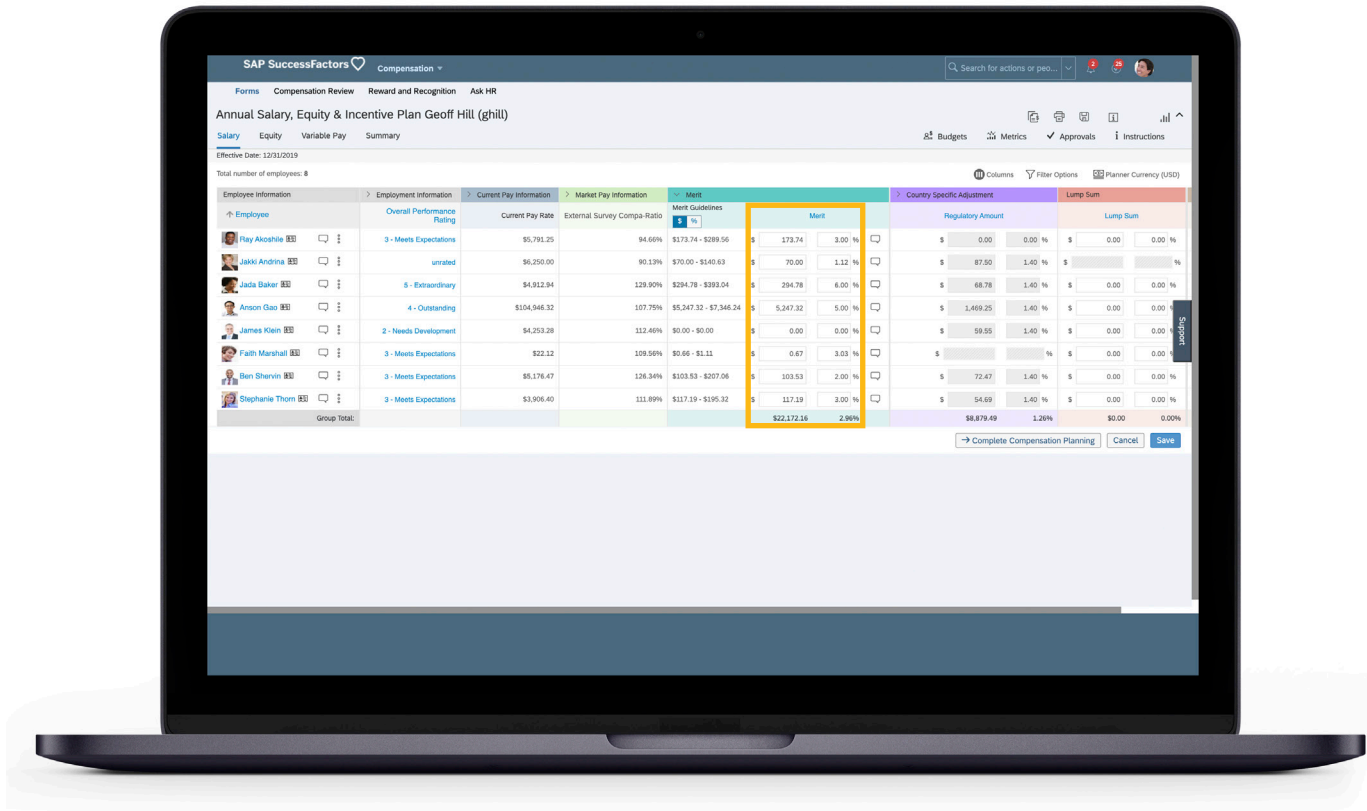
Encourage managers and employees to discuss pay. Having discussions related to pay and rewards can be uncomfortable, and for that reason many people choose not to do it. However, this has been shown to be a contributing factor in demographically based pay gaps. One way organizations can address this is by providing training and enablement that instructs both managers and employees how and when to have productive discussions about pay. Companies can use SAP Jam, SAP Work Zone for HR, or

SAP SuccessFactors Learning to deliver this kind of content. This kind of information signifies to employees that the company culture supports them in seeking transparent information about how compensation decisions are made. For managers, an embedded link from the SAP SuccessFactors Compensation worksheet provides them with additional guidance on company compensation policies, philosophy, and additional enablement resources.
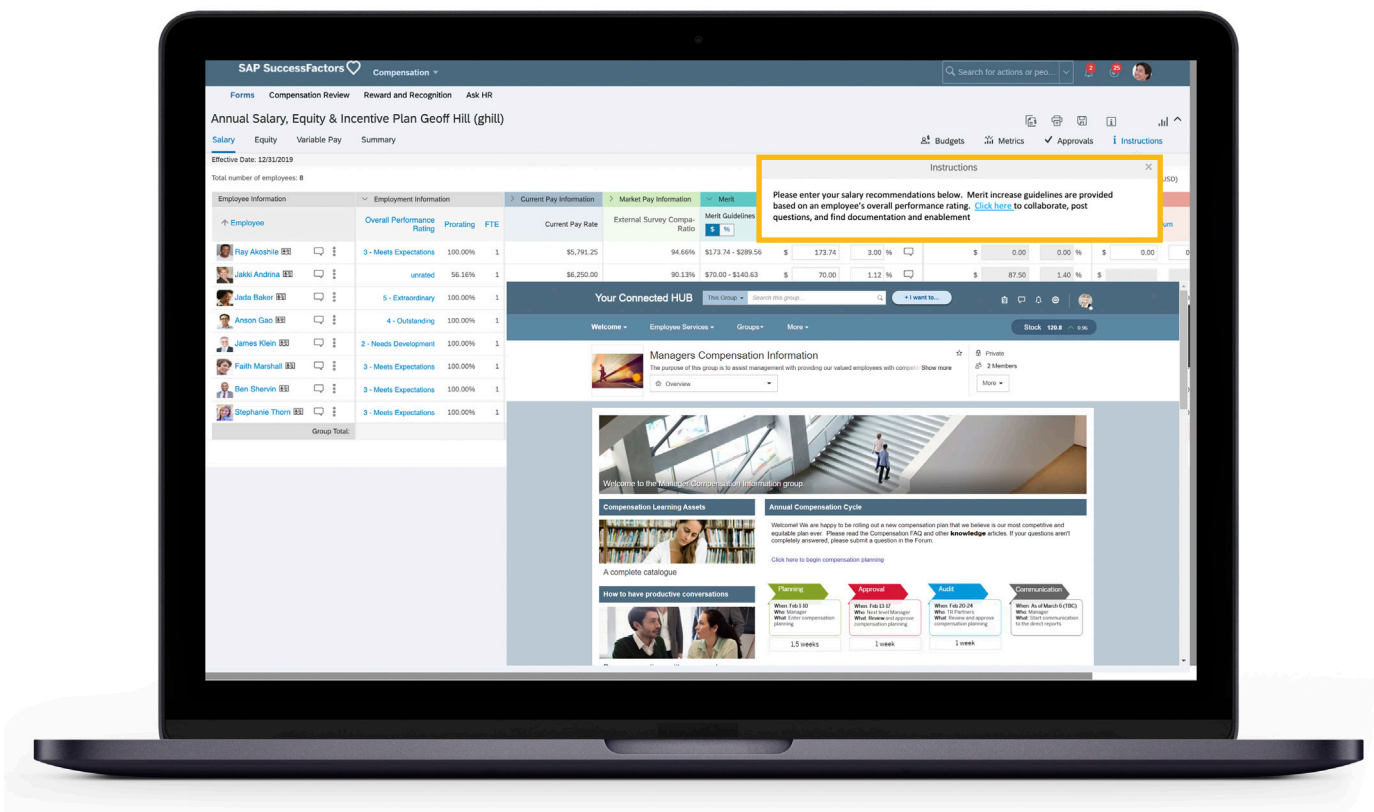
CONCLUSION

