



TOOLKIT FOR STARTUPS

RECRUITING DIVERSE TALENT



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T A B L E O F C O N T E N T S	
ABOUT THIS TOOLKIT	4
INTRODUCTION	4
The Benefits of Building Diverse Teams from the Start	4
Definitions: Diversity and Inclusion	4
Tech’s Revolving Door: Necessity of Combining Diversity and Inclusion Together	5
UNDERSTANDING DIVERSE TALENT	5
WHY YOU MAY NOT BE FINDING DIVERSE CANDIDATES	6
Network Effect	6
Impostor Syndrome	6-7
Stereotype Threat	8
Bias in Tech Hiring	9
Reversing Biases: Solutions	9
Discrimination vs. Biases	10
Debunking Meritocracy Myths	11
Messaging, Storytelling & Outreach	12



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RETHINKING THE PIPELINE: SOURCING DIVERSE CANDIDATES 12

Finding a Co-founder	12
Where to Find Diverse, Underrepresented Talent	13
Recruiting Talent from Adjacent Industries	14
Apprenticeships and Internships	14
Developing Tech Talent From Within	14
Building Internal Pathways for Leadership	14
HOW TO IMPROVE YOUR RECRUITING PROCESS	15
Step 1: Mapping Your Recruiting Process	16
Step 2: Developing an Empathy Map	17-18
Step 3: Creating a Candidate Experience Process	19
Step 4: Improving Your Candidate Experience	20
Step 5: Socialising and Operationalising the Changes You've Identified	21
ENGAGING YOUR TEAM IN INCLUSIVE RECRUITING	22

ABOUT THIS TOOLKIT

Change Catalyst builds inclusive tech ecosystems through strategic advising, startup programs and resources, and a series of events around the globe.

Welcome to this toolkit sponsored by LaunchVic, a project of the Victorian government to develop and grow the local startup ecosystem.

Together we're helping develop more inclusive startup ecosystems.

INTRODUCTION

The Benefits of Building Diverse Teams from the Start

When you're growing rapidly, it can be incredibly easy to default to what's "easy." When startups do this, they tend to build a team of people who are fairly homogeneous and usually looks like the founders. If you build a diverse team with inclusive values and process from the beginning, it will be easier to continue growing a diverse team over time. By contrast, it's really difficult to reverse course when you're larger.

More likely to succeed¹

- Gender diverse teams are 15% more likely to outperform, Ethnically diverse teams are 35% more likely to perform. Service veterans are 4% more likely to outperform non-vet teams.
- Ethnically diverse companies have 15% increase in revenue, 27% greater profitability
- Diverse teams are 22% more productive, 22% less turnover
- Diverse teams produce 39% greater customer satisfaction. Customers care about a company's reputation regarding equality. And designing for diverse customers works better when you have diverse designers and developers.
- Diversify your founding team: One study showed founding teams with at least one woman perform 63% better than all-male founding teams.² Another study showed startups founded or co-founded by a woman were significantly better investments, and earned 10% more in cumulative revenue over 5 years.³

Definitions: Diversity and Inclusion

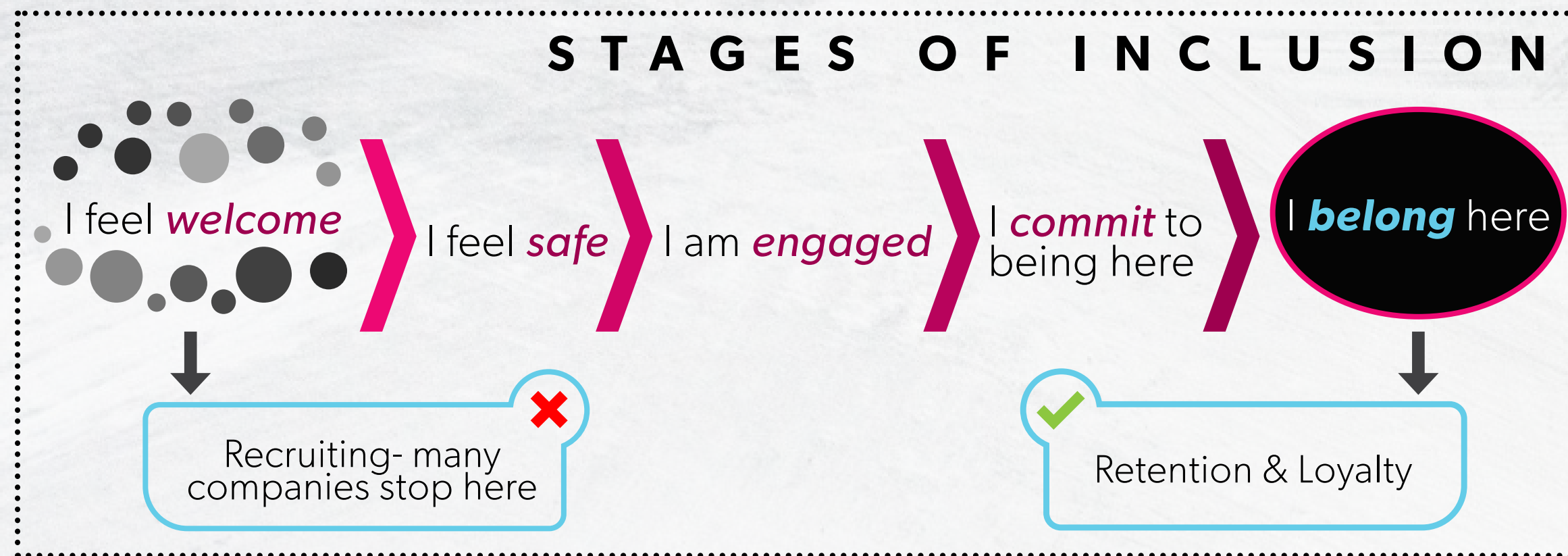
Diversity is... Bringing people with different backgrounds to the table.

