

The Neuroscience of Why Bias Persists, and What to Do About It

Webinar

28 April 2015

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INTRODUCING OUR GUEST SPEAKER



Dr. David Rock

Founder and CEO of The NeuroLeadership Group
Director, NeuroLeadership Institute

Dr. David Rock coined the term “Neuroleadership” and is the Director of the NeuroLeadership Institute, a global initiative bringing neuroscientists and leadership experts together to build a new science for leadership development. With operations in 24 countries, the Institute also helps large organizations operationalize brain research in order to develop better leaders and managers.

David co-edits the NeuroLeadership Journal and heads up an annual global summit. He has written many of the central academic and discussion papers that have defined the Neuroleadership field. He is the author of the business best seller “Your Brain at Work” (HarperBusiness, 2009), as well as “Quiet Leadership” (Harper Collins, 2006) and the textbook ‘Coaching with the Brain in Mind’ (Wiley & Sons, 2009). He blogs for the Harvard Business Review, Fortune Magazine, PsychologyToday and the Huffington Post, and is quoted widely in the media about leadership, organizational effectiveness, and the brain.

Academically, David is on the faculty and advisory board of CIMBA, an international business school based in Europe, and a guest lecturer at many universities including Oxford University’s Said Business School. He is on the board of the BlueSchool, an initiative in New York City building a new approach to education. He received his professional doctorate in the Neuroscience of Leadership from Middlesex University in 2010. Originally Australian, he now lives in New York City with his wife and two young daughters.



NeuroLeadership
INSTITUTE

The Neuroscience of Why Bias Persists, and What to Do About It

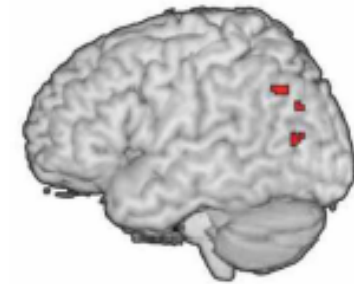
Dr. David Rock, Director, NeuroLeadership Institute

Overview

1. About the NLI
2. Why and how diversity and inclusion matters
3. A few paradoxes
4. Define the seeds of unconscious bias
5. Mitigate with research-based strategies

Our vision

Transform Leadership Through Neuroscience



Three practices



Performance



Diversity



Learning

The impact of D & I on business results

- 506 U.S.-based companies: Firms with highest level of racial diversity generated **15 times more sales** on than those with the lowest levels. (Herring, 2009)
- S&P 1500: Firms with females in the C-Suite generated **\$44 million more** (Dezso & Ross, 2011)
- Global analysis of 2400 companies: Those with at least 1 female board member had consistently superior share price performance, **4% higher return on equity**, and **4% higher net income growth**. (Credit Suisse, 2012)