Demographically-based disparities in pay and other rewards are ultimately perpetuated by how initial and ongoing compensation decisions are made. By effectively leveraging technology to ensure the pay of new hires and existing employees is based on fair and equitable criteria, organizations can eliminate bias in how employees across the organization are rewarded, ensuring the retention and satisfaction of a diverse workforce.

How can you measure the impact of your company's pay practices? Consider tracking the following metrics

- Average annual salary by demographic group – The average base salary of each demographic group
- Performance-based pay differentials by demographic group – The average base compensation paid to top performers for every dollar paid to midrange to low performers, analyzed by demographic group
- Annual bonus by demographic group – The average annual bonus for each demographic group
- Diverse-to-nondiverse employee stock-holding ratio – The number of stock shares held by diverse employees (for example, employees with disabilities) for every one share held by nondiverse employees
- Average spot bonus by demographic group – The number of employees receiving a spot bonus and average bonus amount, analyzed by demographic group
- Compa-ratio by demographic group – Comparison of an employee's actual base salary and the midpoint of their salary structure, analyzed by demographic group
- Upward salary change rate by demographic group – The percentage of employees who received a salary increase, analyzed by demographic group

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Eliminating Bias in Who Is Promoted: Selecting and Retaining Diverse Leaders

A company's leadership team is pivotal in setting culture and expectations. A visit to the website of any large organization reveals that leaders are also very visible. Peter Howes, former vice president of Workforce Analytics and Planning at SAP SuccessFactors (SAP), once said, "You can tell a lot about an organization's culture by whom they choose to promote." Indeed, nothing is more reflective of the behavior, performance, and capabilities that an organization values than whom they choose to reward with opportunities to lead others.

We know, however, that leadership ranks tend to be the least diverse. Fewer than 6% of S&P 500 companies[1] and 6.6% of Fortune 500 companies are led by women, although the current count of 33 female CEOs is the highest representation in the history of the group.[2] There have been only 18 Black CEOs (and only one Black female CEO) in the history of the Fortune 500,[3] even though these companies employ about 17.5% of the total U.S. workforce.[4] Company boards tend to be so homogeneous that a growing number of regions and countries are implementing quotas to achieve greater diversity in the boardroom.[5] The reality is that in most industries, the higher you look in organizations, the less diversity you see.[6]

What causes organizations' promotion processes to result in relatively homogeneous groups of managers and leaders?

We implicitly believe that future leaders should resemble past leaders. We discussed in a previous section how we subconsciously believe a person will be effective in a role if he or she resembles other people who were previously effective in that role. This same phenomenon affects how companies select leaders. We tend to view people who look like our implicit conceptualizations of an "ideal" leader as being more competent and well prepared for leadership roles, influencing who we choose to develop and eventually promote. However, these decisions often result in leadership teams that do not demographically resemble lower levels of the organization.

This effect has been demonstrated in the research across underrepresented groups. Women, for instance, are less likely to be promoted,[7] as are nonwhite employees and especially Black women.[8] Older employees tend to be rated as less promotable generally.[9] Having a disability is so detrimental to chances of receiving a promotion that over 61% of individuals with disabilities have reported not disclosing their disability for this exact reason.[10] And some research has shown that when participants listened to a recording of a voice that they felt "sounded" gay, they were more likely to say the person was ill-prepared for a leadership role.[11]

In order to address this issue and ensure the most capable people are promoted, business leaders need tools and processes that enable them to get past their implicit conceptualizations of how leaders should look and focus on the qualifications, skills, and abilities that enable individuals to be great leaders.

Phenomena such as the "glass ceiling" are lower than you think. In many industries, the higher up in an organization you look, the less demographic diversity you see. But this is not a gradual or linear relationship. There is a point at which diverse talent dramatically drops off, and that point is around or before the middle management level.[12] This is sometimes referred to as the "glass ceiling" effect, implying there is an invisible barrier that limits promotion of certain groups above a certain level. Research suggests that because middle managers make many decisions that directly affect the careers of employees, they are some of the most influential in driving workforce equity, diversity, and inclusion through their behavior.[13] But for a variety of reasons, including unwelcoming culture and inflexible work characteristics, middle management is also the point at which diverse talent tends to leave.[14] Organizations should carefully study cultural characteristics and management practices that may be adversely affecting diversity at the middle management level while also arming managers with the tools they need to move past their own unconscious biases and make decisions in a way that is equitable and fair across all groups of employees.

Promotions are an outcome based on other biased processes. Organizations should ideally base promotion decisions on assessments of performance and development of skills and experiences necessary to succeed in a leadership role. However, we've discussed in earlier sections how decisions around evaluating employees and selecting them for developmental opportunities can be unintentionally influenced by bias. Women, for instance, have been shown to have very different paths to promotion than men, often needing to demonstrate higher sustained performance and tend to use their personal and professional networks less.[15] This suggests that somewhere in the performance evaluation process, a link is being made to promotion opportunities for men that is not being made for women in the same way. To address this issue, business leaders need to ensure the processes they use to get people to the point of being considered for a promotion are equitable and inclusive.

HOW SAP SUCCESSFACTORS SOLUTIONS HELP ELIMINATE BIAS IN WHO IS PROMOTED

We've discussed some ways companies can remove bias from their promotion processes, ensuring that leadership selection practices are equitable across all groups of employees.

How can technology help?