Inclusion is... Inviting them to speak. And encouraging and supporting them to lead.

¹ McKinsey & Company (2015), "Why diversity matters" <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

² First Round Capital, 10 Year Project, 2015, <http://10years.firstround.com>

³ Boston Consulting Group, Why Women-Owned Startups Are A Better Bet, 2018, <https://www.bcg.com/publications/2018/why-women-owned-startups-are-better-bet.aspx>



A fully inclusive culture is one where everyone is welcomed, accepted, respected, supported and able to thrive – across all genders, races, ethnicities, classes, abilities, religious beliefs, geographic origins, sexual orientations, ages, socioeconomic backgrounds, parental status, plus people who are veterans and those formerly incarcerated.

When we're all included, we are all happier and produce better business results. We love coming to work, we have more confidence, we're more productive and we can show up as our full selves. Our staff satisfaction increases, turnover decreases and we all invest in our workplace.

Tech's Revolving Door: Necessity of Combining Diversity and Inclusion Together

Recruiting efforts alone don't change a culture. Diversity efforts must happen together with Inclusion strategies. Over 40% of women leave engineering, and when they leave they go on to become executives in other fields.⁴

⁴ University of Wisconsin, Stemming the Tide: Why Women Leave Engineering, 2012. http://www.daweg.com/documents/resources/Stemming_the_Tide.pdf

⁵ Kapor Center for Social Impact, "The 2017 Tech Leavers Study," <https://www.kaporcenter.org/tech-leavers/>

Why do underrepresented people leave tech?

Underrepresented people leave tech because they don't feel safe, engaged, committed and/or they don't feel like they belong. LGBTQIA+ workers are more likely to be bullied (20%) or experience public humiliation (24%); 30% of women of colour were passed up for promotion; 40% of underrepresented men of colour left due to unfairness.⁵

UNDERSTANDING DIVERSE TALENT

Who is underrepresented in tech?

- Gender: Women and non-binary
- Indigenous peoples (Aboriginal and Torres Strait Islander)
- Cultural/Racial/Ethnic Backgrounds (Asian Australians, African Australians, Middle Eastern Australians etc. 20% speak a language other than English at home)
- LGBTQIA+
- People with Disabilities
- 35+ years old (Generational diversity)
- Many Others (military veterans, returning parents, geographic location, education, religion, socioeconomic status... anywhere where there are biases there is likely under-representation)

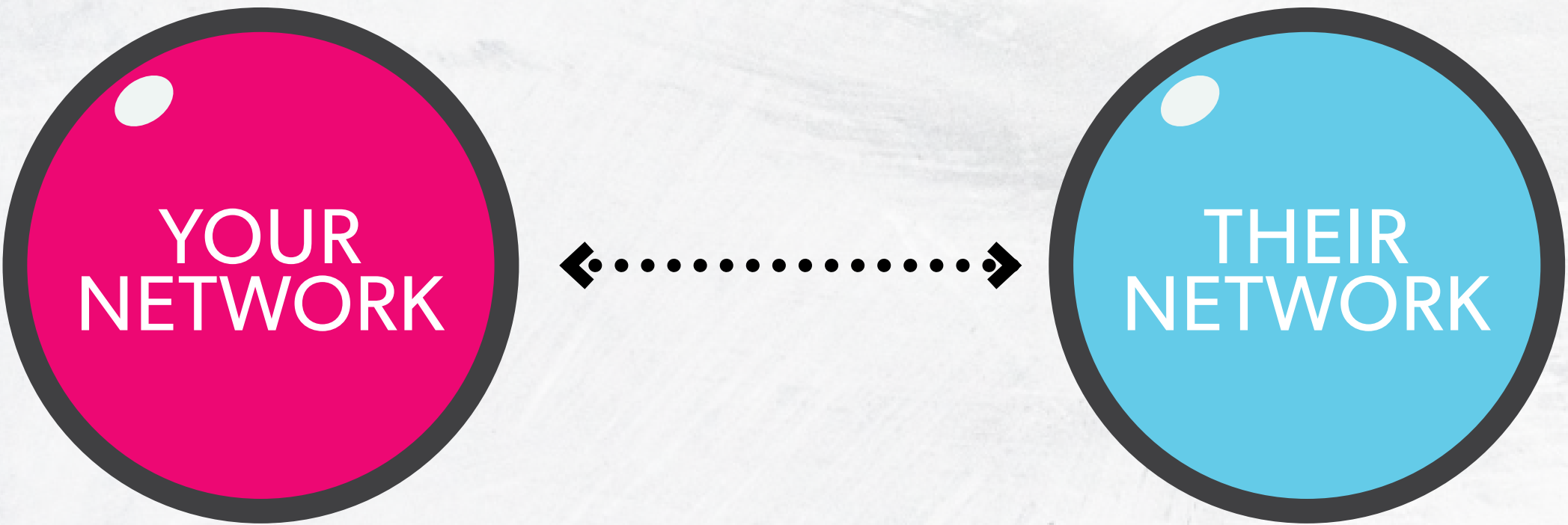
People are underrepresented due to centuries of historical privilege and oppression, systemic inequities, personal biases and exclusionary cultures: both company culture and popular culture overall.

