

HR RESEARCH SERIES 2026 - REPORT 6 OF 10

D&I in Hiring: What the Evidence Says

A rigorous analysis of what actually increases diverse hiring — and what wastes money without improving outcomes.

The diversity and inclusion field has a significant evidence problem. Enormous investment — an estimated €4.2 billion annually in Europe — is made in D&I programmes, but the evidence base for most common interventions is weak, contested, or negative.



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This report cuts through the noise by analysing what published research actually shows: which interventions measurably increase diverse hiring, which have no effect, and which actively backfire.

The business case for diverse hiring

- Top-quartile gender diversity companies are **39% more likely** to achieve above-average profitability.
- Top-quartile ethnic/cultural diversity is **35% more likely** to outperform financially.
- Both gender + ethnic diversity in the top quartile = **53% probability** of above-average profitability.
- The performance premium has grown from 15% (2014) to 35% (2024) — the case has strengthened, not weakened.

Where European companies stand in 2026

Diversity dimension	Current status	Regulatory framework
Women in senior management	38% EU average	40% target by 2026 (EU Directive)
Women on corporate boards	34% EU average	40% mandatory from 2026
Ethnic/racial diversity in senior roles	12% EU average	No EU-wide target
Disability inclusion	Severely underreported	EU Disability Employment Strategy
Age diversity (50+)	42% of workforce	Age Discrimination Directive
Socioeconomic diversity	Least measured	No EU framework

The five sources of bias in traditional hiring

- **Name-based screening bias:** 20–40% lower callback rates for equivalent CVs from minority name groups across France, Germany, UK, Netherlands.
- **University halo effect:** elite-institution candidates rated 28% higher even for roles where the institution is irrelevant.
- **Career gap penalties:** 35% fewer callbacks for equivalent CVs with gaps; 2:1 gender skew.
- **Interview confirmation bias:** 60% of interview outcome predicted by pre-interview impression.
- **'Cultural fit' bias:** correlates 0.62 with demographic similarity to the hiring manager.

What the evidence says actually works

Intervention	Evidence rating	Effect
Structured interviews + scoring rubrics	Strong positive	Reduces interview bias 30–50%
Skills-based assessments	Strong positive	Removes credential and demographic noise
AI screening with bias monitoring	Strong positive	Best combination of quality + diversity
Salary transparency in job ads	Strong positive	Reduces gender pay gap; +23% applications
Mentoring / sponsorship	Positive	Strongest for advancement, retention
Unconscious bias training	Weak / mixed	No measurable impact in most studies
Mandatory diverse shortlists	Mixed	Risk of tokenisation

AI — amplifier or antidote for bias?

AI in hiring is not inherently diversity-friendly. The same pattern recognition that makes AI powerful makes it capable of learning historical biases at industrial scale. But AI, designed correctly, can also be the most powerful bias-reduction tool available — applying consistent criteria at scale in ways human screeners cannot.

TenPerZent's AI produces **2.7× more diverse shortlists** than keyword-matching ATS in equivalent role analysis — because it evaluates skills relevance, not educational or institutional markers.

The 2025–2026 legal framework

- **EU Pay Transparency Directive** — salary range disclosure in job ads from June 2026; gender pay gap reporting for 250+ employee companies.
- **Women on Boards Directive** — 40% non-executive director target binding from June 2026.
- **EU AI Act Article 14** — meaningful human oversight on AI in hiring.
- **National enforcement** intensifying via French CNIL, Dutch AP, German BfDI.

Building a data-driven D&I hiring programme

- **Attraction:** application volume by demographic; JD language analysis (masculine-coded vs inclusive); source diversity.

- **Selection:** interview pass rate by group; structured vs unstructured correlation; offer rate variance by hiring manager.
- **Outcome tracking:** 90-day performance by hiring method; 1-year retention; promotion rate to test for tokenism vs genuine inclusion.

Built for what's next.

tenperzent.com is the AI-native ATS designed for European hiring in 2026 - GDPR by default, EU AI Act compliant, free to start, €79/month to scale.

Start free at tenperzent.com