ABSTRACT

Great efforts have been made to eradicate discrimination from the workplace. Diversity and inclusion initiatives are commonplace in corporate America. Yet, why do so many of these initiatives fail? Individual and collective unconscious bias are the primary source of unintentional discrimination in the workplace. Unconscious bias is a form of “social categorization,” whereby we routinely and rapidly sort people into groups. In fact, we are hard-wired to prefer people who look like us, sound like us, and share our interests, which is a politically incorrect practice. These preferences bypass rational and logical thinking and influence the way we sort through billions of stimuli on a daily basis. These perceptions play a fundamental role in our intuition, but often the categories we use to sort people are not logical, modern, or even legal. This article seeks to outline the elements driving our unconscious bias and to explore how unconscious bias affects our ability to lead and make effective business decisions. Additionally, we will identify strategies that can be implemented at the individual leader level and at the organizational level to reduce the impact of our unconscious bias in the workplace.

AN INTRODUCTION TO UNCONSCIOUS BIAS IN THE WORKPLACE

Hermann von Helmholtz, a 19th century German physicist and physiologist, coined the term “unconscious inference” to describe how an illusion is created, highlighting the limitations of our brain. These early illustrations of visual illusions gave rise to the first pieces of evidence for how our conscious perceptions, which often define our ordinary and subjective experiences, can be misleading.

Daniel Simmons’ 2011 TED Talk, Seeing the World as it Isn’t, highlights how our brain is limited in its ability to perceive data, process data, and subsequently make decisions. Consequently, the unconscious bias that we possess drives a limited perception of the world around us and therefore limits our responses to those data. As leaders, unconscious bias impacts our decision making in hiring, performance evaluation, talent planning, and promotion, as well as our ability to be innovative and develop high-performing teams.

Traditionally, thinking, writing, and practicing around this topic was the realm of diversity and inclusion thinkers. Diversity and inclusion thinkers and consulting firms have been seeking to mitigate the impact of individual and collective unconscious bias.
This author believes that the approaches taken by these groups are flawed for two reasons. The primary approach (which is referred to as the **proliferation assumption**) has been to advance more women and people of color into key leadership positions. In doing so it is expected that these people will hire and include more people like themselves. Even if this approach were highly effective, it would take decades to generate the kind of inclusivity we seek.

The proliferation assumption asserts that employing minorities in key leadership positions facilitates an increase in diversity. The first assertion, while long to see return on investment, usually begets the second flaw to the proliferation assumption. According to Johnson and Heckman (2016), nonwhite and women leaders engaging in diversity valuing behavior may actually be sanctioned and even penalized for their efforts. This research reveals that while companies prefer people in the boardroom and C-suite who will challenge others around inclusion, leaders who act on these ideas may be sanctioned rather than rewarded.

The problem with the proliferation assumption is that this approach toward inclusivity does nothing to mitigate unconscious bias in decision making. In fact, it essentially perpetuates this bias, whereby those in minority classes are expected to show preference and advocate for other individuals like themselves. While this appears to solve the inclusivity problem, it does little to address the actual impact of our biases.

By educating leaders and challenging their way of thinking, their policymaking decisions, and their practices around hiring, promoting, and developing all different types of people, we can much more effectively and rapidly make an impact across organizations in this country.

Implementing these strategies would promote more inclusion, increase productivity, and create greater innovation and healthier, more diverse cultures. By creating this awareness and understanding, we can build cultures that collectively diminish the effects of unconscious bias in the workplace. Individual thought disciplines, as well as collective mitigation techniques such as multi-trait and multi-method approaches to our decision-making systems and processes, will be explored as potential ways to address the impact of our unconscious biases.
Unconscious bias is the first component of what this author has found to be the Bias Trifecta©. All humans possess this primary, innate, unconscious bias. Rooted in the amygdala, the unconscious mind helps us process billions of stimuli during any given day. Our brains can quickly decipher which information we should focus on. We can use this information to survive, make assumptions and inferences, and feel emotions that cause us to be attracted to certain people but not to others.