Use calibration to evaluate potential. In addition to views that enable managers to quickly visualize and determine performance-based compensation decisions, calibration can also be used to categorize employees according to performance and potential, supporting succession and promotion decisions. This tool helps facilitate discussions among managers around what high potential looks like, ultimately guiding decisions around who should have access to higher-level roles. Additional calibration functionality, such as the in-line notes, enables managers to approach succession and promotion decisions with a shared understanding of what potential looks like across all qualified employees.
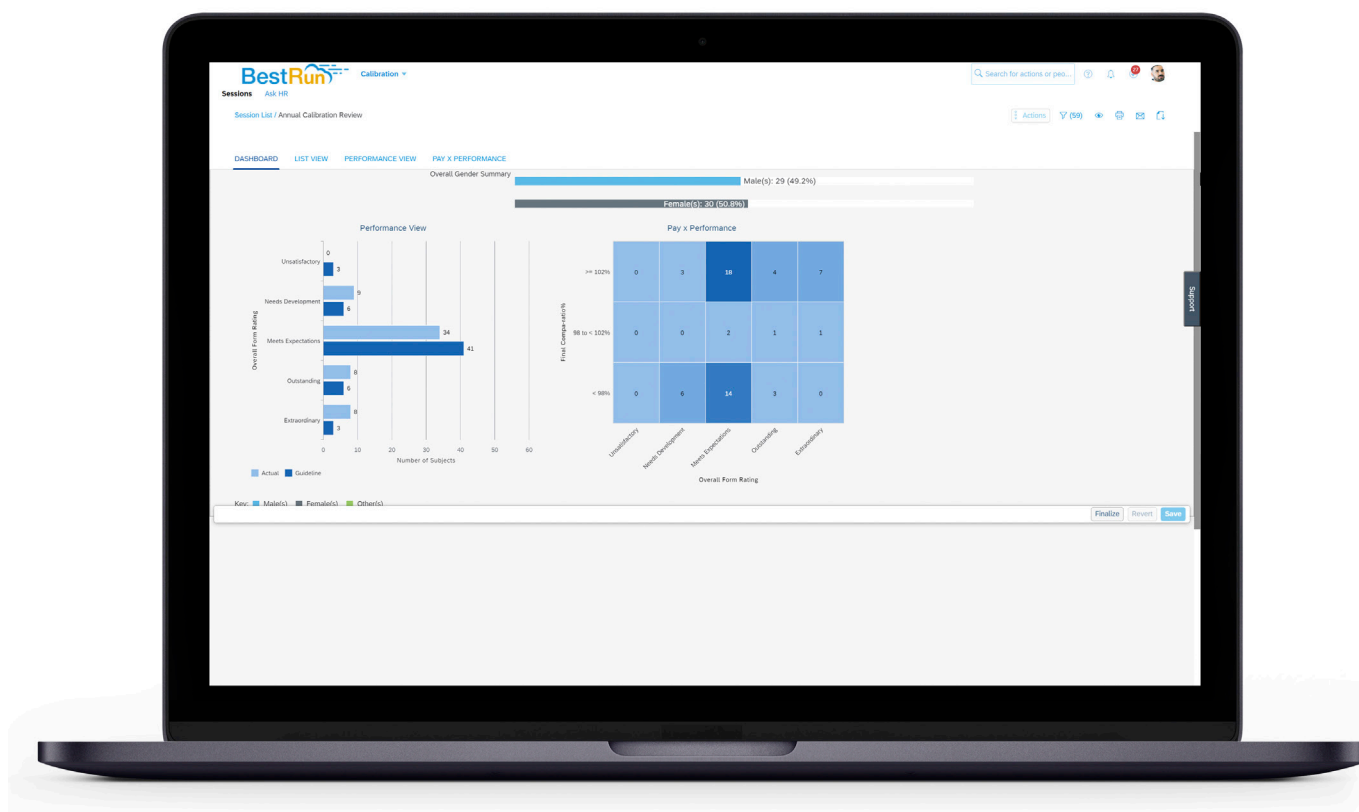
Analyze indicators of potential bias. Even though the calibration tool enables discussion around how to define potential, managers can still exhibit unintentional bias in how they assess that potential, seeing more of it in people who may look like their implicit ideals of leaders. There are indicators within SAP SuccessFactors solutions that may shed light on whether this is occurring. For instance, employees can be assigned a "risk-of-loss" categorization, indicating top talent that the company wants to retain but that might be drawn away by other opportunities.

