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DISRUPT BIAS DRIVE VALUE

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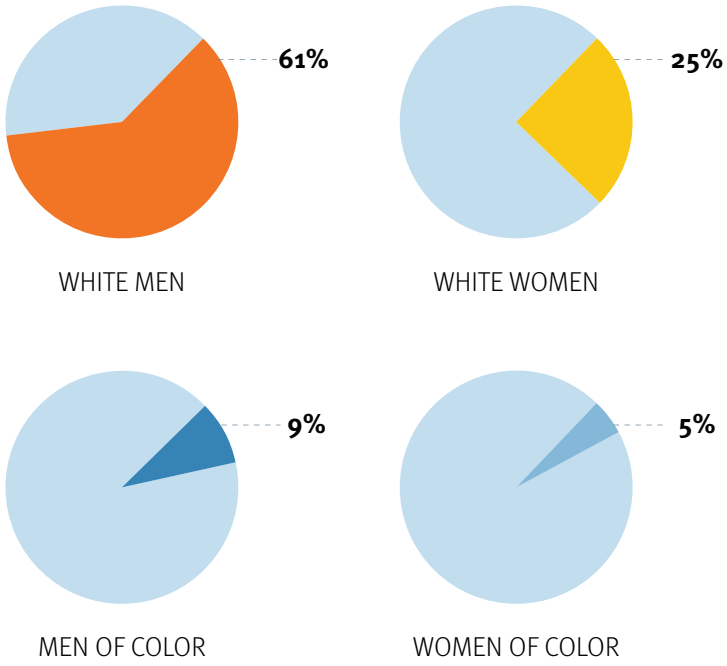
A new lens on bias

IN CORPORATE LEADERSHIP, the disproportionate representation of white men[1] remains a stubborn reality. Women and minorities do occupy leadership roles, but not anywhere near in proportion to their representation as college- and advanced-degree holders in the US.[2]

WE SET OUT to discover the bigger story on bias: how it manifests in corporate culture, how it hits the bottom line, and how companies can truly disrupt it.

MANAGER AND SENIOR EXECUTIVE ranks in the private sector[3]



Codifying assessments of potential

FIRST, WE SOUGHT THE INPUT OF OUR TASK FORCE, a consortium of human resource officers and diversity specialists at 86 multinational organizations. We elicited the many ways they assess potential. From their responses, we derived ACE, a framework that codifies assessments of employee potential.

A

ABILITY

AMBITION

C

COMMITMENT

CONNECTIONS

E

EMOTIONAL INTELLIGENCE

EXECUTIVE PRESENCE

WHY FOCUS ON EMPLOYEE POTENTIAL?

Determining who should advance depends not just on assessing performance, but on assessing potential as well—a notoriously subjective exercise. In evaluating someone's potential, managers make thousands of quick decisions that can be based on bias—and can have huge impact on employees' careers.

> "People pick up on bias when they see opportunities handed to colleagues for unclear reasons. They'll ask, 'Why did *that* person get the best account, the best region?' While the manager is likely thinking, 'Who will connect best with that client base?' That's where unfounded assumptions come in."
>
> —Kate Burke, Head of Human Capital and Chief Talent Officer, AllianceBernstein

WE WANTED TO UNDERSTAND how employees experience bias. Do they think their potential is being fairly assessed by their managers? Or do they see bias creeping into the way their potential is judged at work?

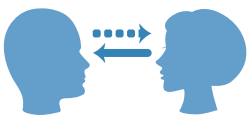
In a nationally representative survey of 3,570 full-time, college-educated employees in white-collar jobs, respondents shared the following:

How they assess their own potential on each of the ACE elements

How they believe their superiors assess them on each of the ACE elements

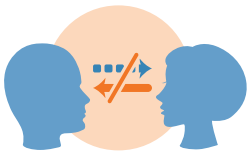
What kind of feedback they have received on each of the ACE elements

WHEN WE ANALYZED their answers, we zeroed in on employees at large companies* and divided our sample into three groups:



Self-Assessment = Superiors' Assessment

Self-Assessment < Superiors' Assessment



Self-Assessment > Superiors' Assessment

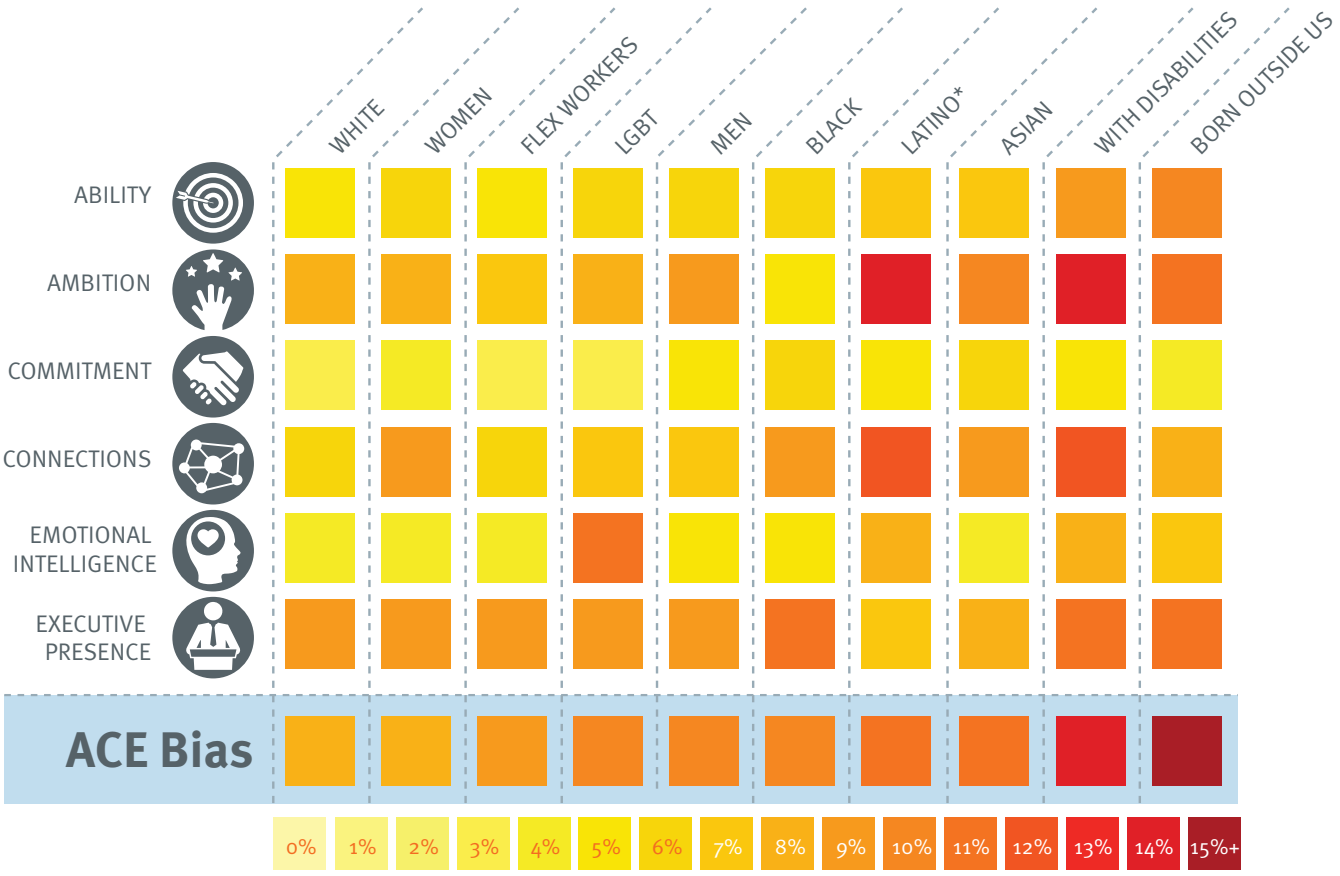
FOR THOSE WHOSE self-assessment was higher than their superiors' assessment, we deemed negative bias.

**Large companies have 1,000 or more employees.*

Mapping negative bias

WHICH EMPLOYEES REPORT BEING NEGATIVELY MISJUDGED about their professional potential against the ACE dimensions? To better understand the experience and impact of bias among employee cohorts against each ACE dimension, we charted our findings into a heat map.