WHY YOU MAY NOT BE FINDING DIVERSE CANDIDATES

Diverse talent is out there. You just might not be finding them due to limitations in your systems and processes, networks, outreach strategies, and screening biases. Below are some of the reasons you might not be connecting with diverse talent.

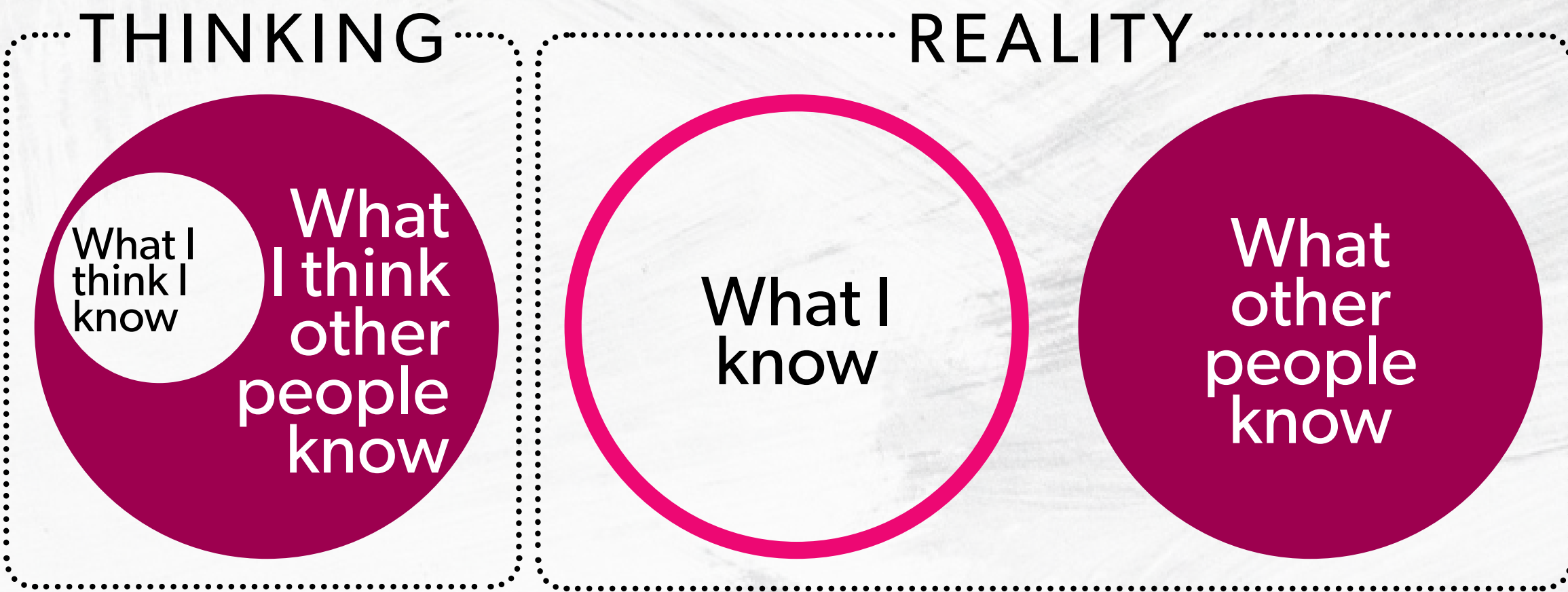
Network Effect

Recruiting efforts often start from the existing network of the team. However, your network may not intersect with the networks of the diverse candidates you are trying to reach. Often, diverse candidates are part of networks that do not provide them with the same opportunities. Examples of networks include family, educational background, past colleagues and more. These affiliations tend to open more doors for those who are on the inside and function to keep out those who are not in the network.



Impostor Syndrome

Impostor Syndrome occurs when high-achieving individuals have an inability to internalise their accomplishments and have a persistent fear of being exposed as a ‘fraud’. Many solutions for counteracting impostor syndrome in the hiring process are simple ways to show empathy and respect for the candidate. Most tech hiring practices favor extroverts and people with high levels of outward self-confidence. Look at ways you might improve the process with other candidates in mind.