These categorizations can be seen in the calibration tool, as shown below. They can also be brought into a report that allows business leaders to see whether high risk-of-loss categorization tends to occur more for certain demographic groups. If this is the case, it can form the basis for investigating whether those employees are truly at higher risk of loss than others, or if they are just implicitly believed to hold more value for the organization because of their demographic characteristics.
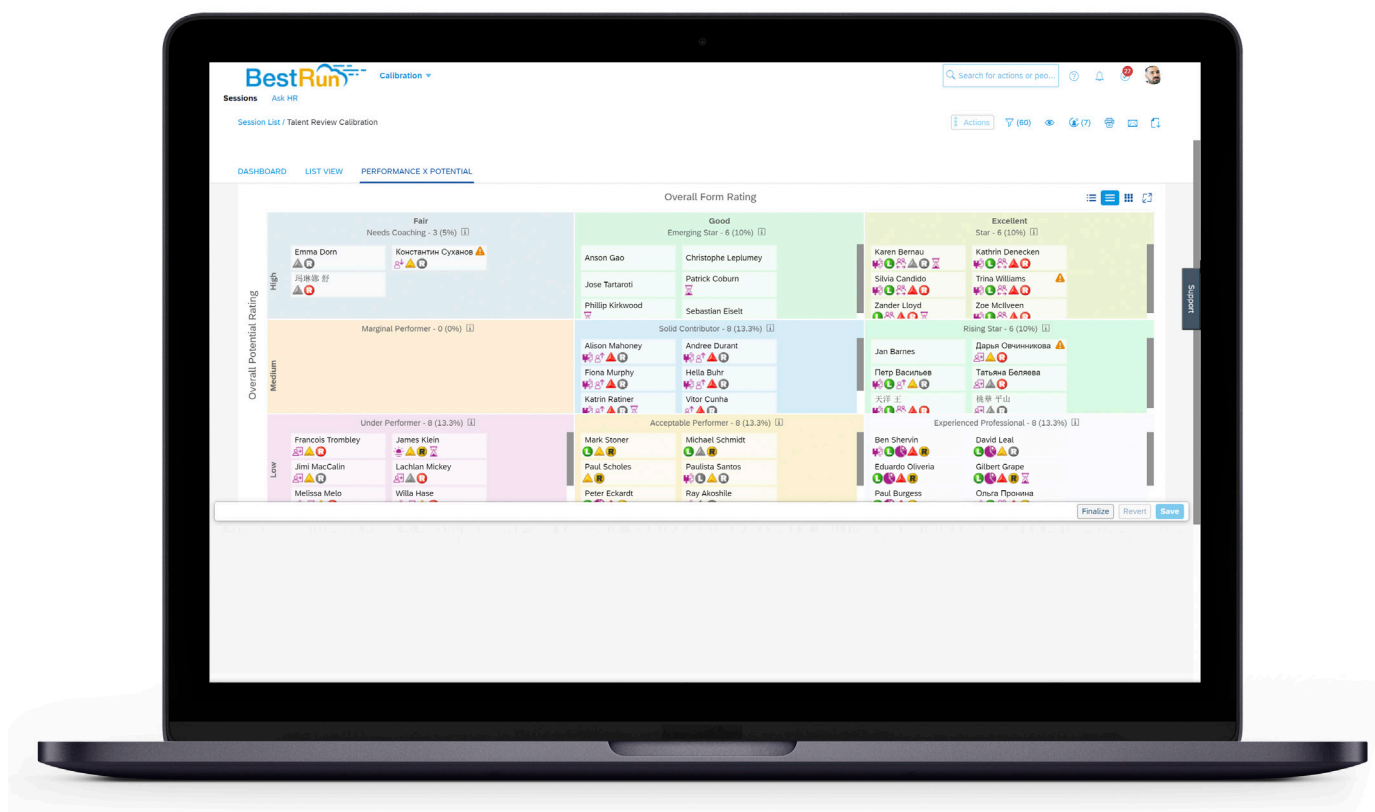
Ensure top talent in the company is visible. Even though the skills, capabilities, and competencies necessary for success in a leadership role should not be associated with demographic characteristics, unconscious bias can cause diverse talent to be overlooked for these positions. Decision makers need tools and processes that enable them to "see" all of the qualified talent in the organization. There are several ways that SAP SuccessFactors solutions help with this. First, talent search functionality enables business leaders to find employees possessing certain skills and qualifications. This information can be searched directly from the employee profile, enabling employees to self-report and have some degree of influence in whether they are considered for a promotion.
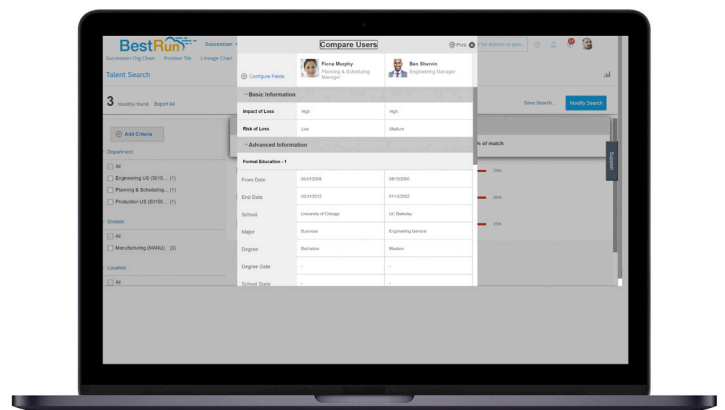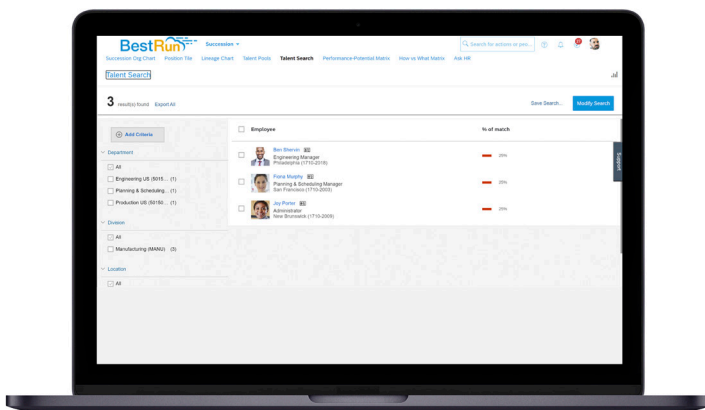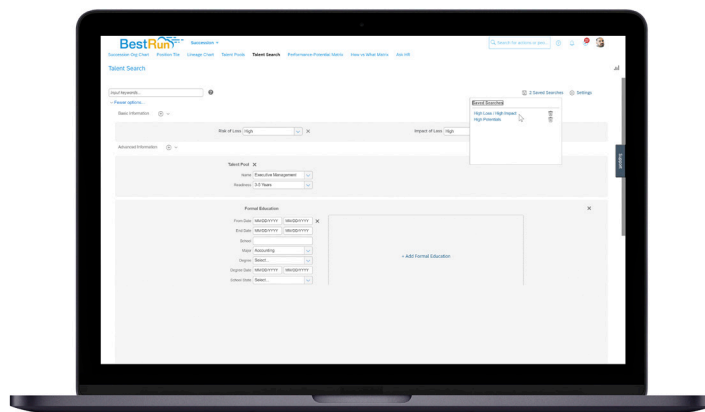
The alerts functionality within the calibration tool will pull from historical data and surface an alert when certain conditions are met. In the example below, an employee has been placed in the "high performance, high potential" box for three years in a row but has not received a promotion. This alert encourages managers to revisit their decision, removing any potential blind spots they may have had for this particular employee and increasing visibility into the top talent that may be perfect for a higher-level role.
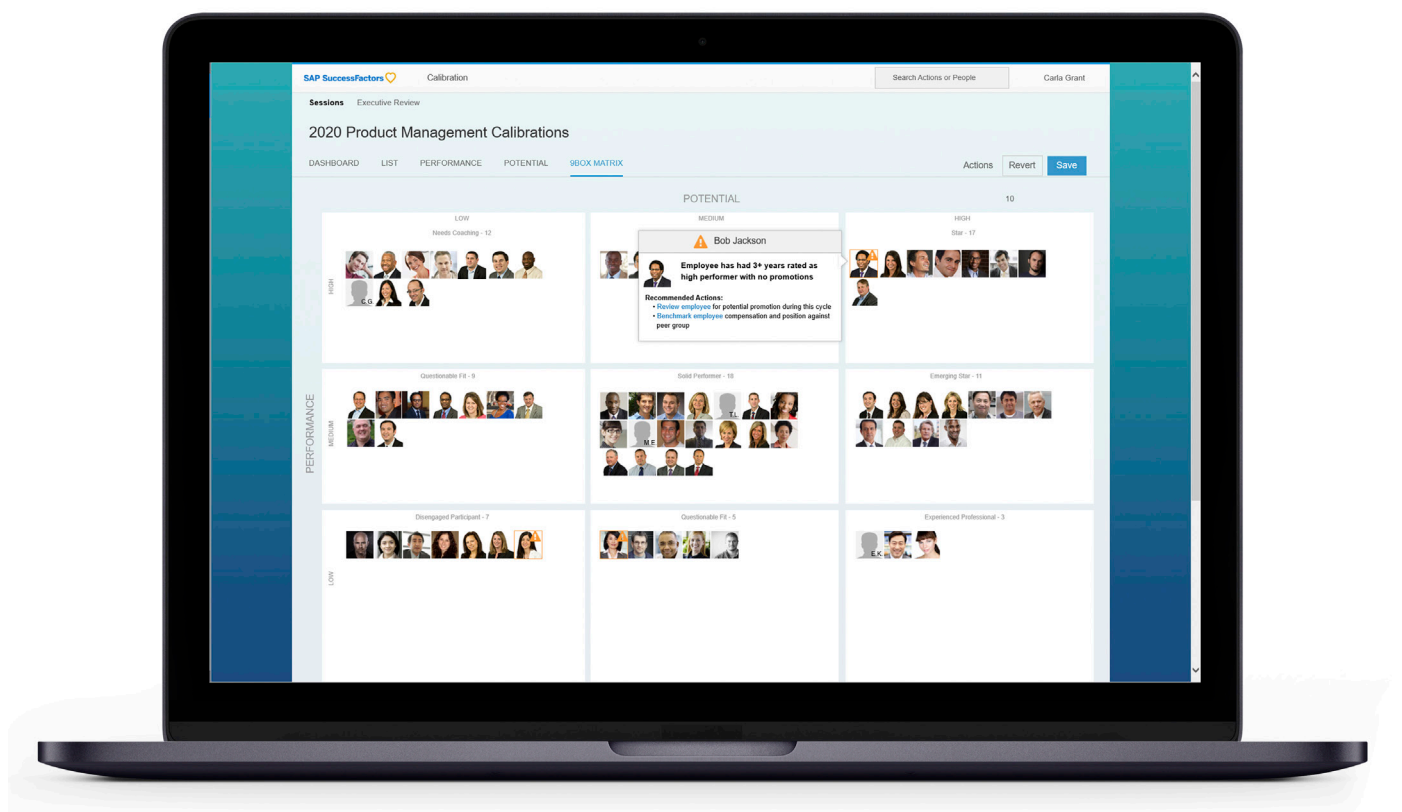
CONCLUSION

