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Making diversity work: transforming assessment and selection to hire for culture add, not culture fit

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Abstract

Many organizations are striving to diversify their workforces, hoping to counter inequality while boosting team performance. Assessment tools and processes have been adapted to reduce the impact of bias, yet to realize the benefits of diversity, more is needed. The hiring paradigm needs to shift from assessing competence and culture fit to assessing each candidate's unique contribution to an organization and team – i.e., their culture add. While this idea has gained some currency in recent years, it has far-reaching implications for assessment and recruiting that are discussed here – a key implication being that no (individual-level) test can exist to assess culture add and rank candidates accordingly, so that assessment needs to be approached more broadly. This needs to be considered alongside the current rise of algorithmic selection tools, and occupational psychologists are called on to play an active part in ensuring that greater diversity comes about and that its potential benefits are realized.

Keywords: diversity management, psychological assessment, recruiting, selection, culture add

While greater workforce diversity has become a priority for many organizations, bias in recruiting is still widespread. African-Americans (with identical CVs) still need to send nearly 40% more applications to get the same number of callbacks as European Americans, while Black British candidates need to send more than 50% more applications (Quillian & Midtbøen, 2021). Similarly, men were hired over equally qualified women to perform maths tasks in two thirds of cases in an experiment (Reuben et al., 2014). Beyond individual biases of recruiters, selection and assessment activities have long been identified as barriers towards such goals, given that they might put additional barriers in the way of already marginalized groups, such as women or minoritized ethnic groups (Bardach et al., 2021; Ng & Sears, 2010). This needs to be addressed because the case for greater workforce diversity is clear – in light of structural inequality, looming talent shortages and the need for diverse perspectives in solving wicked issues,[1] biases in recruiting processes are both immoral and damaging to organizational performance.

Current efforts to diversify selection and assessment

To date, these issues have been largely addressed through efforts to use standardised and unbiased assessment tests (Aguinis et al., 2010), to remove personal bias from recruiting processes, e.g., through the use of standardized interviews (Levashina et al., 2014), and to institute procedural requirements that counteract systemic discrimination, such as the requirement for diverse shortlists implemented by various companies (e.g., at Fujitsu, cf. Thomson, 2019). While these approaches are helpful, they come with limitations. The predictive validity of assessment tests may be moderated by candidate's ethnicity (Berry et al., 2011), which is difficult to account for in selection procedures. Standardized interviews

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[1] "Wicked" issues are characterized by incomplete, contradictory and changing information, a large number of stakeholders with diverging interests, and multiple connections with other problems. They resist resolution and used to be a small class alongside well-structured technical problems. (Churchman, 1967). By now, they have arguably come to dominate the agenda of many knowledge workers.

can help to reduce the influence of implicit biases, yet recruiters' diversity beliefs often find a way to slip through. Finally, process requirements, though warranted, can be window-dressing since they do not prevent entirely homogeneous outcomes and can have the unintended consequences of implying that certain candidates need a leg up, and that they might thus be seen as risky hires (cf. Dover et al., 2020). More generally, it has been suggested that approaches that tell (hiring) managers what to do frequently result in backlash (Dobbin & Kalev, 2016).

Diversity trainings have also been used to diversify selection and assessment, and despite recent scepticism, they often work in terms of improving cognition, affect and behaviour, as shown in a large-scale meta-analysis (Bezrukova et al., 2016). However, effect sizes vary widely, and some training backfires. Therefore, organisations should follow established best-practices, primarily when it comes to embedding training into a broader suite of activities and focusing on specific behaviours rather than just an awareness of bias (Carter et al., 2020). A related promising approach is to strive for changes in recruiters' diversity beliefs. Unsurprisingly, recruiters who believe that diversity is an asset for organizations show less bias against candidates from currently under-represented groups (Hofhuis et al., 2016). To date, there appear to be no field-tested interventions to promote such beliefs, which occupational psychologists should remedy. However, even these approach falls short by still assuming that selection and assessment is about finding "the best" candidate. In the context of diversity, this is the wrong question to ask as I will argue below.

Shift the paradigm: no (individualistic) test exists

One of the key arguments in favour of workforce diversity is that members with diverse skills and experiences can improve a teams' performance when faced with wicked problems – as teams working in occupations that demand creativity, innovation and/or problem-solving

frequently are. Two vivid illustrations can help clarify the point: Page (2019) argues that teams can be thought of as possessing a collective toolbox. In that case, each additional employee adds the greatest value when they bring unique (though relevant) tools to the table. Similarly, Syed (2019) employees the metaphor of a "team of clones" who all occupy the same area of the solution space. Even if they are all highly talented, a more diverse "team of rebels" whose skills and experiences are spread throughout the solution space can easily be seen to have greater collective intelligence.[2] However, if that is the case, the focus of selection and assessment needs to shift more fundamentally than what is discussed so far because *no test exists* that can identify the best candidate – at most, standardized tests can provide a bar that candidates need to clear to merit full consideration of their application. Given that every person's possible contribution is intricately linked to who is already in the organization (Page, 2019, cf. (Kleinberg & Raghu, 2018), assessment needs to take into account not just what candidates bring but also what is already there – at least for roles that add a substantial share of value by contributing to team problem solving and creativity rather than individual performance.