The amygdala operates based on efficiency and works quickly to process everything going on around us. As a result, we do not completely interpret all that we see. Our first instincts are based off of these incomplete interpretations, and often possess some sort of bias that we are unaware of. This is because the brain does not look for the most comprehensive and holistic interpretation of data, but rather, it looks for the fastest and most efficient definition of what a set of stimuli may be.

To do this, the impulse must travel through the hippocampus, the part of the brain that is responsible for forming links between memories (such as dates and facts). It subconsciously steers us toward choosing one option over another. This part of the brain helps us associate stimuli with past experiences, memories and/or any other...
information, allowing us to quickly decipher the meaning of the data that we are experiencing. These experiences and memories directly contribute to the way that we define or describe a set of stimuli that is being processed in our brain.

While this generally works quite well, the inference is that all of us are victims of our memories, stories, and experiences. Those of us who have long and moderately successful careers tend to believe that our stories, memories, and past successes are the right ones. Therefore, when those impulses are matched to our stories, our certainty can work against us and cause us to make decisions based primarily on our biases.

This leads to the second bias in the Bias Trifecta: **retroactive inference**. Retroactive inference is the influence of after-the-fact experiences on our memory. This concept is highlighted by the work of Elizabeth Loftus, a psychologist at UCI who studies memory mind bugs and the problem with eyewitness testimony in court cases. In one of her more well-known studies (1974), she considers how truly flawed eyewitness testimony can be. These retroactive inferences also play a role in leadership.

This author often hears from senior leaders that they are exceptional at hiring talent. When asked why they believe that they are excellent, they will reference specific people and highlight their successes. They often fail to acknowledge the number of unsuccessful people who they have also hired in the past. This after-the-fact inference or interpretation of our own behavior happens out of our awareness, and seeks to reinforce how right we are. This can make it difficult to recognize and improve upon weaknesses as leaders and within our organizations.

In order to enhance the performance of our organizations at the individual and collective levels, we must first be able to identify aspects of our experiences as disciplined leaders that may not be as reliable as we believe.

The third component of the Bias Trifecta is **confirmation bias**. This bias occurs in the left temporal lobe and frontal cortex. The temporal lobe is responsible for information retrieval (tip-of-tongue) and the integration of sounds and words into meaningful memory. The medial frontal cortex arbitrates decision making, retrieves long-term memories, and most importantly helps you learn associations between context, location, events, and emotional responses. The medial frontal cortex of our brain is also responsible for rational and logical thought, as well as language.
Confirmation bias is a process during which the brain, in an effort to maintain its aforementioned efficiency, acts in a comparatively apathetic manner. The brain seeks out information in the environment that proves its original thought or memory is correct. This is best exemplified by the business models of MSNBC and Fox News. Neither MSNBC nor Fox News reports the news objectively. Their entire business model seeks to present information that demonstrates that their consumer’s worldview is in fact, correct.

Leaders exhibiting confirmation bias are often plagued by undisciplined thinking. This undisciplined thinking helps us to reach conclusions more quickly, but it can also fuel our egos. This is because our brains search for evidence supporting that our initial ideas are right, while overlooking information that supports alternative possibilities. In Good to Great (2001), Jim Collins discusses Level V leaders being disciplined of thought. Leaders who seek only to confirm that their worldview is correct limit their learning and limit the sphere of information that they have access to.

In summary, unconscious bias, retroactive inference, and confirmation bias work synergistically to influence how our brain limits the data we take in, the way we process data, and the decisions we make based upon that data. It is not an affliction of the majority class: these biases exist in everyone and we all must work to actively combat the impact of these biases.

This is particularly important for those of us with the great responsibility of engaging people in the workplace to drive productive cultures and businesses. As leaders, we must be able to recognize our biases, and the ways in which they impact our ability to manage our teams. This can be done by increasing our exposure to diverse people and experiences, in addition to being reliant on more than 1-2 dominant stories or memories when processing information. We must develop disciplined thinking techniques to limit our comfort with our first answer.

