

## EQUALITY GROUP

What should we do about unconscious bias?

## White paper

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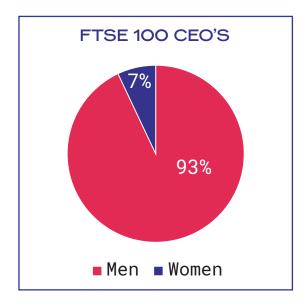
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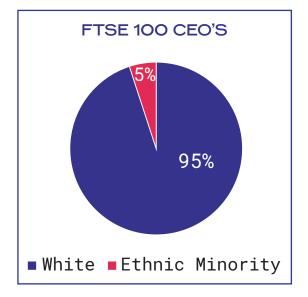
#### What should we do about unconscious bias?

Much work remains to be done to improve diversity and inclusion in contemporary organisations. We know that tackling bias is an important part of the picture. Indeed, in recent years, a strong focus on unconscious bias (and unconscious bias training) has dominated the diversity and inclusion discussion. But the latest scientific evidence shows that the hyper-focus on unconscious bias training, to the exclusion of other strategies, will probably make your company less diverse and inclusive, not more. This white paper covers what you have to know about bias, unconscious and otherwise, and the best evidence-based strategies for dealing with the problem.

#### We have made surprisingly little progress in diversity and inclusion

We have made surprisingly little progress in diversity and inclusion in the past few decades. Across all American companies with 100 or more employees, the proportion of black men in management hardly increased at all between 1985 (3%) and 2014 (3.5%). The proportion of White women in management increased slightly between 1985 (22%) and 2000 (29%), but has not changed much since then. Of the CEOs leading the companies on the 2018 Fortune 500 list, only 3 were Black and just 24 were women. Recent research released by the company INvolve revealed that, in the FTSE 100, there are more CEO's called David (9) or Steve (4), than there are CEO's who are women (7) or not White (5).

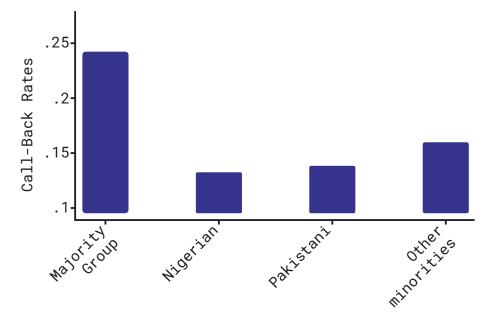




# We've known for some time that bias is part of the problem

In a recent British field experiment, Di Stasio and Heath (2019) applied for 3200 jobs, keeping the qualifications constant, but randomly varying the applicants' ethnicities. They found that ethnic minorities got call-back rates that were less than half the rates of White applicants, despite being identically qualified. Equally qualified minorities have to apply to twice as many jobs to get the same number of opportunities as White people. A wealth of research in multiple countries has found the same. Even when all other differences are eliminated or accounted for, ethnic minorities are less likely to receive offers of employment (Bertrand & Mullainathan, 2004; Eaton, Saunders, Jacobson, & West, 2019; Pager, 2003). Similarly, even when other differences are eliminated or controlled, women (compared to men) are offered less pay for the same work (Auspurg, Hinz, & Sauer, 2017), offered less informal support when joining organisations (Milkman, Akinola, & Chugh, 2015), and offered fewer (and less desirable) leadership positions (Bruckmüller, Ryan, Rink, & Haslam, 2014; Ryan et al., 2016).

#### Predicted callback rates of Pakistani and Nigerian applicants compared to the majority group and all other minorites combined.

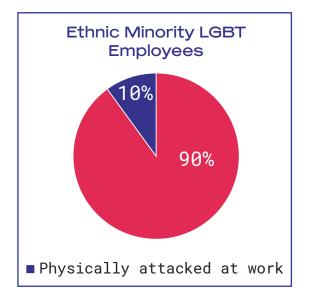


Note: probabilities of recieving a callback estimated from linear probability models, controlling for religion and generational status of the applicant (2<sup>nd</sup> vs. 1.5 generation).