Hire for culture add

The implication of the required paradigm shift is intuitive. Instead of hiring candidates that match the current mould and the competencies that go along with it, surely the key question should be what candidates can bring to the team and the organization over and above what is already there. Such hiring for *culture add* has been proposed in recent years (Murray, 2018), and it is attractive for those seeking greater diversity because it will naturally advantage candidates who are diverse in terms of skills and experiences, which often correlates with demographic diversity. Conversely, it implies moving away from considering

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[2] Note than the strongest evidence for these effects comes from simulation studies (e.g., Hong & Page, 2004). When humans enter the picture, things become more complicated – which suggests that psychologists have a key role to play when it comes to reconciling promise and reality.

"culture fit", which is often just is a veneer for homophily (Schmidt, 2017) as it allows those involved in recruiting to give sway to their "mini-me bias" (Pringle et al., 2017).

To hire for culture add, whole potential teams need to be assessed – or, if an opening in an existing team is to be filled, each candidate's contributions to that team. This not only requires broader assessment, but also different assessment criteria. Rather than relying on what has made past candidates successful, an organization needs to define the range of *relevant* possible contributions, which requires novel approaches to considering the manifold ways in which any role can be filled with life. Thus, rather than assessing a stable person-job fit, one not only needs to consider the scope of the person to develop (as highlighted by Sylva et al., 2019) but also that of the job to be carried out in diverse ways.

Beyond such changes in assessment, there need to be corresponding shifts in selection processes. Beyond just banning references to "culture fit" in discussing candidates, as pioneered by Facebook (Schmidt, 2017), adding reflection questions for interviewers that explicitly address culture add is beneficial, such as "Does the candidate challenge our existing thinking?" (Myers, 2022, p. 20). More radically, random selection might be a resource-effective way to achieve diversity benefits in some circumstances (Liu, 2021).These ideas however, need to be further developed and evaluated in organizational practice, and linkages between the recruiting of new employees and talent management of existing employees need to be strengthened.

Sustain values fit

Despite the benefits of diversity, not anything goes. Successful organizations tend to be defined by clear shared values (Waterman & Peters, 2004) and individual values are relatively stable. Therefore, the idea of hiring employees that fit these organizational values has a long pedigree (Bowen et al., 1991), and is well supported by research that shows that a fit between employees personal values and those of the organization is a key predictor of

employee satisfaction, commitment and retention (Ostroff et al., 2005). Such fit might be undermined by a relentless strive for maximum diversity that leads to a wide variety of values. Therefore, hiring for culture add should be complemented by a focus on values fit.

However, this risks coming close to the hiring by culture fit that we wish to leave behind. To be effective, values fit therefore needs to be rigorously assessed. To that end, current organizational values need to be mapped, and then the desired values in new employees need to be defined.[3] During the recruitment process, candidates' values need to be assessed, using tools that can cope with social desirability biases. Some tools for this exist, yet occupational psychologists have a role to play in designing tools that do not primarily test *familiarity* with what is expected (which would reinforce existing inequities), but actual commitment to important values (Patterson et al., 2016). Along with traditional Situational Judgement Tests, Virtual Reality case studies such as those implemented by *Cappfinity* might have a role to play in unearthing more realistic behaviours.

Control the algorithms

This need for more, and more complex, assessment comes in a time when some employers routinely receive thousands of applications for each job opening (Fennell, 2022). To respond to this, CV screening algorithms have become increasingly widely used to assess resumes and support the initial decisions on which applicants to proceed with (Schellmann, 2022). CVViZ, for instance, reports that large companies from multiple sectors have adopted its tool (https://cvviz.com). Such algorithms are sometimes driven by simple decision rules, checking whether CVs meet the requirements in a job description and do not show what are considered warning signs such as gaps in employment history.[4] More recently, algorithms

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[3] While these desired values should fit those currently prevalent, recruiting is obviously also an opportunity for inducing and/or accelerating some shifts in values – for instance regarding the valuing of diverse perspectives and the openness to the disagreements that will bring.

