



#### PEOPLE & ORGANIZATIONS

## How Can We Beat Unconscious Gender Bias In The Workplace?

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### OVERVIEW

It's easy to assume that the business case for gender parity has been won. Innumerable studies have shown the benefits of greater gender equality in the workplace and of introducing more women to leadership positions. One recent study estimated that gender parity could add \$12 trillion to the global economy, while others have found that companies with women on their boards outperform those with all-male boards, leading to an opportunity cost of \$655 billion a year in the U.S., U.K. and India alone.

But are we really progressing towards a more equal and diverse workplace? Why are there still many more men than women in leadership positions in almost every part of the world, in both the public and private sectors?

Even though most of us strive to eliminate gender bias in the way we think and behave, research – not to mention the evidence of just looking around most boardrooms – shows that it's still there.

What do we need to do to rethink the way we think and act towards each other as we strive to achieve a fairer, more inclusive, and more effective workplace?



## IN DEPTH

Today there are a number of high profile female leaders, and women in business are more prominent than ever. However, workplace statistics tell a very different story. Women remain underrepresented at every level in the corporate pipeline, with the most senior levels by far the worst affected.

The disparity between male and female career progression is most pronounced in the financial and technology sectors, where despite years of effort, there is still a steep drop off of female participation at the management and leadership levels. Women make up 55% of manager level employees, but only 15% of officer-level staff, and just 5% of CEOs.

Getting more women into leadership roles should be viewed as much as an opportunity as a challenge for businesses. A recent report by the Peterson Institute for International Economic and EY found a correlation between female board membership and higher profits. Their research also found that while increasing the number of women directors and CEOs is important, growing the percentage of female leaders in the C-suite would likely benefit the bottom line even more.

Furthermore, the broader perspectives and insights of a diverse and inclusive workforce has been shown to be an important source of innovation and business risk mitigation.

### **Changing Global Workforce**

Just as important a driver for making the workplace more gender diverse and inclusive is that talent pool shortages in developed countries are set to worsen dramatically in coming years due to ageing populations and insufficient educational standards.

A recent OECD study found that by 2030 70% of young people with tertiary education will come from non-OECD G20 countries. It estimated

that China and India alone will also supply more than 60% of the G20 workforce with a qualification in science, technology, engineering and mathematics by 2030.

Nichole Barnes Marshall, Global Head of Diversity and Inclusion at Aon says data like these tell us that “increasingly the workforce will be much more global, much more female and more multicultural.”

Developing a culture of equality within organizations is essential to attracting and retaining the best of this talent pool. Moving from legacy practices that exacerbate unintended bias to a place where science and data determine who to hire – and promote – will require effort and commitment.

### **The Challenge of Unconscious Bias**

Unconscious biases are embedded within all of us, often shaped over many years through education, culture, and experience. To change our behavior, we need to make a conscious effort to identify and recognize these biases within ourselves. If we don't, then, as individuals and collectively, we will make the same choices over and over again – and organizations will continue to be homogenous at the top.

“The systemic biases that occur across the entire talent management lifecycle cannot be underestimated, says Lorraine Stomski, Partner and Global Practice Leader for Assessment and Leadership at Aon Hewitt. “I encourage all organizations to do a thorough audit of their talent processes to ensure that this kind of bias is removed as much as humanly possible.”

Unconscious bias often also emerges during deciding on the right candidates for leadership positions through preconceptions of what “good” looks like, says Stomski. While senior managers genuinely agree about the need for diversity at leadership levels, they still tend to fall back on unconscious beliefs when making final hiring and promotion decisions – such as the idea that it would be easier to align strategies behind people with similar backgrounds to them. The end result of this pattern is a management team with little real diversity. “Talent processes such as succession planning, leadership development, talent reviews and high potential programs should all be examined closely for these biases, many of which can be observed through the kinds of conversations held about women when being selected for such programs and in reviews,” she says.

Stereotypes have become so ingrained that certain roles continue to be associated with people of one gender or a certain background, even when an objective assessment demonstrates these assumptions to be unfounded. What’s more concerning, “It has been demonstrated in some studies that men are spoken about in talent reviews in terms of potential, while women are judged purely on performance,” Stomski says.