The impact of D & I on people

57% increase in performance against goals

24% greater retention

21% more emotional commitment to colleagues

11% lift in discretionary effort

CEB, 2010



How D & I lifts performance

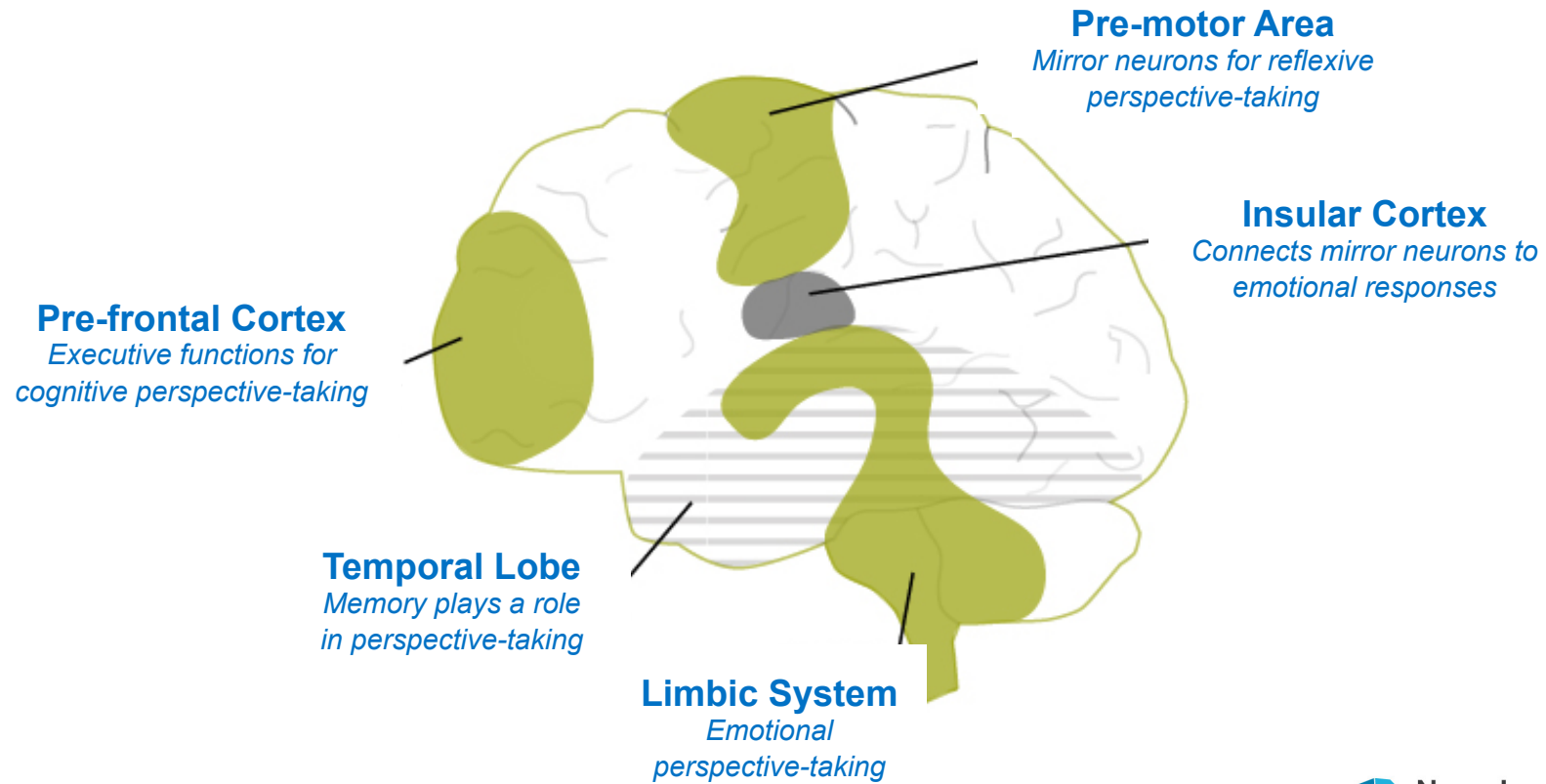
- 1 Multiple perspectives **improve problem solving and creativity**
- 2 **Reduces mindless conformity**
- 3 Raises **team intelligence** by increasing social intelligence