#### These biases do not go unnoticed by employees

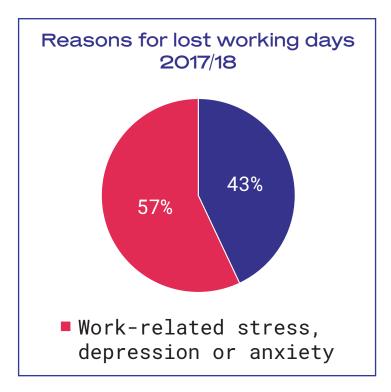
Equality Group's research into employee's feelings of inclusion (Equality Group, 2019b) and authenticity (Equality Group, 2019a) highlights this fact. According to our findings, 35% of LGBT staff have hidden their sexual identity at work for fear of discrimination; 34% of ethnic minority employees feel that they are not encouraged to stay in their companies because of a non-inclusive culture; 38% of bisexual people aren't out to anyone at work; 24% of LGBT employees say that their senior management team refuse to acknowledge homophobic, transphobic or discriminatory "banter"; 10% of ethnic minority LGBT employees have been physically attacked by customers or colleagues in the last year (Equality Group, 2019a). Employees also hold management responsible for failing to foster a positive work environment: 33% of Brits dislike their job because of bad management and 50% of workers state that they have experienced significant anxiety and/or stress due to their boss (Equality Group, 2019b). Furthermore, 67% of job seekers said that a diverse workforce is an important factor to them when considering companies and job offers (Glassdoor Team, 2014).





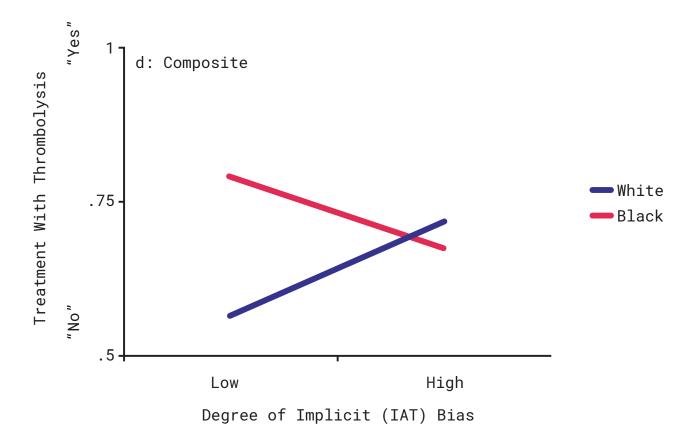
#### Businesses also suffer because of bias

A recent report by INvolve estimated that the cost of gender and ethnic minority discrimination to the UK economy was approximately £125.6 billion. Experimental research shows that bias leads people to make bad deals that end up costing them more money in the long run (Kubota, Li, Bar-David, Banaji, & Phelps, 2013). Work-related stress, depression or anxiety accounts for 44% of work-related ill health and 57% of working days lost in 2017/18 (HSE, 2018). The other side of the coin, of course, is that businesses do better when they have more diverse teams. Inclusive companies enjoy a 2.3 x higher cash flow (Bersin, 2019), and diverse companies are 70% more likely to report that the firm captured a new market (Hewlett, Marshall, & Sherbin, 2013). A 2016 report from Credit Suisse found that companies with more women in top management also had greater excess returns. Another 2016 report from the IMF found that appointing a senior woman was associated with an 8-13 basis points higher return on assets. A 2017 report from McKinsey found that the most ethnically / culturally diverse companies were 33% more likely to outperform on profitability. Getting rid of bias and creating a more diverse and inclusive culture is good for everyone.