Impostor Syndrome (continued)

FACTORS	SOLUTIONS
<ul style="list-style-type: none">• Stereotype threat• Tokenism• Repetitive barriers to access and opportunities (hearing “no” more than people in the majority group throughout a lifetime)• Shyness• Stressful situations• Anxiety and other invisible disabilities• Feeling judged• Physical Posture (dominance postures, closed off body language, people not actively listening)• Power Dynamics (real or perceived imbalance of power in a room or in a conversation)• Power Positioning (for example, where the chairs are positioned in a room)	<ul style="list-style-type: none">• Encourage people to apply for a job even if they don’t have all the desired qualifications listed. Also encourage underrepresented candidates to apply, as well as candidates with non-traditional paths to tech• Remove phrases like “top candidates,” “high achievers,” “rock stars,” etc in job descriptions - these phrases may push people with impostor syndrome to opt out• Include a company diversity and inclusion strategy or policy on job descriptions• Encourage all candidates to let you know if they have accessibility needs and you will work to accommodate them throughout the process• Let people know what to expect before an interview and give them time to (over-)prepare by providing some key questions ahead of time• Give interviewees (whether phone or in-person) your full attention, actively listen and spend a few minutes warming up as humans before you get to harder questions - this will make a big difference in how introverts and people with impostor syndrome show up• Position chairs so the candidate is comfortable and at the same height as interviewers• Ensure interviewers use inclusive language, and that interview questions and responses are inclusive of people across gender, race, ethnicity, disability, sexual orientation, religion, etc.• Offer candidates equal pay and promotion policies• People with impostor syndrome may not offer to tell you about their amazing background and skills without you directly referring to their resume and asking about them - build this into your questions• Honor an introvert’s need for quiet spaces before an interview

Stereotype Threat

Stereotype threat is the fear of confirming a negative stereotype about your gender, racial, ethnic, religious, disability, age or other group.

KEY RISKS	SOLUTIONS
<ul style="list-style-type: none">• Covering Hiding disability, race, sexual orientation or another key part of your identity• Code switching Being one person at work and another person at home Disconnect from desired identity to be an engineer and cultural stereotype of being Black, a woman, etc.• Distancing from – and even putting down others in that group Overtly opposed to being identified as a part of that group May actively allow harassment and laugh at inappropriate jokes aimed at their group• Lower Performance, Productivity, and upward mobility Self-defeating strategies (not practicing, not applying for a job, not “killing it”)	<ul style="list-style-type: none">• Understand that job descriptions, websites, interviews, etc might prime some people for stereotype threat and others for stereotype boost• Diversify the interview team so an underrepresented candidate is not the “only” in a room• Encourage people reviewing applicants or conducting interviews to think of themselves and others as complex and multifaceted:<ul style="list-style-type: none">- Introduce someone by their credibility (not their identity)- Prime people to think of themselves and other people as unique individuals- Prime people to look for shared characteristics and to value unique differences- In interviews, encourage self-affirmation- Remind interviewees that they are here because of their skills and capability• Be aware of tests that ask demographic questions (move any demographic questions to the end to avoid priming)• Hire at least 2 people from the same group per team• (Privately) call out team members who perpetuate stereotypes about out-groups during the interview process, so the team can learn

BIAS IN TECH HIRING

Affinity bias

The tendency to warm up to people like ourselves.

Halo effect

The tendency to think everything about a person is good because you like that person.

Perception bias

The tendency to form stereotypes and assumptions about certain groups that make it impossible to make an objective judgment about members of those groups.

Confirmation bias

The tendency for people to seek information that confirms preexisting beliefs or assumptions.

Judgments around 'culture fit'

This bias shows up in scenarios like imagining a person fitting in at your company, which reinforces pattern matching - where you end up hiring people who are just like your existing team.

Examples

In identical CVs (except for gender), the male is preferred twice as often as the female. (Business Council of Australia, 2013)

In otherwise identical CVs, a person with a Chinese name needed to submit 68 per cent more applications compared to an applicant with an Anglo-Saxon name. (Australian National University, 2010)

REVERSING BIASES: SOLUTIONS

Humanising

Grow your empathy and closeness with others

Self-Regulation

Slow down and go beyond your intuition

Priming

Remind everyone before going into an interview or meeting to value diversity of experience, and focus on shared goals and experiences

Intervention

Create processes to counter biases

Use data and ask questions to check your biases

Normalising the acknowledgment and countering of biases on your team

Understand and reverse your biases toward yourself and others



Discrimination vs. Biases

Understanding bias is key to creating effective strategies for change within your company and for your recruiting process. It is important to understand the distinction between discrimination and biases and where on the spectrum you are working to create change.

Solved by **good candidate screening**, Human Resources and lawsuits.

These are not fixable with interventions created to solve biases and micro-aggressions.

These are areas you can work to **change in your culture**.

This is what we are addressing when we talk about biases.

