

Outsmarting our brains

Overcoming hidden biases to harness diversity's true potential



At a recent event that brought together nearly 300 leaders from EY, RBC and their guests, Dr. Mahzarin Banaji, Harvard University professor of social ethics and co-author of *Blindspot: Hidden Biases of Good People*, revealed that even leaders with the best intentions may be unconsciously stifling diversity in their organizations.

The good news? With a conscious effort, leaders can overcome these involuntary biases and foster the high-performing diverse teams that help their organizations thrive.



Most leaders would agree that it is not simply unfair but manifestly unwise to choose a CEO because of height, overlook a manager for promotion solely because he is overweight, or ignore an idea presented by a female colleague yet accept the very same proposal from a male colleague. Yet these are real and current examples of the way in which hidden biases emerge in human behaviour all too frequently - creating significant barriers to achieving the bias-free environments many of today's employers seek to create.

Unified by a shared commitment to the power of diversity and inclusion, and a strong sense of purpose in creating opportunity and prosperity, EY and RBC have collaborated to explore the implications of hidden biases in today's work environment. Guided by Dr. Banaji's insights, these two organizations share practical, meaningful suggestions that can help overcome the implicit blindspots that limit human potential in our world.

“ The best leaders challenge the status quo and seek out the visionary thinking and broad perspectives that foster opportunity and growth. We have a responsibility to tackle the complex challenges that create barriers, limit creativity and blind us to the possibilities of our talent and our organizations. There has never been a better time to drive this change; never has it been so urgently necessary. ”

- Gordon Nixon, President and Chief Executive Officer, RBC

“ Our diverse population is its competitive advantage for pursuing the tremendous opportunities in today's global marketplace - and tomorrow's. In championing true inclusiveness, we will harness the full potential of innovation, and build a better working world for our colleagues, our clients and our communities. ”

- Trent Henry, Chairman and Chief Executive Officer, EY Canada

The business case for diversity

Savvy business leaders know that diverse teams are an important component of the innovation cycle required to thrive in today's fast-evolving, increasingly global environment. Diversity has emerged as a business-critical factor in the ability to innovate, attract clients and partners, and retain and cultivate the best talent amidst a changing population and often unpredictable business conditions. More than simply reflecting our customers and the markets in which our businesses operate, inclusive leadership integrates a wide range of viewpoints to stimulate the creative thinking that generates better ideas, better products and dynamic problem-solving.

Plainly stated, diverse and inclusive teams make stronger teams, and strong teams make better business sense.

In a 2010 survey by EY, 53 per cent of business leaders agree that diversity of teams and experience improves both reputation and financial performance. (Globalization Survey 2010, as quoted in *Winning in a Polycentric World*, 2012.)

Good intentions, mixed results

While a growing number of organizations are working hard to implement programs and policies designed to foster a diverse and inclusive work environment, many are still struggling to reap the full benefit of this enlightened approach to organizational management. Their leaders are committed to developing the full range of talent in the organization, and invest financial and other organizational resources to do so. Yet in many cases, the efforts plateau, and leaders find themselves struggling to achieve the breakthroughs they genuinely seek for their organization, both internally and externally.



Making it personal

In an earlier session with Dr. Banaji, EY and RBC participants engaged in a roundtable discussion of what the process of overcoming hidden biases means to them personally. Here's what some of the participants shared:

What's holding us back from realizing diversity's full potential?

Turns out, it may be all in our heads.

According to a team of world-renowned social psychologists led by Harvard University professor Dr. Mahzarin Banaji, the root of this apparent disconnection between intent and outcome may lie in the unconscious mind. Put simply, our mindset is not as inclusive as we think it is.

It is a distressing claim, one that tends to surprise those who are confronted by evidence that shows their behaviour is out of sync with their intentions. But research conducted by Dr. Banaji and her colleagues reveals that the human brain is hard-wired to make quick decisions that draw on a variety of assumptions and experiences *without us even knowing it is doing so*. This implicit or hidden system produces lightning-fast **but often misguided** generalizations while dismissing subtle but important distinctions. Ultimately, these unconscious predispositions shape the decisions we make by affecting the way we interpret information and how we evaluate and interact with people.



Dr. Mahzarin R. Banaji
An acclaimed social psychologist and professor of social ethics at Harvard University, Dr. Mahzarin Banaji has spent more than 25 years exploring the role of unconscious thinking and feeling in human behaviour. The global research she has undertaken with her colleagues at both Yale and Harvard Universities reveals staggering evidence of the human brain's ability to create "us and them" distinctions, and the implications for organizational practices. With her co-author Anthony Greenwald, Dr Banaji has recently co-published *Blindspot: Hidden Biases of Good People*.
[Add photo + image of book]



Photo: © Harvard University News Office



"My turning point was the accumulation of a pattern of less-than-optimal hires. Most of us remember our 'hits' but we are often oblivious to our 'misses' where we made poor decisions. It takes a huge effort to review and consider, but the payoff is significant."