#### But why can't we just get rid of bias?

But why can't we just get rid of bias, especially if most people agree that bias is both bad and unprofitable? There are many reasons; bias is a tricky and complicated thing. But one reason that has received a lot of attention in recent years is unconscious bias bias that we are unaware of and probably don't even want to have. Unconscious bias (or implicit bias as it is called in scientific circles) has some critics in the scientific community (Gawronski, 2019). And even the leading researchers on unconscious bias denounce certain lay impressions about unconscious bias tests: e.g., that they function as "lie detectors" or that unconscious bias is somehow more "real" than consciously expressed bias (Nosek, Greenwald, & Banaji, 2007). But all the scientific evidence agrees that unconscious bias does predict certain behaviours towards minorities, especially in rushed or ambiguous situations, such as diagnosing illnesses (Green et al., 2007) or evaluating CVs (Hiemstra, Derous, Serlie, & Born, 2013; Nosek et al., 2007).

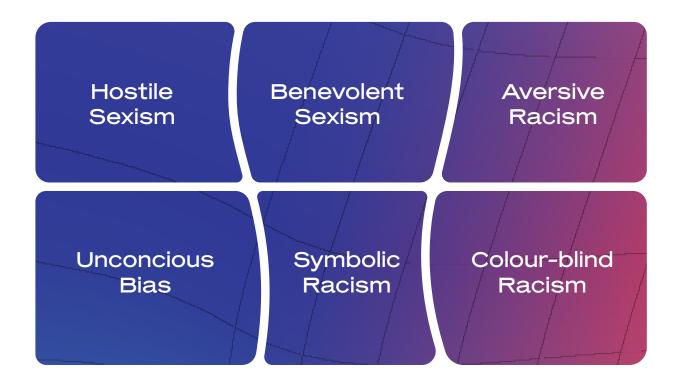


#### What should we do about bias in organisations?

With the rise in awareness of unconscious bias has come waves of unconscious bias trainings. In 2018, Starbucks famously closed 8000 of its stores to conduct unconscious bias training after an incident in which an employee called the police on 2 Black potential customers. Facebook may be the best-known organisation to show a commitment to tackling unconscious bias and has even published its training material online (https://managingbias.fb.com). In the UK, a government sponsored report recommended the creation of a free, online, unconscious bias training resource available to everyone in the country and mandatory unconscious bias training for all employees in all organisations. The time, money, and effort put into unconscious bias trainings by companies all over the world is staggering.

### But there's a problem; according to the latest evidence, unconscious bias training, by itself, probably won't help

Why? First of all, not all bias is unconscious. It's a serious oversimplification to pretend that bias either manifests as open bigotry or purely unconscious bias. Social psychology recognises many types of bias including things we'd do openly if it weren't for the social ramifications, feelings we're aware of but ashamed to admit, things we consciously believe due to genuine ignorance, and beliefs we justify on cultural or other grounds. These concepts have many names in social psychology – aversive racism, symbolic racism, even colour-blind racism (Noon, 2018; Pearson, Dovidio, & Gaertner, 2009). Sexism is similarly complex covering a number of different concepts like hostile sexism and even benevolent sexism (Becker & Wright, 2011). The idea that all, or even most prejudice today is entirely unconscious is simply not true. Unconscious bias is only one piece of the puzzle.