[4] Note that such algorithms already risk reducing diversity (and reinforcing inequality). For instance, gaps in employment history due to care responsibilities are obviously related to gender, and screening based on

developed through machine learning (i.e. "artificial intelligence") approaches have grown in importance, which use data on the current workforce to identify attributes shared by high performers, (or on successful candidates in the current hiring process) and then attempt to identify candidates who also share these attributes – i.e. they focus on similarity, and have thus often shown a preference for male White candidates for high-status positions. For instance, when Amazon attempted to develop such an algorithm, they realized that it consistently preferred male candidates during testing. Fixing such biases is hard if the learning data was created in a context shaped by bias – so after unsuccessfully trying to fix it, Amazon gave up on the project (Schellmann, 2022). Note that this issue persists even when demographic attributes are hidden from the algorithms – usually, they are able to infer gender and ethnicity fairly reliably from interests and other elements of the CV, as illustrated by algorithms that learned to use a history of playing lacrosse – a predominantly White and male sport in the US – as a predictor of job performance (Raghavan & Barocas, 2019). However, I would expect that assessment algorithms – if developed with the notion of culture add in mind – could also facilitate the shift in hiring advocated here. To help hire for culture add, assessment algorithms need to shift from identifying "good" employees to those who might make *distinct* contributions to an existing team. By systematically identifying attributes shared by (small) subgroups of successful employees, they could help to identify relevant yet under-represented "tools" that assessment and selection processes should bring into new parts of the organization. As an intermediate step, they could be tuned to simply identify candidates that stand out from the pack to maintain greater diversity for later selection stages, as pioneered by Li and colleagues (Li et al., 2020) Notably, to refine such algorithms, moving them from the lab to the field and monitoring them to avert perverse consequences will

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university names reinforces class-based exclusions. Here, occupational psychologists should ask more questions of their HR counterparts, yet rule-based algorithms can only be expected to avoid being anti-diversity, rather than to contribute to the shift towards culture add as a decision criterion.

require occupational psychologists to engage with the development and adoption of such technology.

Rethink structured interviews

Occupational psychologists have long advocated for the use of structured interviews, to the extent that the continued use of unstructured interviews has been described as "the greatest failure of I-O psychology" (Highhouse, 2008, p. 333). Structured interviews are indeed much better predictors of job performance, and reduce the extent to which the interviewing process is about "cultural matching" and thus the perpetuation of homogeneity (Rivera, 2012).

Nevertheless, given that structured interviews gain their potency from comparing candidates against a pre-defined and fixed set of competencies, they are better at reducing identity-based discrimination than at boosting (cognitive) diversity. That is because they neglect the reality that no universal test using data from only the candidate can exist when diversity matters. If candidates with very different profiles might be equally valuable for two closely related positions, depending on the composition of the existing teams (or even for the same position if they bring different relevant 'tools' to the table), fixed competency profiles won't do. When hiring for culture add, the decision criteria for each particular interview need to reflect the make-up of the current team and account for different potential competency profiles a successful candidate might exhibit. This thus raises the need for continuous assessment of existing teams again – which occupational psychologists might need to respond to through the development of new approaches to delivering them cost- and time-effectively – as well as the need for translating the outcomes of such assessments into (appropriately) objective decision criteria for the assessment of interviews.

Future directions and a call for (action) research

The fundamental need to shift from culture fit to culture add seems clear, and there is much we can do to move ahead on that journey - which is what this article has focused on. Yet much is still unclear and thus requires both further research and continuous experimentation in professional practice. Three pairs of questions appear particularly important (and thus may warrant further discussion in our community): Firstly, how can organizations efficiently identify what potential tools might be relevant for a team, beyond those already in use? What is the role of open-ended exploration (and possible even random selection) here? Secondly, how can assessments of baseline competencies, culture add, and values-fit be aggregated in decision making? How should potential conflicts between culture add and values-fit be resolved? Thirdly and finally, (how) can algorithms be used to complement human decision-making, reduce biases and identify candidates with unique contributions to make? What is the role of occupational psychologists in helping to realize this potential?

Conclusions

Diversity matters – for moral and instrumental reasons. I contend that to realize its potential to boost team performance, there need to be fundamental changes in assessment and selection – rather than maintaining culture fit, hiring needs to focus on culture add. This means that beyond establishing whether a candidate possesses certain baseline competencies, there *cannot* be a test using data on only the candidate that identifies who would make the greatest contribution to a team. Therefore, assessment of candidates needs to become more integrated with assessment of current employees, and take into account the benefits of diversity and the multiplicity of ways in whcih a role can be performed, rather than just establishing a competency level and person-job fit. Occupational psychologists have much to

contribute to this transition that will unlock performance and increase equality– but we also still have much to learn.

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