EMPLOYEES AT LARGE COMPANIES who perceive negative bias in their superiors' assessment of ACE elements

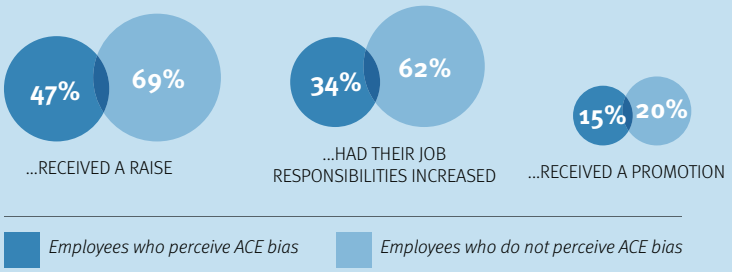


**For data collected and referenced in this report, "Latino" refers to those who identify as being of Latino or Hispanic descent.*

ACE BIAS is an employee's perception of negative bias in superiors' assessment of potential in two or more of the following areas: Ability, Ambition, Commitment, Connections, Emotional Intelligence, and Executive Presence.

INTERPRETING THE PREVALENCE OF ACE BIAS
The percentage of employees in each talent cohort who perceive ACE bias ranges from 7.7% to 14.5%. These numbers may not seem particularly high. However, when we consider the impact of bias on career momentum, the true costs of bias become apparent.

EMPLOYEES AT LARGE COMPANIES who, in the last year, have...

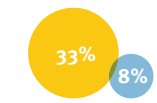


Measuring the costs of bias

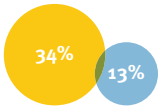
AS ANY PROFESSIONAL WHO HAS EXPERIENCED BIAS knows well, its impact can be profound. We find employees respond to ACE bias in three very costly ways: they burn out, bust out, or blow up. All represent costly risks in terms of employee engagement, retention, innovation, and brand reputation.

Cost #1: Burning out

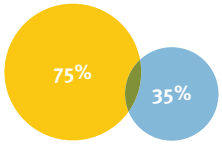
ACE BIAS BREEDS BURNOUT
Employees at large companies who...



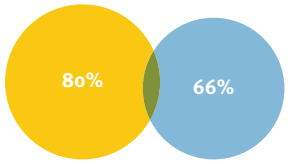
FEEL REGULARLY ALIENATED AT WORK



HAVE WITHHELD IDEAS OR SOLUTIONS WITHIN THE PAST 6 MONTHS



SAY THEY ARE NOT PROUD TO WORK FOR THEIR COMPANIES

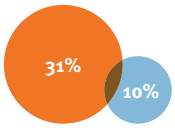


HAVE NOT REFERRED PEOPLE IN THEIR NETWORKS TO WORK AT THEIR COMPANIES

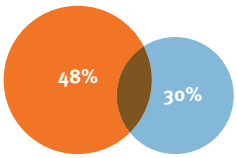
Employees who perceive ACE bias *Employees who do not perceive ACE bias*

Cost #2: Busting out

ACE BIAS BREEDS BUST-OUTS
Employees at large companies who...



PLAN TO LEAVE THEIR EMPLOYER WITHIN THE YEAR



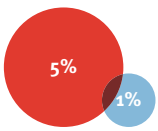
HAVE LOOKED FOR ANOTHER JOB WHILE ON THE JOB IN THE PAST 6 MONTHS

Employees who perceive ACE bias *Employees who do not perceive ACE bias*

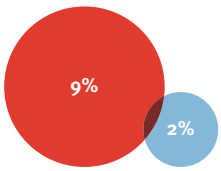
> "I want to rise a lot higher than I am now, and I know I'm going to have to go somewhere else to do it. People who look like me just don't get put into senior positions here. In all my time here, I haven't seen a single one."
>
> —Afro-Latino client relationship manager, media conglomerate

Cost #3: Blowing up

ACE BIAS BREEDS BLOW-UPS
Employees at large companies who...