The promotion process is a key point at which we can influence workforce diversity and inclusion in the long term. Having similar role models in high-level positions encourages diverse talent to apply to work in the organizations and industries in which they believe they too can succeed.[16] And because leadership teams are so critical in setting strategy and culture, more diverse leaders can help ensure that inclusive cultures become and stay a part of the organization.[17] By using technology to ensure promotion decisions–and all of the decisions leading up to them–are made equitably, companies can ensure that bias does not determine the people they choose to promote.

How can you measure the impact of your company's promotion processes? Consider tracking the following metrics:

- Promotion speed by demographic group – The average position tenure prior to promotion, analyzed by demographic group
- Number of diverse employees promoted by manager – The average number of diverse employees (for example, women) promoted per manager
- Number of diverse successors by manager – The average number of diverse employees who are identified as successors per manager
- High-potential employees by demographic group – The number of employees considered to have high potential in the organization, analyzed by demographic group
- Successor readiness rate by demographic group – The percentage of successors analyzed by succession readiness rating, analyzed by demographic group. This identifies the proportion of different demographic groups in each successor readiness category.
- Time in successor pool by demographic group – The average number of days a successor has been in the successor pool, analyzed by demographic group

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Using HR Technology to Drive Inclusion

The preceding sections covered how organizations can reduce the influence of bias and provide greater opportunities for diverse talent to succeed in every stage of the HR lifecycle. But diversity professionals know that diversity is not the whole story–diversity means having the numbers, but inclusion is what makes the diverse perspectives, experiences, and dynamics work. Without inclusion, organizations can't truly capitalize on the benefits of diversity. And without mechanisms in place to ensure the ideas and contributions of everyone are valued, inclusion quickly falls apart.

Even when organizations are able to bring in diverse talent and keep them for some time, they may be inadvertently excluding them in ways that are visible and noticeable–and that go beyond inequity in traditional HR practices. How?

Diverse talent is not given the tools they need to develop social relationships. In today's increasingly collaborative world, having productive working relationships with key contributors in the organization is critical to any individual's success. But it can be difficult for diverse talent to form these relationships, particularly when they are in the minority. In an exclusive organizational culture, diverse employees tend to form restrictive social networks with other diverse employees. Referred to as "in-group / out-group dynamics," this barrier has to do with the difficulty people with different backgrounds and experiences have in forming strong ties to existing, intact groups of people who share similar backgrounds.[1] However, in-group / out-group categorization is a largely mental construct created based on perceived differences and similarities.[2] Companies can and should enable employees to create in-groups that revolve around similar interests and goals unrelated to demographic characteristics.

Diverse talent may find it uncomfortable to share ideas. People that perceive themselves to be in the minority or "different" from others in an organization may be reluctant to share ideas and perspectives that vary from the general group norms, especially when the organizational culture doesn't support them in doing this.[3] This is a significant issue because the advantage of diversity at work is that it helps create variety in perspectives and approaches, facilitating innovation and novel ways of solving problems. If a company's culture is not conducive to employee comfort and competence in sharing ideas, the company will fail to leverage this key advantage that diversity can provide, no matter how many diverse employees it brings in. This is why organizations should provide tools and processes that enable all talent to speak up and share ideas, supporting a culture in which everyone is valued.

Certain resources may not be relevant or helpful to diverse talent. Companies develop and administer policies, practices, and benefits in an effort to help employees do the best work possible. But in an increasingly diverse workforce, presenting resources in the same way across the entire employee base is unlikely to meet everyone's needs. Some companies have addressed this by providing resources specific to certain demographic groups, which helps bring value to those groups but does little to promote inclusion and unity across the entire employee base. Another method is to create employee resource groups that are targeted toward employees of certain demographic categories or backgrounds but are open to everyone who supports diversity and inclusion and would like to learn more about and support the experiences of those employees.

HOW SAP SUCCESSFACTORS SOLUTIONS SUPPORT A CULTURE OF INCLUSION

There are several ways that companies can utilize technology to support a sense of inclusion for all employees.