Hidden bias: what is it and where does it come from?

A hidden, or implicit, bias is a preference for or against a person, thing, or group held at an unconscious level - meaning we don't even know that our minds are holding on to this bias. In contrast, an explicit or overt bias is an attitude or prejudice that one endorses at a conscious level.

Research on hidden bias reveals that in spite of the best intentions, most people harbour deep-seated resistance to the "different", whether that difference is defined by such evident factors as race, gender, ethnicity, age, or physical characteristics, or more subtle ones, such as background, personality type or experiences. Bias can also exist in a positive sense: we may favour our family, our community, and people with whom we feel a connection based on shared characteristics or experiences.

These implicit biases are not deliberately or consciously created; they are products of our brain's self-generated definition of 'normal', 'acceptable' or 'positive', and they are shaped by many factors, from past experiences, to our local or cultural environment, to the influence of social community and media.

We don't consciously construct these definitions of normal or different, good or bad, acceptable or unacceptable. In fact, implicit and explicit biases often diverge; our hidden biases may exist in spite of our genuine desire to be 'bias-free', and in direct contradiction of the attitudes we believe we have.

“

We like to believe we are progressive thinkers without bias, but research shows otherwise. This is an uncomfortable realization for most of us.

- Dr. Mahzarin Banaji

”

“

Hidden bias is neither a moral failing, nor a sign of a 'bad person'; most people have them. So it isn't a question of being ashamed or embarrassed -- as long as we work to identify and overcome our unconscious attitudes.

- Zabeen Hirji, Chief Human Resources Officer, RBC

”

“The concept of “fit” is problematic. This makes it too easy to choose ‘the same’. We need to challenge the assumption that ‘fit’ is all that it is cracked up to be. This also applies to the notion of ‘executive presence’. What are we really saying?”

The Impact of Hidden Bias in the Workplace

Left unaddressed, hidden biases have the power to derail our organization's success

In the workplace, problems with our unconscious assumptions arise when we let them affect or shape the decisions we make in and on behalf of our organizations. Whether it is an inherent aversion to one group or an underlying preference for another, hidden biases can affect:

- ▶ Recruitment and hiring;
- ▶ Promotion and sponsorship of talent, and succession planning;
- ▶ Performance evaluations and compensation;
- ▶ Team and project assignments, including opportunities to build relationships across the organization and/or with clients;
- ▶ Client or customer service;
- ▶ Budget decisions and activation of new business opportunities;
- ▶ Openness to new sources of ideas and innovative solutions.

Consider three examples in which hidden biases can affect behaviour in the workplace:

“ An important aspect of leadership is to turn around and see who is following you. If those who follow you all look and behave just like you, something is wrong. That is simply not representative of our highly diverse society.

- Fiona Macfarlane, Chief Inclusiveness Officer and Managing Partner, British Columbia, EY

1. Shifting criteria in hiring and talent promotion

Three candidates have reached the interview stage for an opening. Our brain, processing information faster than we recognize, has already determined a preference for one candidate over the others within seconds, regardless of the subsequent interview performance. It may be that one candidate speaks with an accent, or another is imperceptibly “too” old, or we have a connection with the other candidate because we come from the same small town. Whatever the subtle and unsubtle factors may be, the result is that our unconscious bias has subverted criteria that are more relevant in determining which candidate is best for the job. We have, in effect, subtly adjusted the criteria to fit the preferred candidate.

“Earlier in my career, I made fast judgements in the hiring process, especially about people's backgrounds. I came to realize my success - and failure -- rests on finding the best people. I have to listen more carefully and more effectively.”

2. Which voices are heard?

Even the best leaders may be surprised to discover they are ignoring or dismissing good ideas simply because they come from an unexpected source within the organization. How does our brain - without our direction - simply ignore a contribution from one colleague, yet welcome the very same idea from another? Many leaders have acknowledged the struggle of some women to be heard equitably at the executive table in this way. Another all-too-common example? The persistent assumption that the extrovert who speaks up in meetings is more knowledgeable than the introvert who prefers to provide insight in a less exposed setting. Whether it is the manager who dismisses the idea from the employee nearing retirement in favour of the younger colleague, or is unwittingly reluctant to listen to the recent immigrant from the unfamiliar culture, the question is: how many worthwhile ideas or solutions have gone unheeded, obstructed by an involuntary blindspot?