HAVE DISCUSSED THEIR COMPANIES IN A NEGATIVE LIGHT ON SOCIAL MEDIA



HAVE INTENTIONALLY FAILED TO FOLLOW THROUGH ON AN IMPORTANT ASSIGNMENT IN THE PAST 6 MONTHS

Employees who perceive ACE bias *Employees who do not perceive ACE bias*

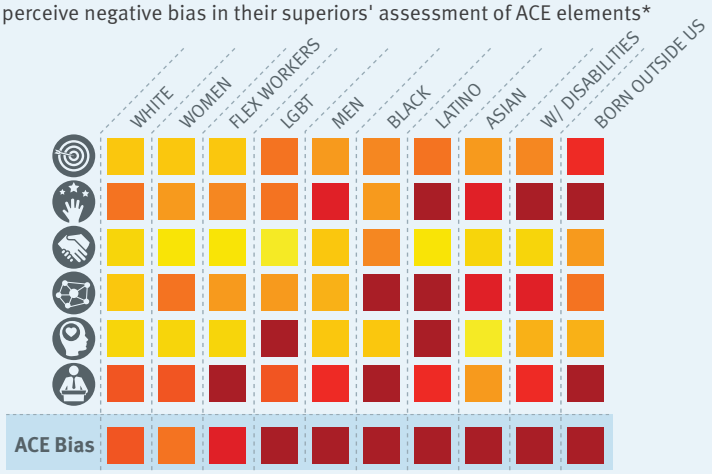
> "If I were white, I wouldn't be 'angry,' I'd be 'passionate.' But if I were white, I wouldn't have to fight so hard in the first place. Now I really have gotten angry."
>
> —Black creative director, major ad agency

DISRUPTING BIAS: A THREE-PART STRATEGY

DIVERSIFY LEADERSHIP

Diversity in leadership is crucial to disrupting ACE bias. Inherently diverse executives demonstrate that difference is valued at their companies. Employees at large companies without inherent diversity in leadership see an increase in ACE bias. At large companies with inherent diversity in leadership, the map cools considerably.

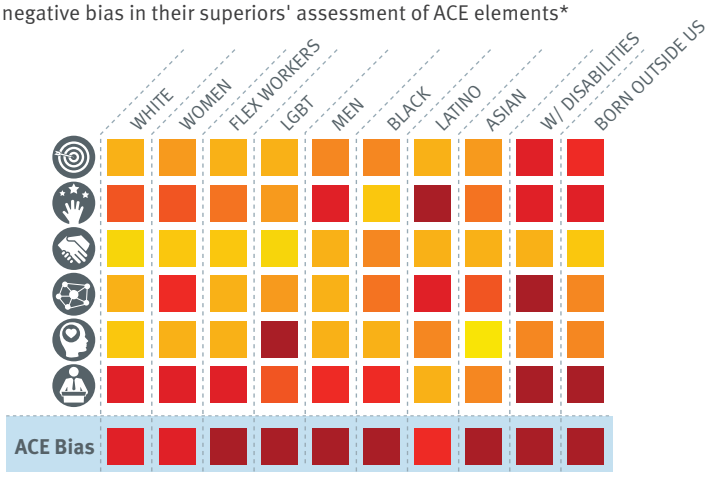
EMPLOYEES WITHOUT DIVERSITY IN LEADERSHIP at large companies who perceive negative bias in their superiors' assessment of ACE elements*



ADVANCE INCLUSIVE LEADERSHIP

In order to truly see the potential of diverse employees on teams, leaders have to get beyond gut-level assumptions. They can do so by creating a “speak up culture” where everyone feels welcome and included. Our data shows that at large companies, employees with inclusive leaders are less likely to perceive ACE bias.

