

Increasing workplace diversity: It's simpler than you think

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BYU economics professor Olga Stoddard. Credit: Tyler Richardson

In the United States, nearly 90 percent of Fortune 500 CEOs are white males, while less than four percent of CEOs are African American or Hispanic. With these numbers in mind, companies are constantly trying

different strategies to increase diversity in the workplace.

Although quotas, mentoring institutions and changes in compensation structure seem to influence job seekers, BYU economics professor Olga Stoddard found a cost-effective alternative to increase diversity in the office.

Her method, which more than doubled the share of racial minority candidates who applied for entry-level jobs in the [financial industry](#), consists of sending prospective applicants a message about how the company values diversity among its employees.

Partnering with one of the largest firms in the financial services industry, Stoddard and other researchers conducted a natural field experiment in which potential applicants were randomly sent one of three recruitment messages. The statement either provided information about the value the firm places on diversity, encouraged individuals from a broad range of fields of study to apply, or included a neutral statement.

Each message was viewed by approximately 160 individuals and about 15 percent of each group comprised racial minorities.

African Americans and Hispanics strongly responded to statements that highlighted the importance of diversity. Researchers measured the interest level by tracking the number of individuals who either began an application or asked to be notified of similar job opportunities. Compared to a neutral message, the interest of those that read a diversity message almost tripled. Additionally, the likelihood that these candidates completed the application process and were offered a job more than doubled.

"It's great to take something as simple as a firm communicating the value of diversity and see a large effect in not only application rates, but also

the rates at which these racial minorities are hired," Stoddard said.

Some organizations fear that majority candidates will be dissuaded from applying if diversity statements are promoted, but the research shows the recruitment messages benefited members of underrepresented groups without discouraging members of overrepresented groups.

The implications of this study not only offer a simple and cost-efficient tool to increase diversity in the workplace, but extend to a broader range of environments where lack of diversity is a concern.

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More information: Jeffrey A. Flory et al. Increasing Workplace Diversity: Evidence from a Recruiting Experiment at a Fortune 500 Company, *Journal of Human Resources* (2019). [DOI: 10.3368/jhr.56.1.0518-9489R1](https://doi.org/10.3368/jhr.56.1.0518-9489R1)

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