

How You Can Use AI To Promote Diversity In Your Company



The Case for Diversity

Beyond all the moral and ethical reasons for promoting a diverse workforce, the business case for diversity is clear.

A decade ago, a [McKinsey study](#) of 366 companies in Canada, Latin America, the United Kingdom, and the United States found clear business advantages for diverse businesses.

According to the study, companies in the top 25% for racial and ethnic diversity were 35% more likely to have greater financial returns than the industry medians in their respective countries. Likewise, companies in the top 25% for gender diversity were 15% more likely to perform better than their respective industry medians.

A [2020 Glassdoor survey](#) found that the majority (76%) of employees or job seekers consider diversity as a key factor when evaluating companies and job offers. The survey also showed that nearly a third (32%) of candidates would simply not apply to a job at a company that lacks diversity.

The benefits don't end there. According to [Great Place to Work](#), diversity and inclusion are associated with greater employee retention, pride, and desire to go to work

The Problem with Hiring

Yet, bias in hiring is still preventing companies from achieving their goals when it comes to diversifying their workforces.

Even before the widespread use of AI, [in 2017, the research was clear](#) that resumes with racialized names got fewer callbacks compared to otherwise equivalent resumes. For resumes with Black or Asian names, this meant a 30% to 50% lower callback rate.

[Factors like race, country of origin, immigration status, Indigeneity, gender and physical appearance continue to be barriers](#) to hiring otherwise qualified candidates.

Now, with AI adoption rapidly increasing among companies (to the tune of 98.4% for Fortune 500 companies), there are concerns that AI can automate discrimination in some cases. A [study in 2024](#), for example, found that popular AI resume screening

tools favour white and male candidates.

Of course, it doesn't have to be this way.

Using AI to Promote Diversity

AI holds the promise of helping companies increase diversity in the workplace. In fact, companies are doing that already.

[Unilever](#), for example, has recently used AI to increase the hiring of people from underrepresented groups by 16%, all while speeding up its recruitment process.

[Cisco](#) has increased the number of women applying to positions by 10% by using tools from [Textio](#), a company that develops AI tools with gender diversity in mind.

Software company [Atlassian](#) more than doubled its recruitment of women for technical roles in a three year period by using Textio.

While many AI tools are paid, some are free and can be leveraged by any business, no matter the size.

[Gender Decoder](#), for example, is a free tool that checks job advertisements to see if they contain words that are masculine or feminine coded. It's based on [research](#) showing that job postings that include more male wording tend to appeal less to women. As a result, this tool can help you make your job postings more gender neutral and attract a greater number of candidates.

If you decide to pay for AI based recruitment tools, be sure to consider the following:

- Does the AI company use fairness-aware algorithms? Make sure the AI system analyzes data for demographic parity and that it is tested regularly for biases.
- What kind of diversity are you looking to increase in your organization, and how does the AI system address that? Different companies may provide tools that are better suited to achieving different goals.
- Is diversity one of the AI company's main objectives? Ensure that the company does more than simply offer a non-biased AI tool.
- Does the AI company provide training for hiring managers and HR professionals? Your employees need to be trained on how to use AI effectively, its limitations, and how to interpret its results.
- Who will be making the final decisions? Ensure a human always makes the call of who to hire, as AI systems are there to assist, not replace human decision making.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

Author: [Calvin To](#)

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