### **Making Diversity Work**

While we can expect women to continue working towards gender equality in the workplace, men can and must be part of the conversation. The drive to get men to become part of the solution was highlighted by actress Emma Watson, who launched UN Women’s HeforShe website in Davos this year. We are seeing small steps in this direction: in politics Canadian prime minister Justin Trudeau has taken a high profile step in this direction by appointing a gender-balanced cabinet.

Anonymizing hiring decisions could be one way to help overcome gender-based hiring decisions. In the world of music, blind auditions have been shown to increase the number of female musicians hired by orchestras. In technology, hiding genders in tests to help determine which candidates are better at writing computer code has shown that women are more talented in this growing field than gender stereotypes may suggest.

“When validated assessment is used for pre-hire selection, we remove some of the unintended bias that occurs in recruitment,” says Stomski. “When a robust assessment method and talent review with data is used for succession planning, unintended bias can be challenged before it occurs. This can also be used as a vehicle to raise awareness with leadership teams.”

There are also solutions involving new technologies, such as data driven approaches to talent sourcing that can mitigate the unconscious biases of the human element of the selection process. “Encouraging organizations to use scientific, fact-based assessments to determine the best fit for role and using that to identify and select candidates for senior level roles should be the rule, not the exception,” says Stomski. “By using these well-validated tools to determine what candidates bring the best competencies and attributes to the role can help eliminate unconscious bias and force objectivity into the process.” There are two key benefits from such approaches, she says:

1. Candidates feel better about the process due to the added objectivity and fairness of the selection process
2. Organizations gain deep insights into the skills that are missing and need to be developed in role

### **The Long-Term Challenge**

Yet, even if we succeed at achieving gender parity and full diversity in the workplace, every organization must continue to strive towards becoming truly inclusive, or risk becoming a revolving door for talent.

Here, long-term benefits strategies can have particular impact on increasing diversity and inclusion. Organizations that commit to equal pay, allow extended parental leave, or support their employees' religious, cultural, dietary or disability requirements, can find that not only do they start to attract more candidates – a key concern during with the ongoing global skills shortage – but they can also create a more engaged and loyal workforce. This in turn can enable organizations – as well as their employees and wider society – to reap the rewards of sustainable diversity over the long term.

This isn't just about increasing the number of women – and others from more diverse backgrounds – in the workplace, Barnes Marshall says. "Diversity is counting heads; inclusion is making heads count."

## TALKING POINTS



"We shouldn't be afraid of the word feminist. Men and women should use it to describe themselves any time they want." – Justin Trudeau, Prime Minister of Canada



"No country can truly develop if half its population is left behind." – Justine Greening, UK Secretary of State for International Development



"The empowerment of the world's women is a global imperative. Yet despite important progress in promoting gender equality, there remains an urgent need to address structural barriers to women's economic empowerment and full inclusion in economic activity. If the world is to achieve the Sustainable Development Goals, we need a quantum leap in women's economic empowerment." – Ban Ki-moon, Secretary-General of the United Nations

## FURTHER READING

- Gender Bias at Work Turns Up In Feedback –The Wall Street Journal, September 30, 2015
- Unconscious Bias Training Doesn't Change Employee Behavior – Fortune, December 2, 2015
- How To Recognise And Overcome Your Unconscious Bias – The Guardian, December 14, 2015
- How To Beat Gender Bias – The Financial Times, February 12, 2016
- A How-to Guide: Gender Diversity in the Workplace – The Telegraph, December 15, 2015
- Men Must Be On Board To Help Eradicate Workplace Gender Bias – The Irish Times, December 18, 2015
- Rise Of The Bias Busters: How Unconscious Bias Became Silicon Valley's Newest Target – Forbes Magazine, November 2, 2015
- Do Women Get Less Credit When They Work In a Team? – World Economic Forum, February 22, 2016
- Why Do Men Think Other Men Are More Intelligent? – World Economic Forum, February 17, 2016

- Pyramid: Women in S&P 500 Companies – Catalyst, February 3, 2016
- Building Sustainable Diversity In the Workplace – The One Brief