Use onboarding to bring new employees into the most important in-group: the company itself. The SAP SuccessFactors Onboarding solution contains several features that can help socialize new employees to your company in a quick and engaging fashion, which is likely to be especially beneficial for diverse talent. Using this tool, business leaders can assign a "new-hire buddy" to incoming employees, ensuring they build at least one strong social relationship immediately upon entering the organization. The solution also introduces new hires to "people they should meet," so new employees are clear on the people they should get to know and the critical social relationships to form.
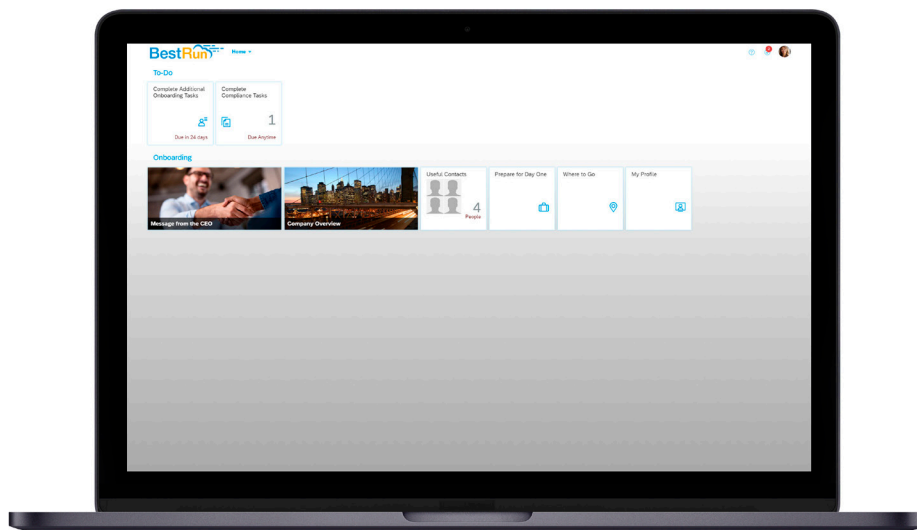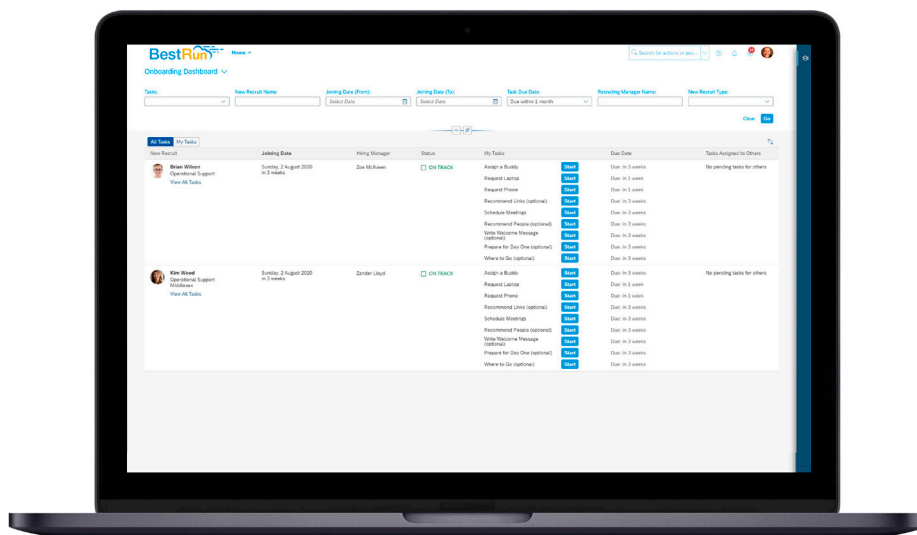
Use SAP Jam or SAP Work Zone for HR to drive social collaboration and discussion. The changing nature of work means "team discussion" may look very different than it has in the past. While meetings and collaboration used to involve face-to-face interaction, this is no longer necessarily the case. When it comes to inclusion of diverse perspectives, this may be a positive thing. Diverse employees who may be hesitant to speak up or are regularly interrupted in face-to-face settings can be encouraged to contribute ideas and perspectives online. While this may not completely eliminate the reluctance of diverse talent to share ideas, it does provide another outlet for making those ideas heard. SAP Jam also contains features such as polling that allow employees to cast their votes and contribute their perspectives in a way that does not put them in an unwanted spotlight.
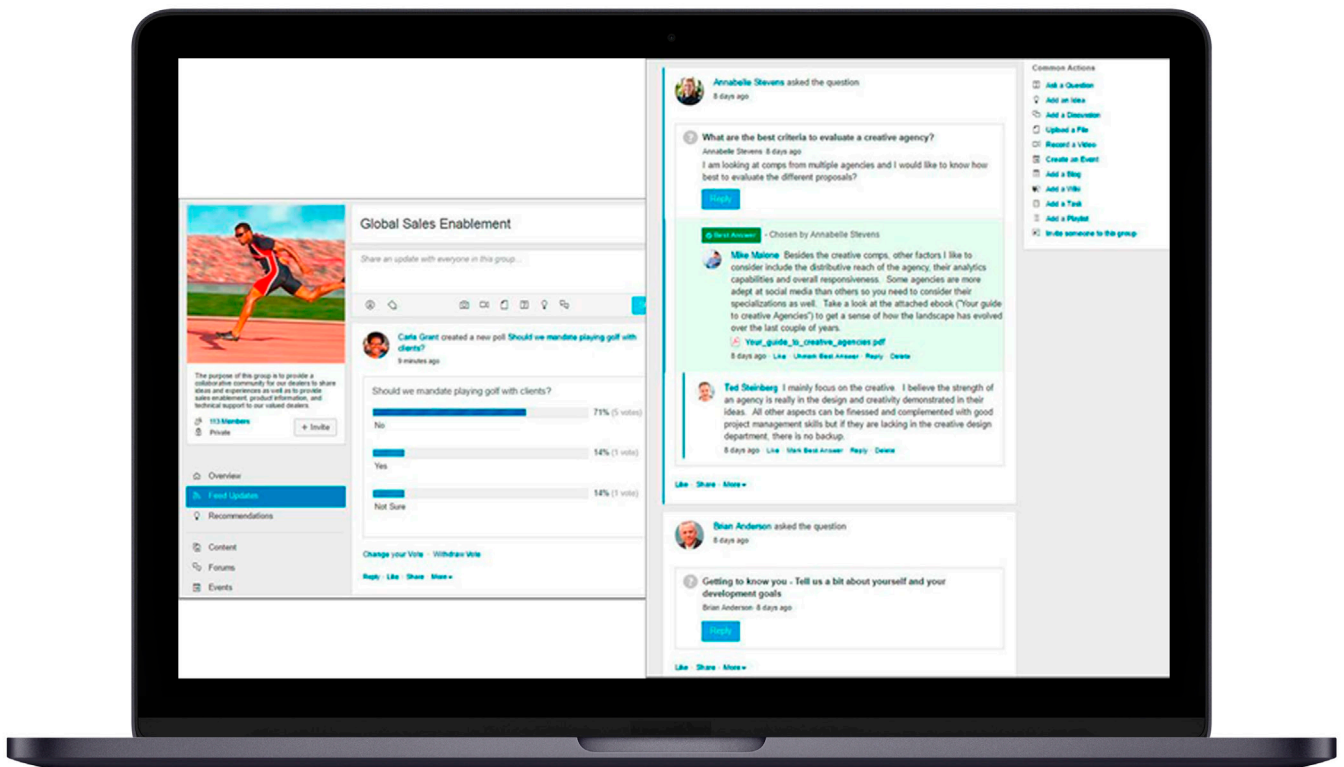
Use SAP Work Zone for HR or SAP Jam collaboration platforms to manage employee resource and interest groups. These platforms allow employees to build groups that can vary in terms of topic, focus, and access. Many companies have used these tools to create employee resource groups within SAP Jam where employees with shared backgrounds and interests come together to discuss common challenges and demonstrate support for one another.