3. The urge to help

Positive bias can have just as much impact as negative objections do. It is hard for most of us to accept that the act of helping others could contradict our intentions to be good, supportive citizens and colleagues. Yet a common form of hidden bias is the inclination to give an extra helping hand to someone with whom we have a bond. A common example is our willingness to interview a contact referred by a friend, or help secure that all-important ‘way in’ to the ground floor for our neighbour's child or fellow alumna. The motivation to help is not bad, but in the workplace, these subtle advantages can foster unequal opportunities that promote the status quo and limit diversity.

It's on each individual to be vigilant about our blindspots. Not just the ones that close our minds to possibilities, but in equal measure, we must resist the urge to favour those with whom we share a connection - the same school, the same race or culture, the same social circle. **We have to challenge ourselves to resist the power of these natural affinities.**

-- Rod Bolger, Senior Vice-President, Finance & Controller, RBC

“ Modern discrimination is often not about harming the other, but rather, the everyday acts, small and big, of helping the ones we like. We like because they are like us. But that's only reinforcing the status quo.

- Dr. Mahzarin Banaji

However they may manifest themselves, when hidden biases operate unchecked, we are less likely to make the best decisions for ourselves, our companies and our employees. **The stakes are high: talent languishes and leaves, client service suffers, the organization loses out on market opportunities, and innovation stalls.**

Outsmarting the brain: The journey to overcoming hidden biases

As potent as hidden biases can be, the good news is that it is possible to overcome them. Although addressing the role of hidden bias requires a courageous approach to embedding inclusiveness in everyday interactions, the solution isn't found in complex new processes or costly new initiatives.

Instead, overcoming hidden biases takes a concerted effort to outsmart our own brains, through awareness, acknowledgment and conscious effort.

Identifying and Owning Our Biases

"Starting with their leaders, companies should engage in courageous conversations about the insidiousness of hidden biases and the dangers of letting them shape behaviour and decisions." - Kerrie MacPherson, Partner, Financial Services Office, Advisory, EY New York

Through reflection, consultation with trusted colleagues and exploration of such tools as Harvard University's Implicit Association Test (see Additional Resources, p.x), leaders can begin to identify their own biases. **The process takes personal courage, and a willingness to consider potentially unwelcome aspects of our mental framework. By understanding the value in overcoming our biases, leaders can step past the discomfort and begin to acknowledge and eliminate their blindspots.**

“ The first step to defeating our hidden biases is to be honest with ourselves about how we really feel about other groups. Having a bias is not the end of the world; the only shame involved is if we make no effort to improve.

- Dr. Mahzarin Banaji

”

Leaders: Demonstrate behaviour worth following

By the simple act of acknowledging their commitment to identifying and overcoming their own biases, senior leaders can have a powerful motivational effect on peers and others within their organization to do the same. As is so often the case with inclusive leadership, this is a case in which 'walking the walk' can have meaningful impact on those who are watching our behaviour. This is not simply limited to our own work environments; as organizations build a greater awareness of how bias can subvert progress, their leaders can inspire change among partners and clients.

The tone from the top is tremendously powerful. When leaders confront their biases and speak publicly about their efforts to change, others follow their lead. It is a powerful demonstration of commitment that carries weight with the rest of the organization." - Harry Samuel, CEO, RBC Capital Markets Europe, and Head, RBC Investor & Treasury Services

So what can I do? Tips for identifying unintentional biases

- ▶ Explore the Implicit Association Test (see Additional Resources, p.x)
- ▶ Ask trusted colleagues for candid feedback; take a 360° approach to seeking input.
- ▶ Discuss frames of reference and their impact with a coach or trusted colleague
- ▶ Be conscious of the words and physical reactions that surface in interactions with others; consider whether these respect and accommodate different styles.
- ▶ Be mindful, respectful, curious and supportive of colleagues' differences.
- ▶ Listen to all voices equally; speak out if you suspect a colleague's contribution may be ignored or misappropriated unfairly.

Questions to ask yourself:

- ▶ Do I typically hire the same type of person, or personality type?
- ▶ When I say a candidate is not the right "fit", what do I mean?
- ▶ What does my slate of candidates look like? Do I speak up if it is not sufficiently diverse?
- ▶ Which of my past hires were successful, and what can I learn from those choices that didn't work out as well?
- ▶ Who do I like to assign to work on project teams? Who do I tap for the lead role? Do I have the same 'go-to' people all or most of the time?
- ▶ Who do I take to important client or cross-team meetings?
- ▶ Who do I encourage to lead or speak out at meetings? Am I creating opportunities for those less extroverted to demonstrate their capabilities equally to clients or other colleagues?
- ▶ How do I identify candidates for promotion and succession?