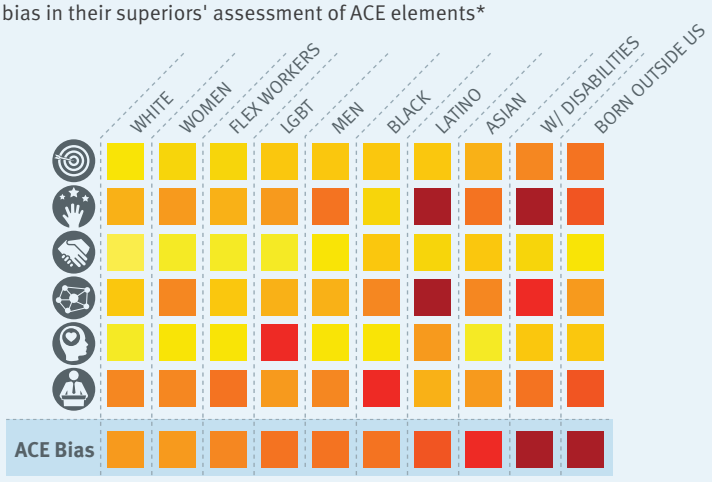
EMPLOYEES WITHOUT INCLUSIVE LEADERS at large companies who perceive negative bias in their superiors' assessment of ACE elements*



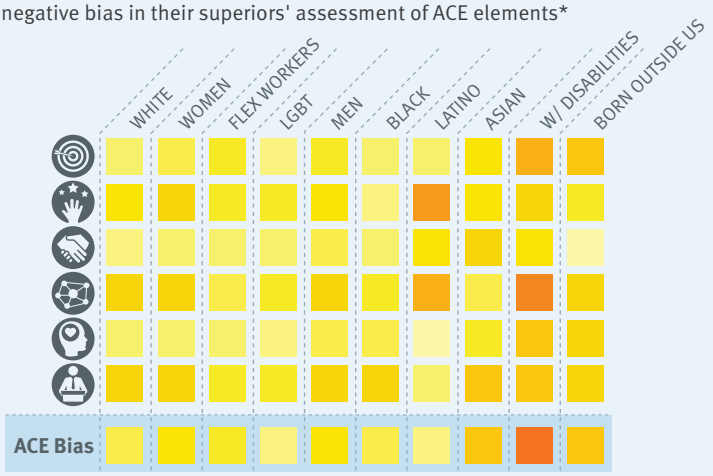
CONNECT DIVERSE TALENT TO SPONSORS

Diverse talent need sponsors, or senior-level advocates, to lever them into leadership, effectively bypassing or negating the effects of managerial bias. Like inclusive leaders, sponsors turn out to have a profoundly mitigating effect on the ACE bias that employees perceive.

EMPLOYEES WITHOUT SPONSORS at large companies who perceive negative bias in their superiors' assessment of ACE elements*

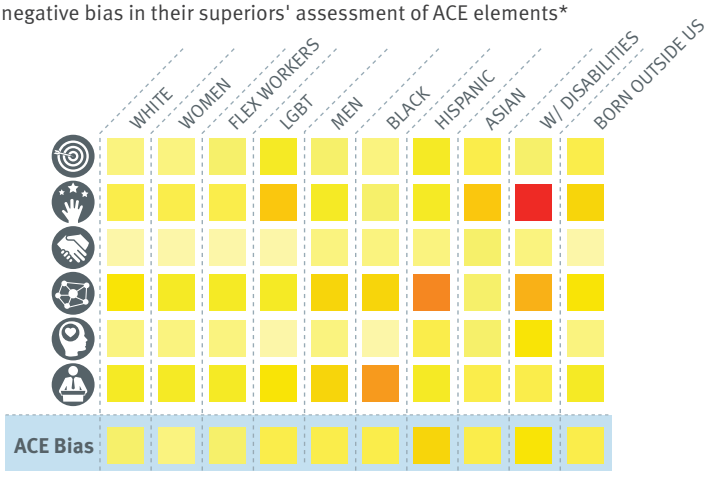


EMPLOYEES WITH DIVERSITY IN LEADERSHIP at large companies who perceive negative bias in their superiors' assessment of ACE elements*