In these groups, administrators can post relevant documents and resources, as well as drive discussion and collaboration among group members. Group membership can also be set to be public or unrestricted, so employees who are not necessarily part of the underrepresented group but act as supportive "allies" can be included as well.
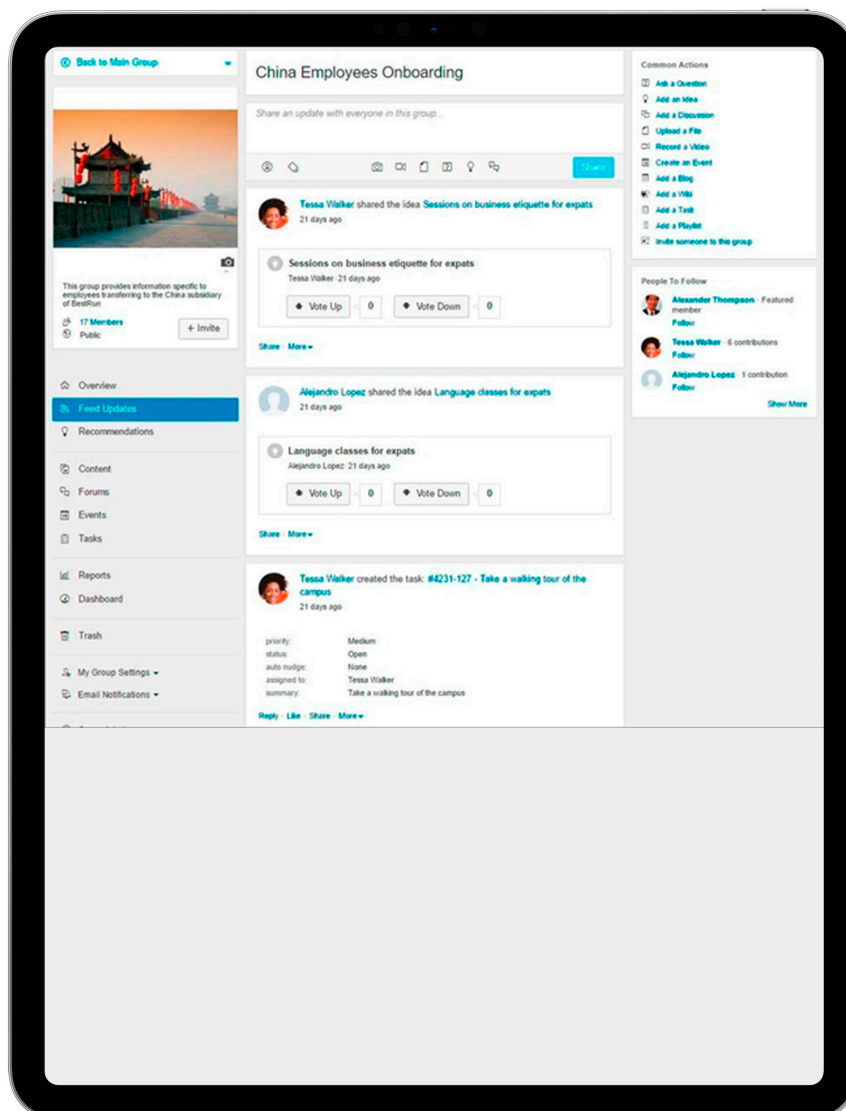
Enable enterprise mobility to ensure everyone has access to HR information on the go. The SAP SuccessFactors solutions we have referenced throughout these sections are accessible outside of the office on mobile devices. When considering structuring jobs in a way that allows people to work when and how they can, companies can sometimes overlook the fact that the very tools needed to complete those jobs remain tethered to the workplace. The SAP SuccessFactors Mobile app enables employees to be on the go as needed, so they never miss something that might be critical to helping them gain access to further opportunities at work.

This is beneficial for all employees, and especially for diverse, emerging talent that is driving the need for companies to provide more flexible, inclusive ways of working.

CONCLUSION

Companies may have excellent capabilities in attracting diverse talent, but failing to create a culture of inclusion will hinder their ability to fully leverage the diverse perspectives and innovation that result. By enabling the workforce with tools that bring talent into the organization's social structure, encourage contributions and ideas, and provide access on the go, companies can support a culture of inclusion to create lasting workforce engagement for all.
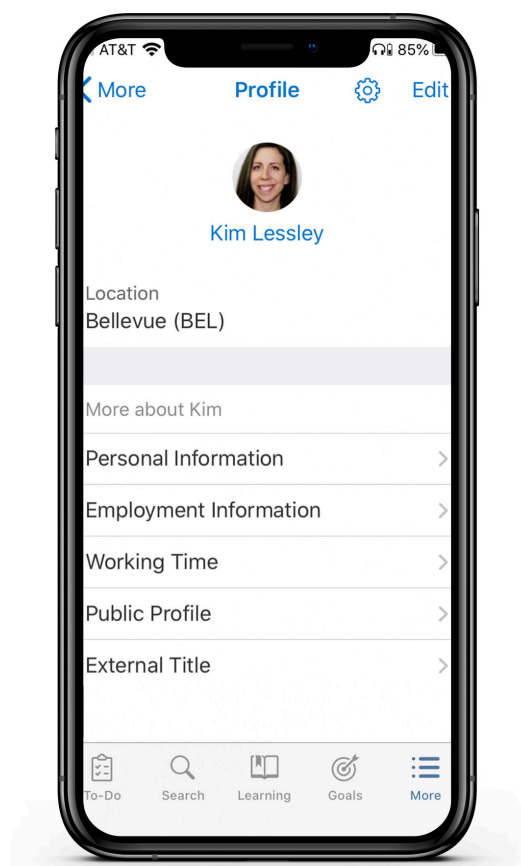
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APPENDIX A: Product Feature Checklist
for Business Beyond Bias

This checklist is designed to help you determine whether your organization is using SAP SuccessFactors solutions to their full capabilities in preventing, detecting, and eliminating bias from your HR processes.

To implement the recommendations we've made in this document, review **the Diversity and Inclusion Configuration Guide** with your SAP account management professional.

Are you using your SAP SuccessFactors solutions to lay the foundation for inclusion?

Relevant solutions and tools:
SAP SuccessFactors Employee Central, localization, job profile builder, org chart

Does your company do the following:
- Own and use the SAP SuccessFactors Employee Central solution?
- Leverage localization features within SAP SuccessFactors Employee Central to help ensure inclusion of employees in different regions and cultures?
- Use the name pronunciation feature within SAP SuccessFactors Employee Central?
- Use flexible demographic categorizations within SAP SuccessFactors Employee Central, broadening the range of terms employees can use to "self-select"?
- Use the job profile builder tool to identify critical elements of a role that shape the requirements for how that job should be performed?

- Make diversity- and equity-relevant data visible to decision makers via insights within the solutions they are using?
- Include contingent and nontraditional laborers in the organizational chart and structure?

Are you using your SAP SuccessFactors solutions to leverage workforce data, insights, and planning to inform a diverse, inclusive workforce?

Relevant solutions and tools: SAP SuccessFactors Workforce Analytics and embedded reporting

Does your company do the following:
- Own and use the SAP SuccessFactors Workforce Analytics solution?
- Leverage the "investigate" capabilities in SAP SuccessFactors Workforce Analytics to easily visualize and forecast diversity trends?
- Utilize benchmarks to compare internal diversity data to external metrics?
- Use the diversity template for simpler reporting on the metrics that matter most?
- Include critical diversity metrics in the dashboard in SAP SuccessFactors Workforce Analytics?
- Use features to push relevant diversity data out to managers' home pages?
- Leverage built-in analytics to provide process-relevant data at the point of decision?