Team intelligence

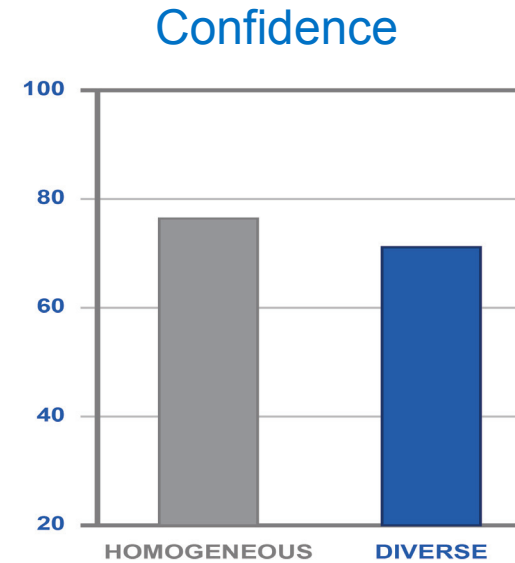
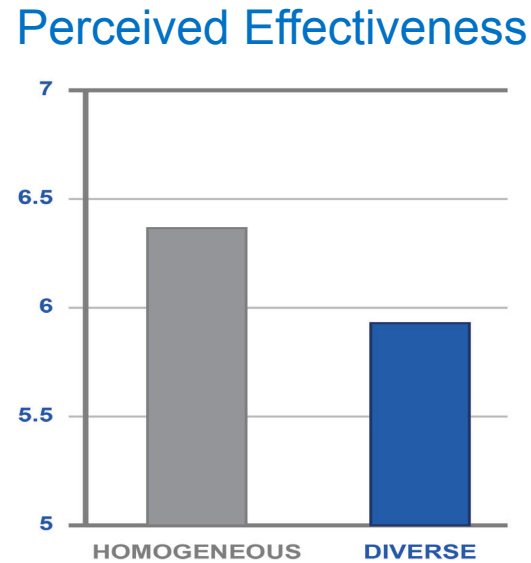
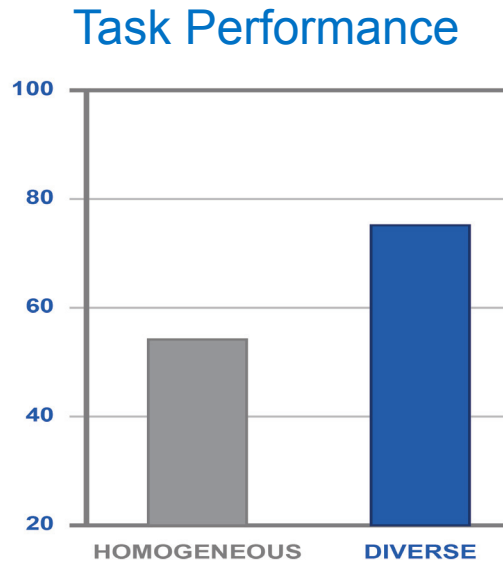
Adding women to all-male teams increases the teams' **group intelligence**, which accounts for 40% of performance on a wide range of tasks, greater than the impact of individual IQ.

Woolley, Chabris, Pentland, Hashmi, & Malone 2009

Diversity increases perspective taking



Diversity & Inclusion Paradox No. 1



Phillips, Liljenquist, & Neale, 2009

Diversity & Inclusion Paradox No. 1

Diverse teams are smarter and more creative

Yet...

People feel more effective in homogenous teams

People feel more confident in homogenous teams

Phillips, Liljenquist, & Neale, 2009



The heart of the challenge...

Unconscious bias.

Accidental, unintended, subtle
and completely unconscious choices,
made by everyone, all the time.

Put simply...