"An important part of tackling hidden bias is to understand that it is virtually universal, and that it doesn't make us bad people. Destigmatizing the topic, overcoming the fear of talking about it, and owning the responsibility to change are all actions we can undertake together as colleagues and professionals. This also helps to support us when we inevitably make mistakes along the way."

Guilt-free but not carefree

Deliberate actions drive change

Once we acknowledge that our brains are wired to be biased and begin exploring our personal blindspots, it becomes possible to identify the disconnection between our intentions and our actions. At that point, we can take deliberate, substantive action to align our behaviour more closely with what we wish to be doing.

Changing such deep-seated behaviour is profoundly challenging, requiring a long-term commitment to incremental improvements, one encounter at a time. Armed with awareness, intent, and a sense of responsibility, leaders can adopt a more mindful approach to their interactions and decision-making. Broadly speaking, this empowered approach can be imagined as a three-pronged effort:

- ▶ **Think differently:** Make a conscious effort to seek out people with different backgrounds, experiences and capabilities to collaborate on teams and projects.
- ▶ **Learn differently:** Seek out opportunities to immerse yourself and your team members in different environments outside your (or their) comfort zone.
- ▶ **Act differently:** Take deliberate actions that disrupt your 'normal' process and help prevent biases from shaping your decisions and behaviour.

“The onus is on us as leaders to ensure we accommodate different styles. If golf is the default method of building client relationships, what are the implications if the best person for the account doesn't play? Similarly, our businesses tend to reward extroverts, leaving introverts shut out of opportunities. We need to be open-minded about the ways in which we engage with others.” - Jay Hutchison, Managing Partner, Tax, EY

Tips for Avoiding Biased Behaviour

- ▶ Increase purposeful mentoring and coaching. Sponsor people who are not like you.
- ▶ Be proactive about recognizing people's different capabilities and help prepare them to take on challenging assignments.
- ▶ Consider who might consistently feel like an outsider and take steps to actively address the situation.
- ▶ When preparing for interviews, establish clearly-defined, measurable criteria against which all candidates will be evaluated. Invite a colleague from HR or another business line to sit in on the interview and validate that you are applying the criteria fairly.
- ▶ Set reasonable parameters around the nature and amount of help you will offer to 'special' connections to ensure such opportunities are distributed equally.
- ▶ Attend professional affinity groups and inclusiveness events to enrich your understanding of the diversity of perspectives in your organization, industry or community.
- ▶ Evaluate your actions daily. Be extra-alert to the types of situations in which you are particularly vulnerable to hidden biases.
- ▶ Seek out regular feedback on your own behaviours and actions from trusted yet objective colleagues.

The gaps are closing, but mindful action will fuel faster change.

In a global environment where business opportunities and the talent required to capture them can come from anywhere, best-practice leaders understand the importance of diversity and inclusiveness as a competitive advantage. But when hidden biases subvert the very best intentions - and specific efforts - to create the conditions where diverse perspectives and innovation can thrive, they can have very real impact on business success.

Understanding the prevalence and implications of these unintentional blindspots is an important step towards correcting the specific behaviours that are derailing progress.

Leaders who stretch to confront their hidden biases, and commit to being vigilant in managing their unconscious responses and interactions every day will be better able to build effective teams, manage multiple viewpoints and perspectives across the company, improve connections with clients and deliver bottom-line results.

Overcoming hidden biases in this way takes personal courage and sustained commitment. It's a life-long journey to shift the way our brains allow us to respond, imagine and behave. When leaders are able to overcome barriers and take action, that's inclusive leadership at its best.

Additional resources

- ▶ Implicit Association Test (IAT) <https://implicit.harvard.edu/implicit/demo/takeatest.html>
- ▶ <http://www.UnderstandingPrejudice.org>
- ▶ <http://projectimplicit.net>
- ▶ Links to EY publications on diversity & inclusiveness (Leading Across Borders, Corporate Sponsor as Hero, Winning in a Polycentric World, etc..)
- ▶ Links to any RBC publications on similar topics.
- ▶ Blindspot : Hidden Biases of Good People, by Mahzarin Banaji and Anthony Greenwald (2013)

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients.

For more information about our organization, please visit ey.com.

© 2013 Ernst & Young LLP. All Rights Reserved.
A member firm of Ernst & Young Global Limited.

1130836
ED MMY

This publication contains information in summary form, current as of the date of publication, and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for professional advice. Before taking any particular course of action, contact Ernst & Young or another professional advisor to discuss these matters in the context of your particular circumstances. We accept no responsibility for any loss or damage occasioned by your reliance on information contained in this publication.

ey.com