Are you using your SAP SuccessFactors solutions to eliminate bias in who applies and who is hired?

Relevant solutions and tools:
SAP SuccessFactors Recruiting, job profile builder, SAP SuccessFactors Learning, career site builder, interview central, job analyzer

Does your company do the following:
- Own and use the SAP SuccessFactors Recruiting solution?
- Convey inclusive messages and images through the career site builder?
- Leverage recruiting sourcing reports to gain insight into where you are recruiting–and where you might try recruiting next?
- Use job profile builder information as a basis for writing job descriptions?
- Administer training for interviewers and hiring managers through a learning management system?
- Bring validated hiring assessment scores into recruiting decisions?
- Leverage the interview central functionality to help ensure interviewers have all the job-relevant information they need, such as an interview guide based on critical components of the role?
- Leverage the interview central functionality to form panels of interviewers rather than relying on individuals?
- Deploy the job analyzer functionality to help ensure your job descriptions attract a gender-balanced applicant pool?

Are you using your SAP SuccessFactors solutions to eliminate bias in how people are managed?

Relevant solutions and tools:
SAP SuccessFactors Performance & Goals, continuous performance management, 360, calibration, SAP SuccessFactors Learning

Does your company do the following:
- Own and use the performance management functionality in the SAP SuccessFactors Performance & Goals solution?
- Own and use the goal management functionality?
- Leverage cascaded and aligned goals functionality within SAP SuccessFactors Performance & Goals?
- Integrate goals with performance such that cascaded or aligned goals are brought directly into the performance evaluation form, helping ensure managers are assessing employees on job- and company-relevant metrics?
- Incorporate other aspects of performance, such as competencies, into the performance evaluation form?
- Encourage managers to use the writing assistant / coaching advisor tool within SAP SuccessFactors Performance & Goals?
- Own and leverage the 360 tool to help ensure employee performance is rated by multiple people?
- Own and use the 360 tool to allow employees to review the supportive supervision capabilities of managers?
- Deliver manager training on supportive supervision and accurate performance assessment through a learning management system?

- Own and use the continuous performance management function to help ensure performance is evaluated and discussed on an ongoing basis?
- Leverage photoless and gender summary capabilities within the calibration tool to help ensure performance and potential evaluations are bias free?
- Use the bias alerts functionality within the calibration tool to surface potential biases?

Are you using your SAP SuccessFactors solutions to eliminate bias in who is developed?

Relevant solutions and tools: SAP SuccessFactors Learning, SAP Jam, SAP Work Zone for HR, SAP SuccessFactors Onboarding, career development, mentoring, employee profile

Does your company do the following:
- Challenge manager bias around what high potential looks like with training via a learning management system?
- Own and leverage SAP Work Zone for HR or the SAP Jam collaboration platorm to build demographically balanced learning communities?
- Leverage mentoring within career development to help ensure mentors and mentees are matched on desired skills, capabilities, and experiences and not on demographic similarity?
- Own and use employee profile and career development capabilities to allow employees to indicate their interests, achievements, and development goals, ultimately enabling them to self-select into developmental opportunities?

- Leverage a learning management system and SAP Jam or SAP Work Zone for HR to build learning and development experiences that engage everyone?
- Leverage mobile capabilities to provide remote access to learning opportunities?
- Own SAP SuccessFactors Onboarding and leverage this solution in conjunction with SAP SuccessFactors Learning and SAP Jam or SAP Work Zone for HR to help ensure development is happening from the first entry point into your organization?

Are you using your SAP SuccessFactors solutions to eliminate bias in who is rewarded?

Relevant solutions and tools: SAP SuccessFactors Compensation, variable pay, calibration, SAP SuccessFactors Learning

Does your company do the following:
- Own the SAP SuccessFactors Compensation solution with the variable pay tool?
- Use compensation reporting functionality to help ensure new-hire salaries are based on company data and not previous salary?
- Use compa-ratios to determine pay adjustments?
- Leverage the calibration tool to help ensure pay increases are linked to performance?
- Award pay increases and bonuses in absolute values rather than percentages?
- Utilize tools such as a learning management system to help ensure managers and employees can have productive discussions about pay?

Are you using your SAP SuccessFactors solutions to eliminate bias in who is promoted?

Relevant solutions and tools:
SAP SuccessFactors Succession & Development, calibration, talent search

Does your company do the following:
- Own the SAP SuccessFactors Succession & Development solution?
- Own and use the calibration tool for succession to help ensure potential is evaluated fairly?
- Leverage talent search capabilities to find internal talent?
- Analyze data such as risk-of-loss categorization to challenge the company's view of who is truly critical?

Are you using your SAP SuccessFactors solutions to support workforce inclusion?

Relevant solutions and tools:
SAP SuccessFactors Onboarding, SAP Jam, SAP Work Zone for HR, SAP SuccessFactors Mobile

Does your company do the following:
- Own SAP SuccessFactors Onboarding and use capabilities such as "new-hire buddy" and "people you should meet" to help ensure new hires have the connections they need to succeed?
- Own SAP Jam or SAP Work Zone for HR and use it to connect people across the company?
- Use SAP Jam or SAP Work Zone for HR to support employee resource groups?
- Leverage the SAP SuccessFactors Mobile app to help ensure everyone has access to a comprehensive HXM experience?

Appendix B: SAP SuccessFactors Solution Index

Which recommendations are most relevant to your company, based on the SAP SuccessFactors solutions you own? See below for page numbers indicating where you can find recommendations for how to use features within each individual module to prevent, detect, and eliminate bias. If you are unsure whether your company currently owns any of the following solutions and tools, please reach out to your SAP account management professional.

Core HR

SAP SuccessFactors Employee Central	Pages 13, 14, 15, and 17

Analytics

SAP SuccessFactors Workforce Analytics	Pages 23, 24, 25, 26, 27, and 28

Talent

SAP SuccessFactors Recruiting	Pages 33, 36, 38, 39, and 40
SAP SuccessFactors Onboarding	Pages 68 and 93
SAP SuccessFactors Performance & Goals	Pages 47, 48, 49, and 52
Continuous performance management (CPM) tool	Pages 52 and 55
360 tool	Page 50
Mentoring capability	Page 63
SAP SuccessFactors Compensation	Pages 76, 77, 78, and 79
SAP SuccessFactors Succession & Development	Pages 63 and 64

Learning and Social Collaboration

SAP SuccessFactors Learning	Pages 37, 51, 60, 65, 66, 68 and 79
SAP Jam	Pages 62, 65, 68, 79, 94, and 95
SAP Work Zone for HR	Pages 62, 65, 68, 79, 94, and 95

Platform

Job profile builder tool	Pages 16 and 35
Talent search tool	Page 87
Org chart tool	Page 18

This document is brought to you by the HR Research and Solution Marketing teams from SAP. For more information on the Business Beyond Bias capabilities supported by SAP SuccessFactors solutions, http://www.sap.com/businessbeyondbias

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