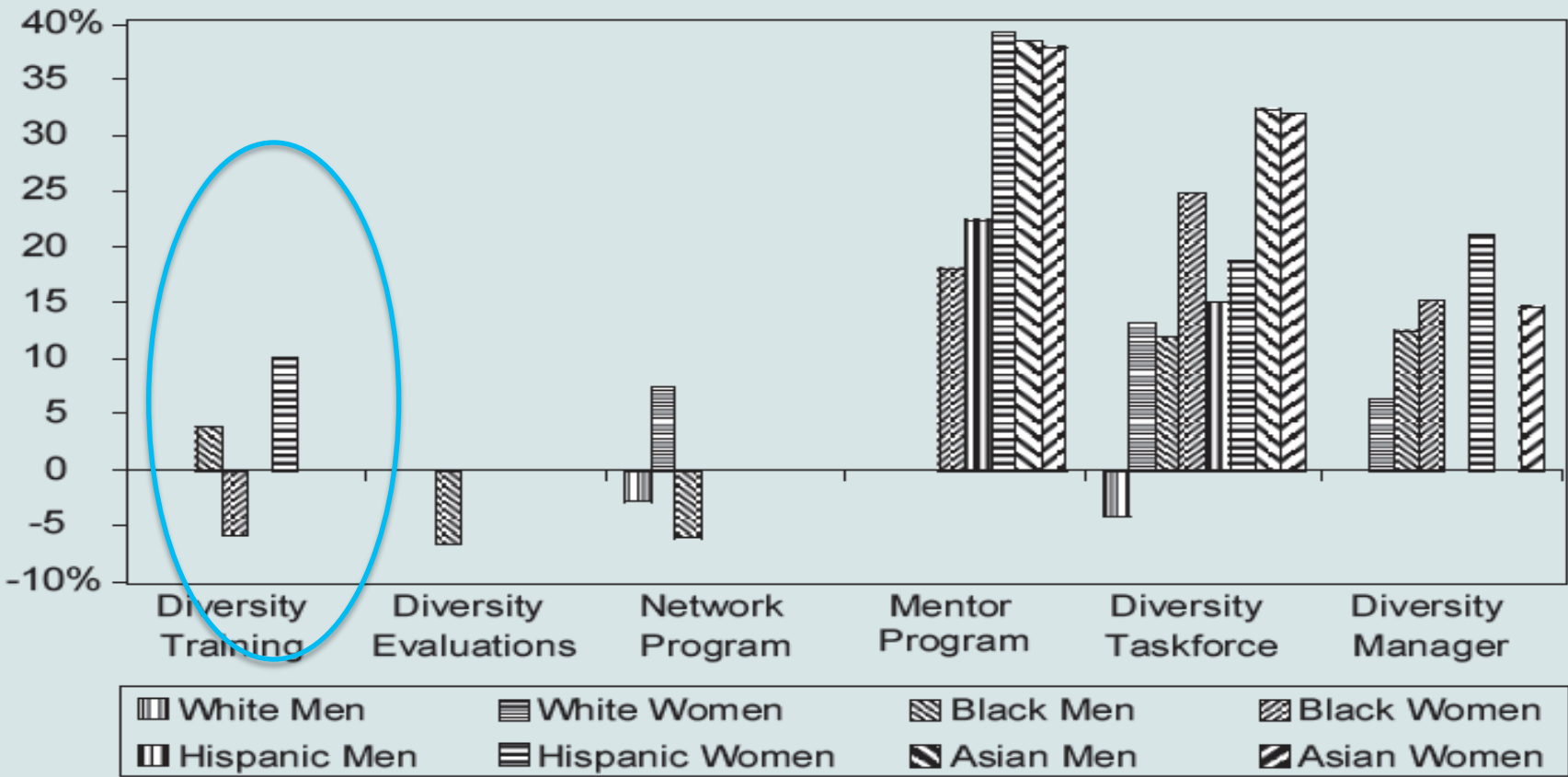
**If you have a brain,
you are biased.**

Let's just train everyone?

A study of diversity training over 30 years found that efforts to improve diversity focused specifically on training, educating, or providing managers with feedback around their biases were the least effective methods for improving levels of diversity.

(Kalev et al., 2006)

program effects on management diversity



Dobbin, Kalev, & Kelly (2007)