DISCRIMINATION VS. BIASES

Systematic **Discrimination**

Sexual, physical or emotional **Abuse**

Sexual, racial, ableist, bigoted **Harassment**

Deliberate **Macroaggressions** and public humiliation, denigration

Negligent Biases in decision making

Deliberate Microaggressions

Unconscious Microaggressions

Unconscious Biases in key decision making and process development

Unconscious **Micro-biases**

Debunking Meritocracy Myths

There is a general belief in the tech industry that people are hired exclusively based on ability and talent, but in fact many biases come into play in our processes, networks and pattern matching. Pattern matching is a huge problem in the tech industry. We tend to stick to what we know and default to industry standards, without questioning them. However, many of the patterns we look for in a tech candidate are based on false beliefs and a myth of meritocracy.

- 1

RAISE THE BAR

MYTH:

People talk about “Lowering the Bar” when we should be talking about Raising the Bar - as the data shows, diverse teams are more productive, profitable and innovative. So selecting diverse candidates makes your company better.

- Reframe diversity of experience as an important quality in a candidate
 - Prime recruiters and hiring managers to focus on shared goals
- 2

FIND CANDIDATES WITH DIVERSE EDUCATION

MYTH:

“The best candidates come from traditional universities”

- Diverse candidates can be excluded from universities due to the school they attended/ the potential impact on their entrance ranking (eg ATAR, OP)
 - Many studies have shown this does not matter at all, particularly after the first couple months of employment
 - Judge a candidate on their accomplishments and potential vs. their accolades.
- 3

FIND CANDIDATES WITH DIVERSE WORK EXPERIENCE

MYTH:

“The best candidates come from large tech companies”

- Most larger tech companies helped to create and perpetuate this myth, leading to an endless loop that keeps people out of tech.
- 4

FIND CANDIDATES WITH ALIGNED VALUES

MYTH:

“Not a good ‘culture fit’” In truth, “culture fit” is often an excuse to keep out candidates who don’t have an immediate affinity with the recruiter or team. Building a diverse team is a bit of work up front, with long term rewards.

- Diverse perspectives stretch comfort zones and help redefine a new normal
 - Unique experiences will add to your culture and improve innovation
 - You want people on your team that identify with your target markets
 - Think *values fit* vs. *culture fit* - the growth mindset, the inclusive mindset
- 5

PREPARE CANDIDATES FOR THE INTERVIEW, ALIGN THE SKILLS TEST WITH ACTUAL SKILLS THEY NEED FOR THE JOB.

MYTH:

Candidates who shine in a difficult skills test will shine in their job.

- Does your interview process set up diverse people for success?
 - Does it really test if people will be good at their job at your company – or does it test that they are good at the interview process?

Messaging, Storytelling and Outreach

Storytelling matters to diverse candidates. [Below](#) we have included a framework for improving your Recruiting Process at each interaction point - and storytelling plays a role all the way through your Candidate Experience. Some areas to think about:

- Representation matters - include diverse images and inclusive language on your website (note: try to avoid stock images - use real people if you can)
- Inclusive job descriptions (some companies use resources such as [Textio](#) to help identify areas of biases in job descriptions and websites)
- Training for recruiters on inclusive storytelling before they attend events or work with programs for underrepresented groups
- Inclusive phone screening messaging and questions asked
- Inclusive storytelling in the interview process

Your company should define diversity and inclusion and include this language on your website. If you have an Inclusion Strategy, share this as well - both on the website and during your recruiting process.

6 Entrepreneur, "10 Steps to finding the Right Co-founder", 2015, <https://www.entrepreneur.com/article/244259>

RETHINKING THE PIPELINE: SOURCING DIVERSE CANDIDATES

Finding a Co-Founder

The best time to incorporate diverse team members is from the very beginning. Entrepreneurs in the process of founding startups can increase successful outcomes by seeking out a diverse co-founder.

Steps to Finding the Right Co-Founder

1. Write a "job description" for that ideal partner.
2. Network as you network to find investors.
3. Join online "matchmaking" sites for business partners.
4. Attend local university entrepreneur activities.
5. Look for a partner from a different background.
6. Follow up with associates from prior job assignments.
7. Relocate to a more likely geography.
8. Explore candidate common interests outside of work.
9. Jointly define major milestones and key metrics for the startup.
10. Negotiate and document roles early.