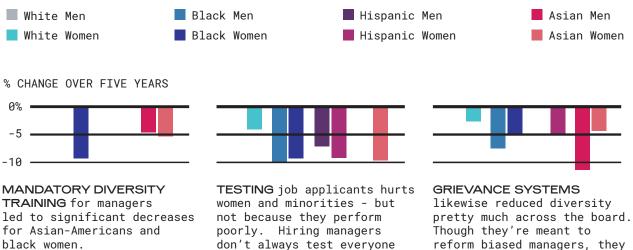


#### Indeed, unconscious bias training, by itself, will probably make things worse

In the US, Professors Dobbin and Kalev (2016) looked at over 800 companies to see how different diversity programmes affected the proportions of ethnic minorities and women in management. Surprisingly, they found that mandatory diversity training made these companies less diverse, not more diverse, in their management structures. Similarly, Bezrukova and colleagues (2016) looked at 260 studies on diversity training, spanning the last 40 years of research on the subject. They found "no compelling evidence that long-term effects of diversity training are sustainable". This isn't to say that unconscious bias training serves no purpose at all. It is useful for raising awareness of bias and for giving people the tools to start discussing bias (Atewologun, Cornish, & Tresh, 2018). But the evidence is very clear; unconscious bias training, by itself, will not make your company any more diverse or inclusive (Dobbin & Kalev, 2016; Dobbin, Kalev, & Kelly, 2007; Kalev, Dobbin, & Kelly, 2006; Noon, 2018; West & Eaton, 2019). Believing that it will is lulling yourself into a false sense of security.

#### POOR RETURNS ON THE USUAL PROGRAMS

The three most popular interventions made firms less diverse, not more, because managers resisted strong-arming.



(white men often get a pass)

and don't interpret results

consistently.

reform biased managers, they often lead to retaliation.

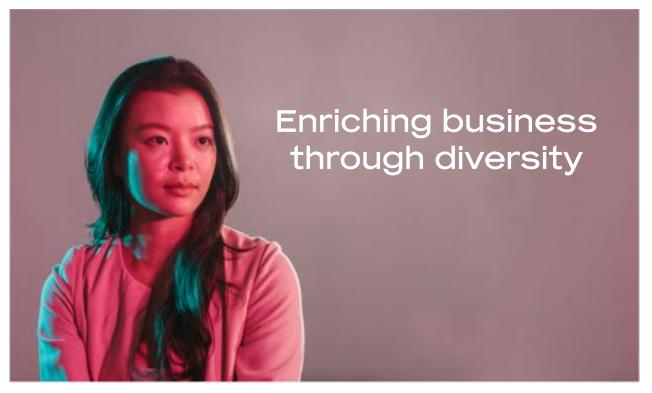
#### So, what is the answer?

Rather than focusing all our energy on unconscious bias, we should work holistically on building diverse and inclusive teams. This advice might sound trite, but, as Anthony Robbins points out – "focus on where you want to go, not on what you fear". While the available research doesn't support the long-term effectiveness of unconscious bias training alone, it does show that diversity and inclusion can be improved if a number of targeted strategies are applied together (Bezrukova et al., 2016). This is especially important in major cities, which tend to be more diverse than other parts of the country. For example, 41% of Londoners are black and minority ethnic, compared to an average of 10% in the rest of England (Trust for London, 2019).

In particular, it's important to work toward diversity and inclusion at every stage of the process. Even before employees are selected, ensure that you've done the most comprehensive and diverse search you can. Before they arrive, optimize your hiring process to reduce bias and ensure that the best candidates are selected, regardless of their background or characteristics. Examine the culture of your organisation to ensure the most inclusive and welcoming environment possible for members at all levels. And finally, fine-tune your promotion and progression strategies to ensure that a diverse pool of candidates can make it into management. This is not a one-shot fix, and it can't be done in a single afternoon session. It requires serious and sustained work. But it is possible and there are groups prepared to help.

#### Where do you start?

Fortunately, there's no need to reinvent the wheel. There are already companies that offer the end-to-end strategies necessary to improve diversity and inclusion in your company. Equality Group offers a range of services, such as the Equality Search, Equality Consultancy, and Equality Training that can help your organization meet its targets. Equality Search is a service in which where we offer shortlists for your specified position with at least 50% of the candidates being from diverse or non-traditional backgrounds. These are tailored to the specific needs of our clients, sourcing exceptional candidates from a range of talent pools. Equality Consultancy is a complete, holistic, empirical investigation of the atmosphere and environment of your organisation in accordance with your specific needs and goals, identifying areas in which inclusion could be strengthened. Equality Training goes beyond the widely available unconscious bias training offering scientifically supported insights into the workings of contemporary bias and structural changes that could be made to minimize both bias and its effects. All of Equality Group's services are bespoke, data-driven, and based on the latest cutting-edge scientific research.



For more information, email hello@equality.group

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