Diversity & Inclusion Paradox No. 2

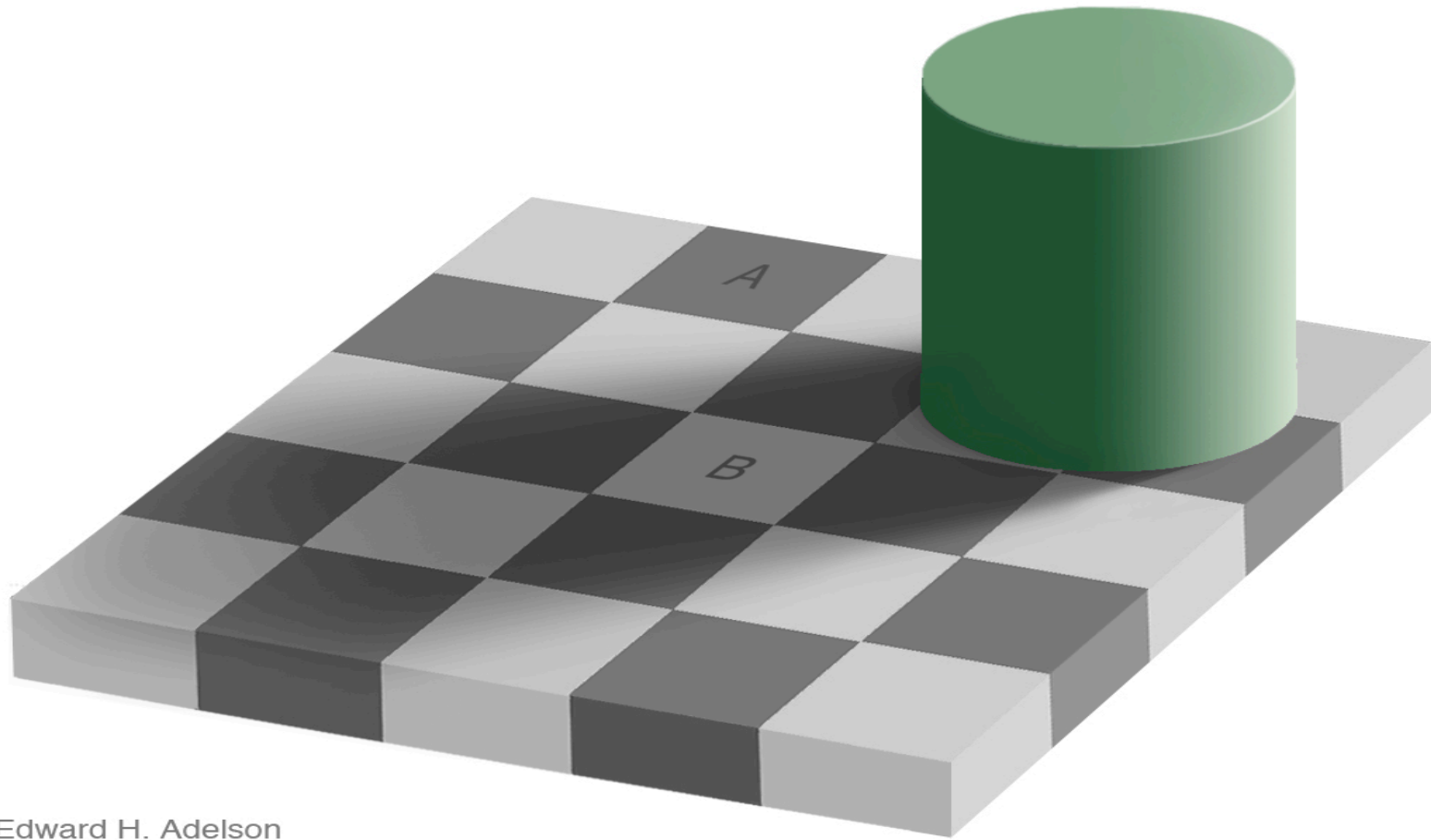
1 People *like* standard **unconscious bias training**

- Validates their experiences
- Provides interesting insights
- Shows that their company values D & I
- Does raise ***awareness*** of the issues

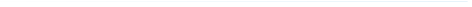
2 Standard unconscious bias training has had **minimal impact** on diversity metrics. **Awareness is not creating enough change.**