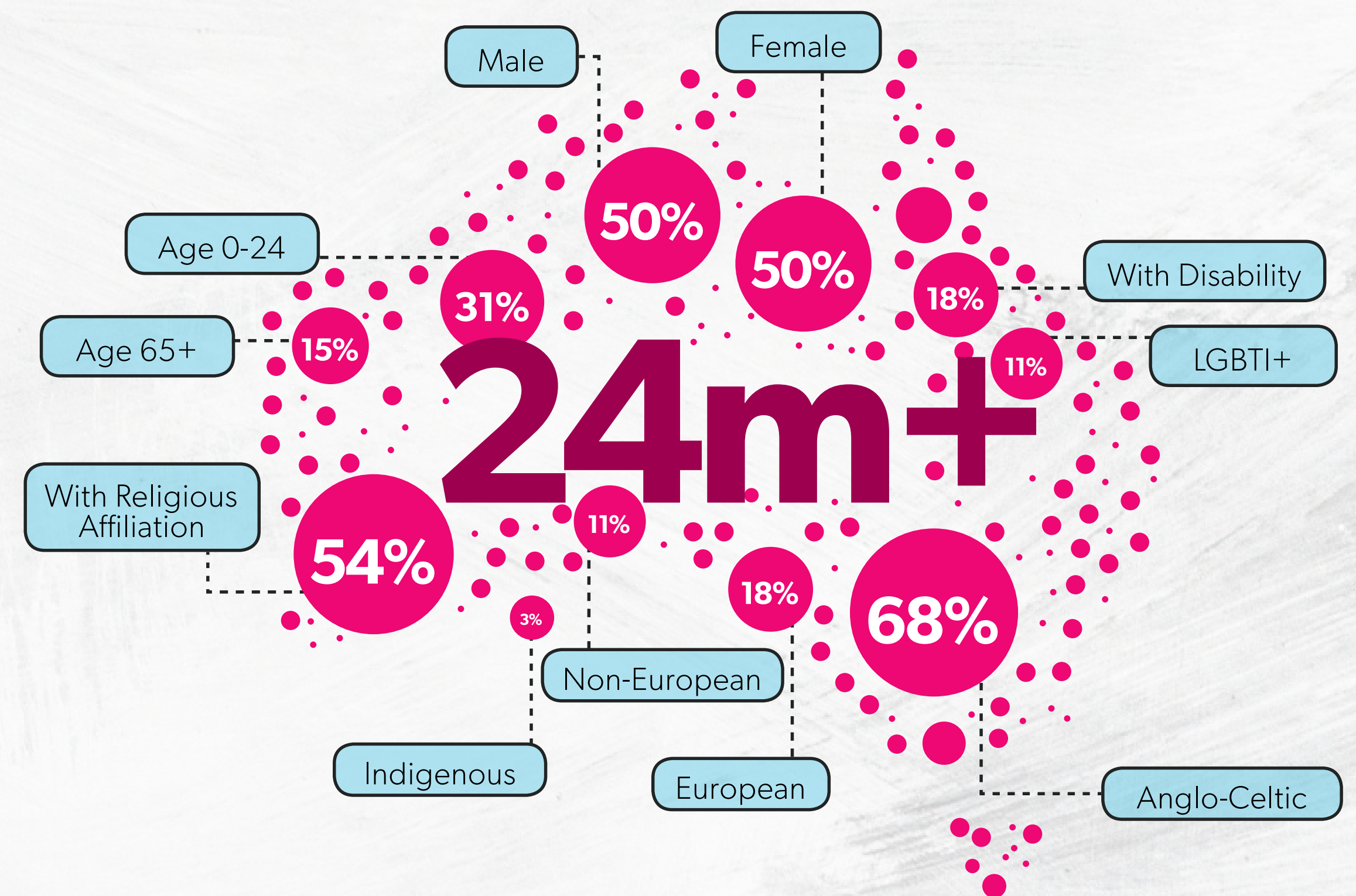
Source: Entrepreneur Magazine⁶

Where to Find Diverse, Underrepresented Talent

1. Universities, advocacy organisations, code schools
2. Host and Sponsor events created for underrepresented groups
3. Industry organisations for underrepresented groups
4. Job boards (eg, [EpicAssist](#), [FlexCareers](#), [Women on Boards](#), [Diverse City Careers](#), [Refugee Talent](#), and [Migrant Talent](#)).

⁷ Australian Human Rights Commission Missing out: "The business case for customer diversity", February 2017
https://www.humanrights.gov.au/sites/default/files/document/publication/20170227_Missingout_Customer%20Diversity.pdf

The Changing Demographics of Australia



Source: Australian Human Rights Commission⁷

Recruiting Talent from Adjacent Industries

People in adjacent industries can bring key skills as well as a different mindset. Evaluate what processes are in place to benchmark the needed skills for specific individuals in order to broaden your recruiting base.

Apprenticeships and Internships

These programs can serve to bring fresh thinking and motivated individuals to the workplace, as well as provide a pipeline to meet recruitment needs. Implementing one of these programs can also provide precise skill honing and prepare candidates from diverse backgrounds to add value and increase the likelihood of a successful match.

Developing Tech Talent From Within

The most cost-effective way of hiring diverse leaders is to hire and promote from within. Often people from underrepresented backgrounds don't have the mentor networks, funding for continued education, or other pathways that help them become leaders in their fields. The following are just a few possible programs that provide pathways to leadership for staff and community members.

Building Internal Pathways for Leadership

- Leadership coaching
- Mentorship programs
- Continuing education programs
- Volunteer programs with options for leadership roles
- Speaking and writing opportunities
- Associate Board Memberships
- Develop a Supplier Diversity Program

Develop and share key pathways to leadership for all staff and community members: make sure it is clear what skills and qualities are needed to move from coordinator to manager, from manager to director, from director to VP, from VP to Officer.

Also remember that simply offering someone increased responsibility can make a big difference in their ability to grow and eventually lead.

If you're looking specifically for diverse technical talent, offer current team members professional development opportunities through code schools, part time engineering programs, technical mentorship and other pathways for learning technical skills.