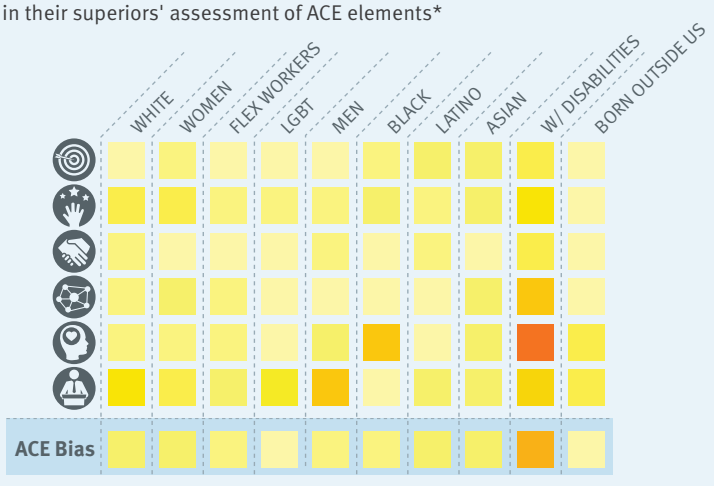
With diverse individuals in top jobs, employees at large companies are **64% less likely** to perceive ACE bias and **19% more likely** to be engaged.

EMPLOYEES WITH INCLUSIVE LEADERS at large companies who perceive negative bias in their superiors' assessment of ACE elements*



With inclusive team leaders, employees at large companies are **87% less likely** to perceive ACE bias and **39% more likely** to be engaged.

EMPLOYEES WITH SPONSORS at large companies who perceive negative bias in their superiors' assessment of ACE elements*



With sponsors, employees at large companies are **90% less likely** to perceive ACE bias and **21% more likely** to be engaged.

See p.3 for scale.

METHODOLOGY

The research consists of a survey, in-person focus groups and Insights In-Depth® sessions (a proprietary web-based tool used to conduct voice-facilitated virtual focus groups) involving more than 250 people from our Task Force organizations, and one-on-one interviews with 56 men and women in the US.

The national survey was conducted online or over the phone in October and November 2016 among 3,570 respondents (1,605 men and 1,965 women; 374 black, 2,258 white, 393 Asian, 395 Hispanic) between the ages of 21 and 65 currently employed full-time in white-collar occupations, with at least a bachelor's degree. Data were weighted to be representative of the US population on key demographics (age, sex, education, race/ethnicity, and Census Division). The base used for statistical testing was the effective base.

The survey was conducted by NORC at the University of Chicago under the auspices of the Center for Talent Innovation, a nonprofit research organization. NORC was responsible for the data collection, while the Center for Talent Innovation conducted the analysis.

ENDNOTES

[1] Alexandra Kalev, Frank Dobbin, and Erin Kelly, "Best Practices or Best Guesses? Assessing the Efficacy of Corporate Affirmative Action and Diversity Policies," American Sociological Review, August 1, 2016, https://www.cfa.harvard.edu/cfawis/Dobbin_best_practices.pdf, 611.

[2] United States Department of Education, "Bachelor's, Master's, and Doctor's Degrees Conferred by Postsecondary Institutions, by Sex of Student and Discipline Division: 2013-14," Institute of Education Sciences, National Center for Education Statistics, accessed April 26, 2017, https://nces.ed.gov/programs/digest/d15/tables/dt15_318.30.asp?current=yes; United States Department of Education, "Bachelor's Degrees Conferred by Postsecondary Institutions, by Race/Ethnicity and Sex of Student: Selected Years, 1976-77 through 2014-15," Institute of Education Sciences, National Center for Education Statistics, accessed April 26, 2017, https://nces.ed.gov/programs/digest/d16/tables/dt16_322.20.asp?current=yes; United States Department of Education, "Master's Degrees Conferred by Postsecondary Institutions, by Race/Ethnicity and Sex of Student: Selected Years, 1976-77 through 2014-15," Institute of Education Sciences, National Center for Education Statistics, accessed April 26, 2017, https://nces.ed.gov/programs/digest/d16/tables/dt16_323.20.asp?current=yes.

[3] Equal Employment Opportunity Commission, "2015 Job Patterns for Minorities and Women in Private Industry (EEO-1)," US Equal Employment Opportunity Commission, accessed April 26, 2017, https://www1.eeoc.gov/eeoc/statistics/employment/jobpat-eeo1/2015/index.cfm#select_label.

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OUR FULL REPORT, including comprehensive guidelines for employer action, is available at **talentinnovation.org**