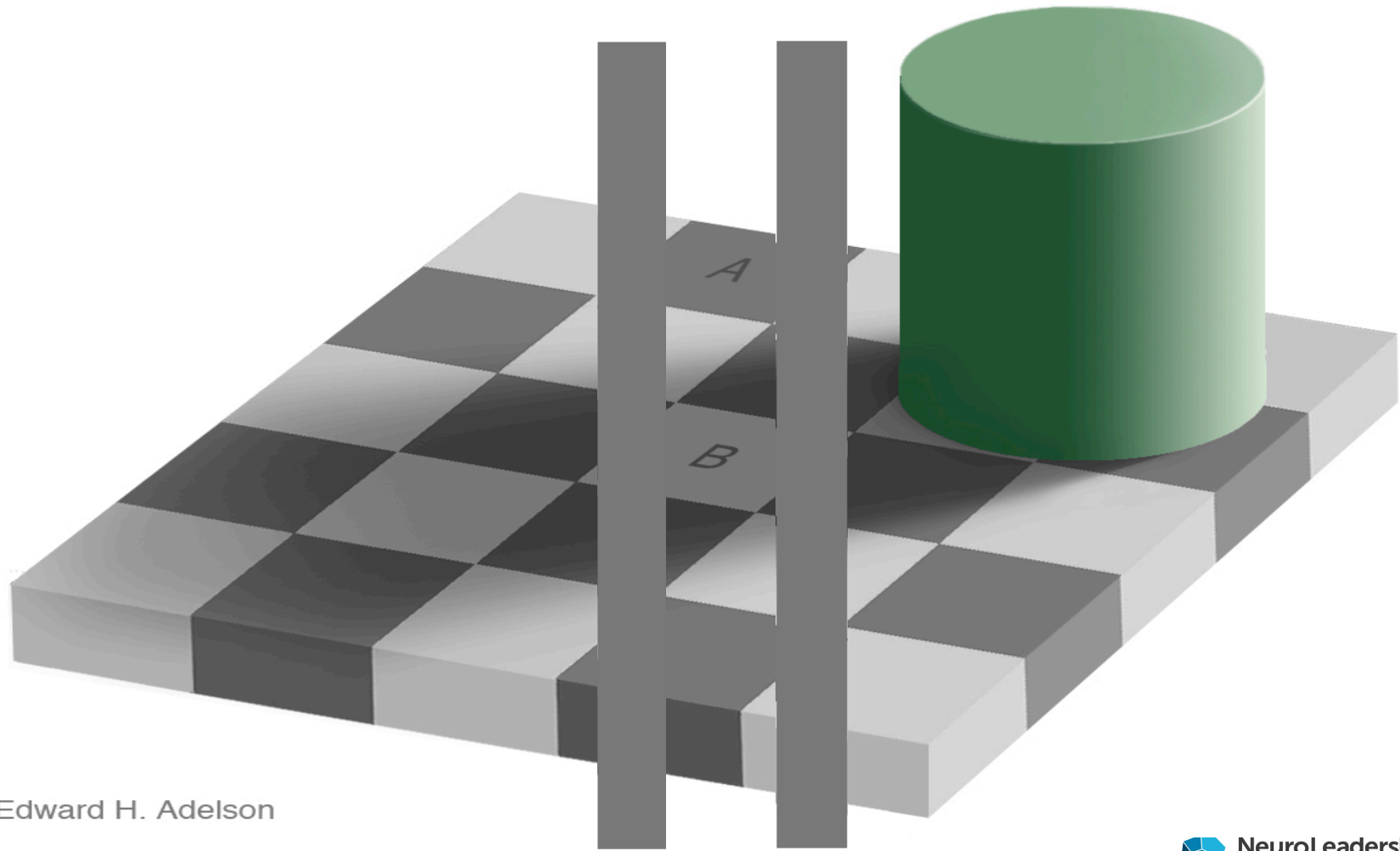
Why standard bias training has not been enough

- 1 Most biases occur unconsciously
Education doesn't change that



Edward H. Adelson





Edward H. Adelson

Why standard bias training has not been enough

- 1 Most biases occur unconsciously
Education doesn't change that
- 2 Biases, like diseases, have many causes
Yet we throw the same cure at everything

Defining the SEEDS™ of Bias

Similarity: *“People like me are better than others”*

Expedience: *“If it feels right to me it must be true”*

Experience: *“My perceptions are accurate”*

Distance: *“Closer is better than distant”*

Safety: *“Bad is stronger than good”*

Biases of Similarity

“People like me are better than others”

Common in all people decisions.

We automatically define everyone as in-group or out-group.

This changes basic perception, empathy and motivation.