HOW TO IMPROVE YOUR RECRUITING PROCESS

Step 1: Mapping Your Recruiting Process

In order to improve your process, you need to understand what that process is. Step one is to map your recruiting process, noting each major touchpoint you have with a candidate to better understand where there may be gaps or opportunities to improve. Add context if there are multiple ways you source candidates, for example - as seen in the sample below.

EXAMPLE: Sample recruiting process



- Referrals
- Job Fairs
- LinkedIn
- ...

IMPROVE YOUR RECRUITING PROCESS

Step 1: Mapping Your Recruiting Process

Instructions: Map your recruiting process, noting each major touchpoint you have with a candidate to better understand where there may be gaps or opportunities to improve.



IMPROVE YOUR RECRUITING PROCESS

Step 2: Developing an Empathy Map

Get to know your candidate by mapping out what matters to them and what their motivations are by exploring their motivations and priorities.


Name: <input type="text"/>		E M P A T H Y M A P	
What do the THINK and FEEL ? What matters to them? What is their life goal?			
What is their IDENTITY ? <i>How do they identify themselves?</i> Age, culture/background, gender, ability, sexual orientation...? What's their education? And current occupation? Where do they live and where are they originally from?			WHERE are they? <i>What groups or people influence them?</i> Where do they learn about opportunities? What do they hear and experience at home?
PAIN <i>What are their fears, frustrations, obstacles?</i> What are their pet peeves? What do they struggle with? What do they need?	GAIN <i>What does success look like to them?</i> What do they want from an employer? Why are they emotionally drawn to your brand, mission and/or team? Why do they move to a new job?		

Image Created by Freepik



IMPROVE YOUR RECRUITING PROCESS

Develop an Empathy Map

Instructions: Think about a potential candidate. What matters to them and what are their motivations? Base as much as you can on real world experiences you have had. And don't be afraid to do your own research.

Name:		E M P A T H Y M A P	
What do the THINK and FEEL ?			
What is their IDENTITY ?	Draw a sketch	WHERE are they?	
PAIN		GAIN	

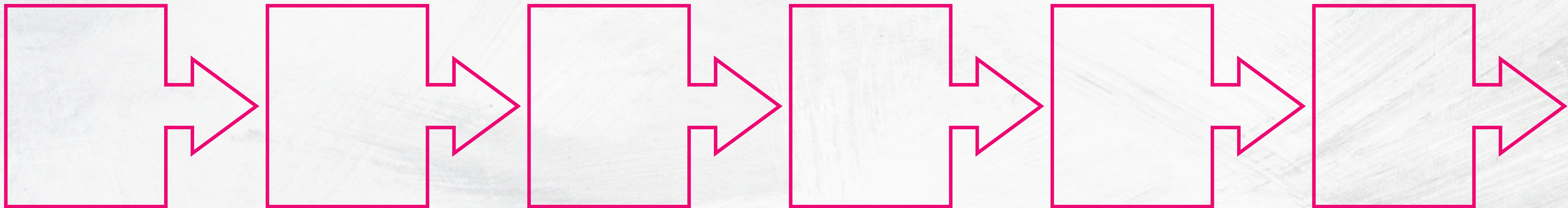


HOW TO IMPROVE YOUR RECRUITING PROCESS

Step 3: Creating a Candidate Experience Process

Instructions: Most recruiting processes are designed from the company’s point of view, not the candidates’. Now that you have thought about your ideal candidate, map your candidate’s experience from the time they first learn about you until they are hired. Where do they first learn about you, what do they see, hear, experience? Go through the whole process from their point of view.

Candidate Experience



HOW TO IMPROVE YOUR RECRUITING PROCESS

Step 4: Improving Your Candidate Experience

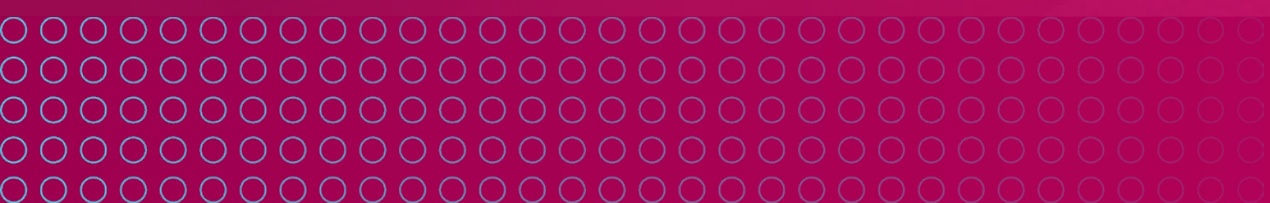
Review Your Findings

1. Once you've mapped the candidate's experience, highlight any areas for improvement

How can you improve the experience to be more inclusive of diverse candidates from diverse experiences? Keep in mind what we learned about biases, empathy, impostor syndrome, tokenism, stereotype threat, network effect.

2. What tools and/or information do you need to help create these improvements?
3. Who needs to be involved in creating improvements?
4. How are you insuring the complete hiring process is inclusive?
5. How are you keeping in mind your existing culture while hiring?

