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Who perceives bias, what bias costs corporations, and how to reduce it—a new study offers answers

NEW YORK, July 12, 2017 – A new study identifies key ways in which bias occurs in corporate America's grooming and promoting of talent, maps out which talent cohorts perceive this bias most and how they perceive it, measures its cost to corporate bottom lines, and offers data demonstrating correlations between specific solutions and a lower incidence of perceived bias.

Conducted by the Center for Talent Innovation (CTI), the study, *Disrupt Bias, Drive Value*, surveyed 3,570 college-educated professionals to determine who perceives bias in the following areas: ability, ambition, commitment, connections, emotional intelligence, and executive presence. All respondents were working fulltime in white-collar occupations.

Perceiving bias in two or more of these six areas (which together are the “ACE model”) is correlated with behaviors such as flight risk and brand sabotage that have measurable costs to organizations.

For example, employees who work at large companies (with 1,000 employees or more) who perceive ACE bias are more than three times as likely as those who don't to plan to leave their employers within the year (31 percent vs. 10 percent.) They're 2.6 times as likely to have withheld ideas or solutions (34 percent vs. 13 percent) in the past six months at work. And they're five times as likely (five percent vs. one percent) to speak about their company in a negative manner on social media.

“This report is the first of its kind to quantify the cost of bias,” says Laura Sherbin, co-author of the study, CFO, and head of research at CTI. “The hit delivered to the bottom line should be alarming for any business leader.”

The study found three solutions that correlate with lower levels of reported bias: 1) diverse leaders in senior positions, 2) team leaders who practice specific inclusive behaviors, and 3) sponsorship.

“Having diverse leaders in place, we find, is crucial to disrupting bias,” says Ripa Rashid, co-author of the study and executive vice president at CTI. “Executives who are inherently diverse serve as role models for diverse employees, demonstrating that difference is valued and that diverse individuals can thrive at their organizations.”

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Disrupt Bias concludes with a tactical playbook to guide companies in training leaders to be inclusive, to sponsor talent unlike themselves, and to diversify the top tiers of management. Tactics include ways to hire and promote candidates who embody difference, codify and socialize company norms and expectations, and implement a “tone from the top” that endorses a variety of acceptable approaches to leadership. The playbook also contains a data-driven self-assessment, so companies can monitor their interventions’ efficacy and make adjustments as needed.

“When designing this research, we aimed for a fresh, constructive approach,” says Sylvia Ann Hewlett, co-author of the study and founder and CEO of CTI. “The move from those who harbor bias to those who perceive bias allows companies to map, measure, and disrupt bias in new and effective ways.”

For more information on *Disrupt Bias*, *Drive Value*, please visit www.talentinnovation.org.

Research Sponsors:

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Research Authors:

Sylvia Ann Hewlett is an economist and the founder and chief executive officer of the Center for Talent Innovation, where she chairs a private sector task force of 86 global companies focused on fully realizing the new streams of talent in the global marketplace. She also codirects the Women’s Leadership Program at the Columbia Business School. She is the author of 14 *Harvard Business Review* articles, 12 critically acclaimed nonfiction books including *Winning the War for Talent in Emerging Markets*; *Forget a Mentor, Find a Sponsor* (named one of the best business books of 2013); and *Executive Presence* (an Amazon “Best Book of the Month” in June 2014). In 2014, she was recognized as the Most Influential International Thinker by *HR Magazine* and honored by the European Diversity Awards with its Global Diversity Award. Hewlett, who has taught at Columbia and Princeton Universities, earned her BA at Cambridge University and her Ph.D. in economics at London University.

Ripa Rashid is managing partner at Hewlett Consulting Partners and executive vice president at the Center for Talent Innovation, specializing in global talent strategies. She spent over a decade as a management consultant with leading global firms including Booz & Company, PwC, and Mitchell Madison Group, and held senior positions at MetLife and Time Warner. Rashid is coauthor of *Winning the War for Talent in Emerging Markets: Why Women Are the Solution* (Harvard Business Review Press, 2011), *Asians in America: Unleashing the Potential of the “Model Minority,”* the book, *Growing Global Executives: The New Competencies* (Center for Talent Innovation, 2015), as well as numerous reports and whitepapers. Rashid has lived and worked in North America, Europe, Asia, and South America, and speaks four languages.

She earned an AB cum laude in astronomy and astrophysics from Harvard University, an MA in anthropology from New York University, and an MBA from INSEAD.

Laura Sherbin is chief financial officer and head of research at the Center for Talent Innovation and chief financial officer at Hewlett Consulting Partners. She is an economist specializing in work-life issues and gender. She is also an adjunct professor at the School of International and Public Affairs at Columbia University teaching “Women and Globalization.” She is a coauthor of *Harvard Business Review* articles “How Diversity Can Drive Innovation”, “How Gen Y and Boomers Will Reshape Your Agenda”, “Off-Ramps and On-Ramps Revisited,” and Harvard Business Manager article “Letzte Ausfahrt Babypause” as well as the *Harvard Business Review* research reports *The Athena Factor: Reversing the Brain Drain in Science, Engineering, and Technology* and *The Sponsor Effect: Breaking Through the Last Glass Ceiling* and CTI reports including *Executive Presence*, among many others. She is a graduate of the University of Delaware and earned her Ph.D. in economics from American University.

About the Research:

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, as well as 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.

In the charts, percentages may not always add up to 100 because of computer rounding or the acceptance of multiple responses from respondents.

About the Center for Talent Innovation:

The Center for Talent Innovation (CTI) is an NYC-based think tank that focuses on global talent strategies and the retention and acceleration of well-qualified labor across the divides of demographic difference including gender, generation, geography, sexual orientation, and culture. CTI’s research partners now number more than 85 multinational corporations and organizations.

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