Examples

- In-group Bias
- Out-group Bias

Biases of Similarity

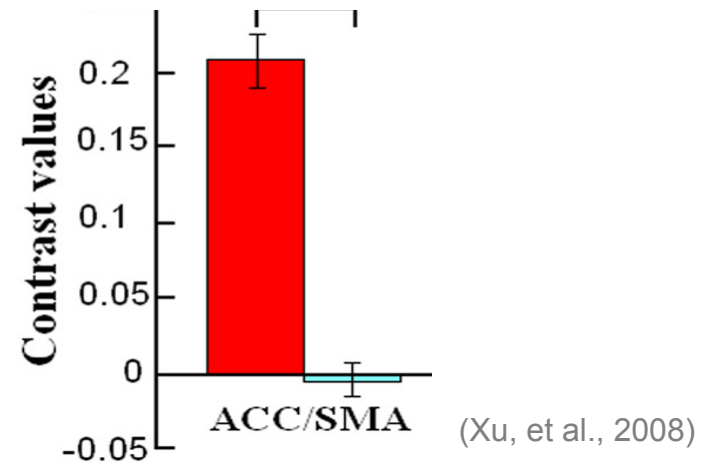
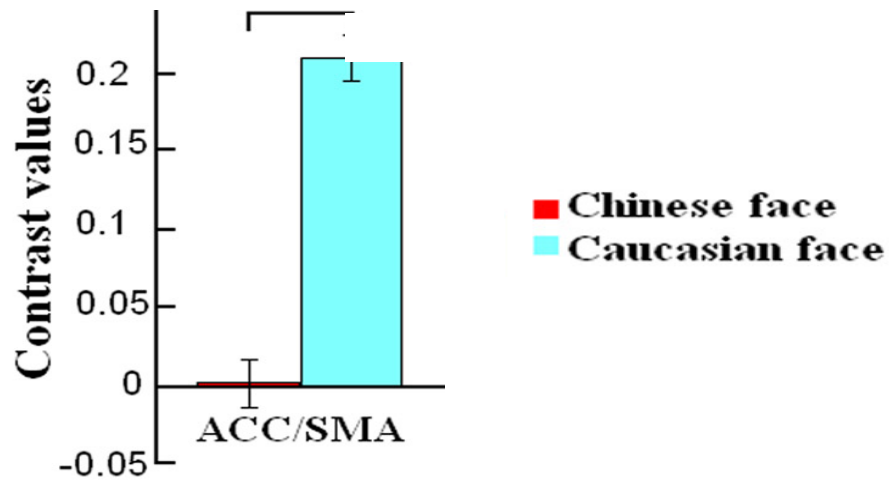
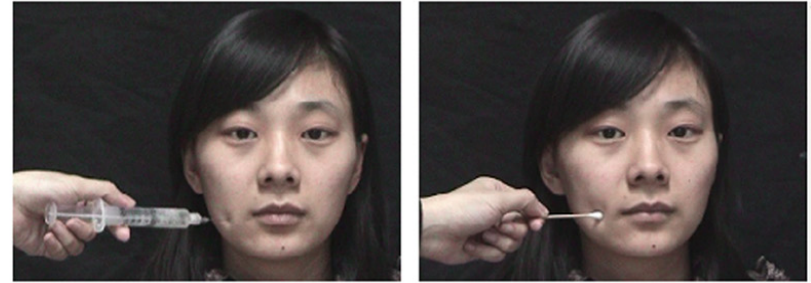
a

Caucasian faces



b

Chinese faces



(Xu, et al., 2008)

Mitigate **Similarity** biases

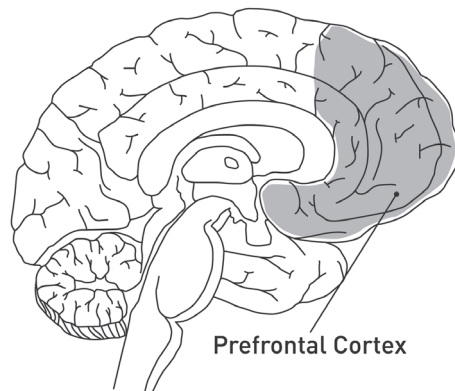
- Create shared goals between people
- Focus on similarities between yourself and others
- Remove distinguishing features from people decisions

Biases of Expedience

“If it feels right to me it must be true”

Common when we hurry or experience high cognitive load.

A function of limited prefrontal resources.