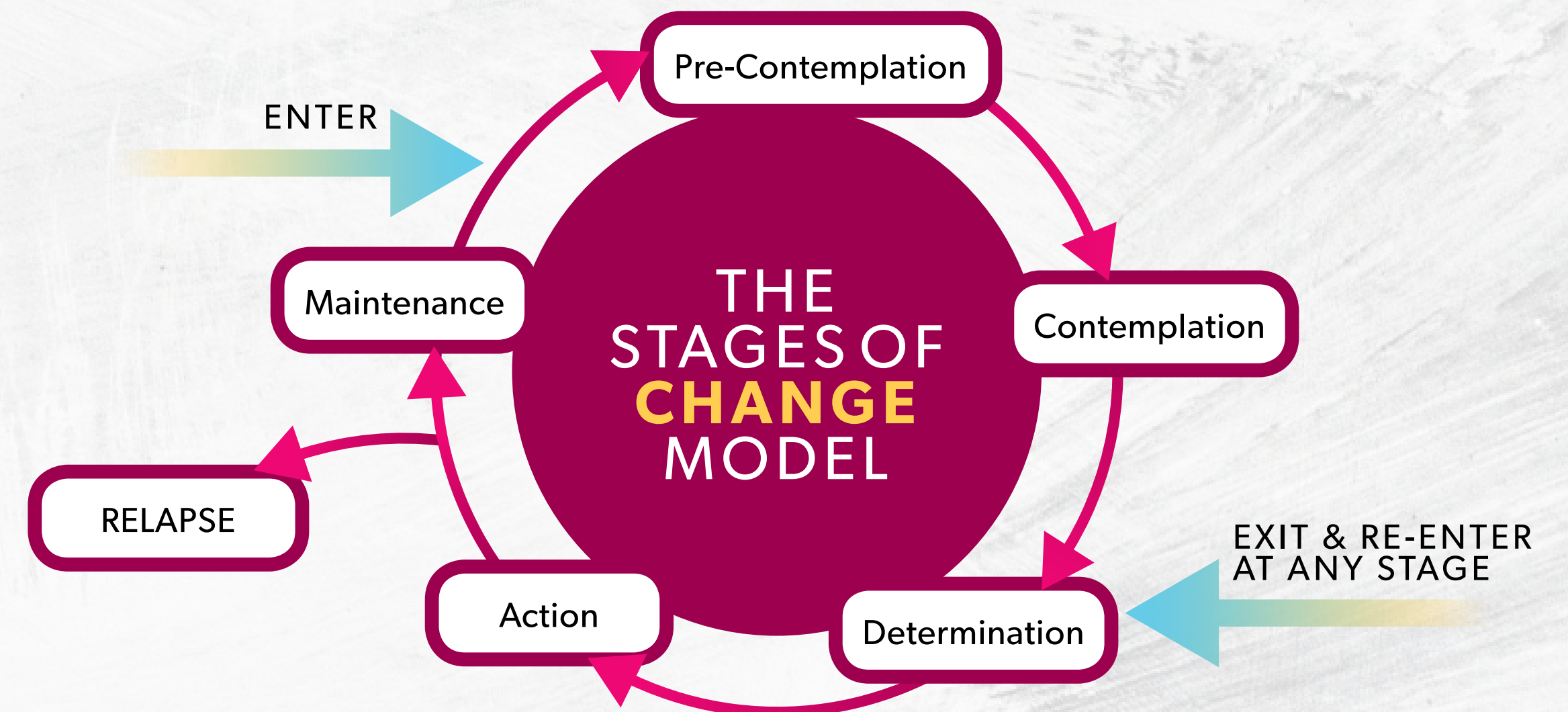
Your Plan for Improving the Candidate Experience



Step 5: Socialising and Operationalising the Changes You've Identified

1. Engage your team and build upon what you developed
 - Engage executive team, hiring managers, recruiters, HR
 - As a group exercise, develop more empathy maps with different personas
 - Check in with the team on your recruiting experience, get input and thoughts
2. Conduct research if needed to better understand your target candidates
3. Identify the areas you want to improve and implement those changes
4. When setting recruiting goals, know your geographic data
 - For example: Around 9% of Australia's population is of Asian origin and about 3% is Indigenous. How many members of those groups are represented in tech? Think about how this affects goal setting and attainability of those goals.
5. Benchmark your diversity so you can show improvement
6. Gather feedback from candidates, whether or not they were hired
7. Develop incremental goals to achieve your longer term vision, resist the urge to fix everything at once
8. Measure, iterate and refine

Culture change is a process that requires consistent **behaviour change**. **It takes time.**



ENGAGING YOUR TEAM IN INCLUSIVE RECRUITING

Invite and include all voices on your team in this work and regularly communicate your efforts to help build momentum, create enthusiasm and establish a clear priority for inclusive recruiting within your startup.

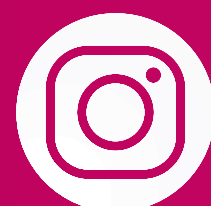
Remember:

Diversity and Inclusion is a journey, we're all learning. It's okay to make mistakes in the process. Listen and learn from the community and continue to improve.

Congratulations on taking the first step!



Visit us for more information about
how to develop inclusive startup ecosystems.



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