Examples

- Availability Bias
- Confirmation Bias
- Halo Effect

Mitigate **Expedience** biases

- Reward people for finding their own errors
- Break process into chunks or steps
- Create processes to consider all information

Biases of Experience

“My perceptions are accurate”

Common in creative and resource decisions.

A function of perceptions being highly subjective, with many processes invisible to us.

Examples

- Fundamental Attribution Error
- False Consensus Effect
- Illusion of Transparency

Mitigate **Experience** biases

- Get multiple other independent opinions
- Revisit ideas after a break to see them freshly

Biases of Distance

“Closer is better than distant”

Common in all resource decisions.

Due to a ‘proximity’ network for all types of closeness, in time, space and ownership.

Examples

- Temporal Discounting
- Endowment Effect

Biases of **Distance**: organizational examples

Unsuccessful acquisitions tend to be divested after the CEO who made the acquisition leaves the firm.

(Weisbach, 1991)

New bank executives are more likely to terminate poorly performing loans.

(Staw, Koput, & Barsade 1997)

When mutual funds change managers, new managers are more likely to sell off inherited momentum losers – particularly when they are external hires.

(Jin & Sherbena, 2010)

Mitigate **Distance** biases

- Decide as if the people/resources affected are closer
- Decide as if the benefits are yielded sooner
- Imagine someone else was making the decision

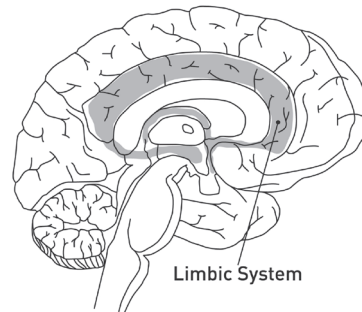
Biases of Safety

“Bad is stronger than good.”

Common in all resource decisions.

Due to a larger threat than reward system.

Avoidance of all threats including social pain.



Examples

- Loss Aversion
- Sunk Cost
- Self-serving Bias

Mitigate **Safety** biases

- Imagine you are deciding for someone else
- Assume the decision is already made

Neural mechanisms of SEEDS™ Biases

Similarity: *Automatic categorization of in-group vs. out-group*

Expedience: *Limited capacity for energy-hungry pre-frontal processes*

Experience: *One-sided perspective*

Distance: *Near is more richly mentally-simulated than far*

Safety: *Threat network derails decision making*

Mitigate the SEEDS™ of Bias

Similarity *Focus on shared goals or similarities*

Expedience *Paint a complete picture*

Experience *Get other perspectives*

Distance *Decide in another time frame*

Safety *Decide for other people*

Mitigate bias with research-based strategies

1 If-then plans

Make positive responses automatic in everyday activities

2 Decisions guides

Step-by-step protocols for making key decisions

3 Preventative measures

Keep biases from being activated

Change behavior with 'if-then' plans

- **If** (or when) situation **X** occurs, **then** I will perform behavior **Y**
- Situation and action become linked in your mind
- Situation becomes *high accessible* – your brain searches for it
- Once detected, action is taken *automatically*

How effective are if-then plans?

	If-Then Planners	Control
Sticking to Exercise	91%	39%
Finishing a resume by 5pm	80%	20%
Completing weekly task on time	Average lateness: 1.5 hours	Average lateness: 8 hours

Example preventative measures

- 1 Remove distinguishing features from CVs
- 2 Group hiring
- 3 Designate a “chief contrarian”

In summary

- 1 Increasing diversity & inclusion generates real returns
- 2 Diverse & inclusive teams perform better, but it doesn't feel that way
- 3 Unconscious bias is the heart of the challenge
- 4 Just raising awareness of bias feels good but is not enough
- 5 You can now label the type of bias in any situation
- 6 We can now reduce bias everyday, in key decisions, and in systems

Remember...

**If you have a brain,
you are biased.**

Further resources

Research briefings: Half day deep dive into the research and practice

NeuroLeadership Summit 2015: November 4, 5 in NYC

Contact us to learn more: NeuroLeadership.com



DO YOU HAVE ANY QUESTIONS?



Dr. David Rock

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