We are compelled to understand the limits of how our brains function, so that we can develop Mu Shin (a Japanese term for empty head) and humility to get to the most holistic rigorous position – not the position that is most convenient for us. Employing these techniques will allow us to address the individual impacts of our unconscious bias, which can have long reaching effects on practices such as performance management and promotion.
COLLECTIVE IMPACT OF UNCONSCIOUS BIAS IN ORGANIZATIONS

In order to completely understand the influence of unconscious bias in the workplace, we will examine the impact of our collective unconscious biases as they affect our ability to hire, effectively evaluate performance, and promote elite talent. Additionally, we will identify the specific impact of unconscious bias on innovation and developing high performing teams. We will also explore how our implicit biases are more powerful than our explicit biases.

Visualize for a moment that you are in a room with 100 leaders from your organization. Now, imagine that you asked each individual in the room, “Are you biased against women or people of color?”

What percentage of people would you expect to admit to these biases? Imagine again that you administered a projective assessment, the Implicit Attitude Test (IAT), to that exact same group of 100 leaders. Do you think that you would observe the same percentage of bias using the IAT (an assessment of implicit bias) as you would from a ‘self-report’ approach? If you hypothesized that you would get a higher percentage of bias using a projective test, then you are absolutely right.

Project Implicit, associated with Harvard University, has demonstrated that implicit bias is far more prevalent than what an individual will admit to having as an explicit bias. While not difficult to understand, this is a profound and consistent set of findings. It means we all have biases that we will not admit to, and the power of these implicit biases appears to be far greater than that of our explicit bias.

While conducting a critical review of the literature on unconscious influences in decision making, Newell and Shanks (2014) discovered that the findings regarding these ideas are mixed as a result of the tools available for measuring unconscious bias and its specific impact on decision making. While there are methodological challenges within this line of research, it is safe to say that our implicit biases are primary drivers in how we process information and make decisions.
Some would argue that what we believe has a far greater influence on our decision making than what we say we believe. These individual, implicit biases are a powerful phenomenon, and it is absolutely essential that leaders are able to understand and work through their own implicit biases.

A) Impact of Unconscious Bias on Recruiting and Hiring

It is difficult to identify and understand our own implicit biases, but perhaps an even greater challenge is addressing the collective impact of these biases on our ability to innovate, be productive, and hire, develop, and retain the best talent.

Let’s revisit that room of 100 leaders. If we were to examine bias towards women in leadership, we may find that only a small number of individuals admit to explicit biases. From this, we might initially conclude that we do not find bias toward women in leadership. Let’s say that we then administered the IAT, and found that 25% of the room has implicit bias toward women in leadership. At first glance this may not appear to be a significant number. However, the collective impact of these implicit agreements has a significant effect on endeavors such as recruiting and hiring.

Without delving too deep into the literature, we can highlight several well-substantiated facts. We know that recruiters of both genders are more likely to rate the resumes of men as more hierarchal, more coachable, and more promotable than women (Reuben, Sapienza, & Zingales, 2014). We know that when we look at the same resumes after replacing Anglo-Saxon names with African-American names, we can easily observe bias from similar groups of recruiters (Bertrand & Mullainathan, 2003). A related study conducted in Sweden yielded comparable results (Bursell, 2007). It has been demonstrated that black graduates from premier schools are just as likely to receive responses to job applications as white graduates from less prestigious universities (Gaddis, 2014). We are all aware that salaries for women are often significantly lower than those of their male counterparts performing the same job. In recruitment and hiring, we find that bias toward attraction or similarity drives decisions far more than merit (Graves & Powell, 1995; Rivera, 2012). In other words, we do not hire the best candidate, we hire the candidate that we are most drawn to and/or most similar to.

This bias towards similarity or attractiveness comes up time and time again and has a term: Fit. Fit is the justification that hiring managers use when choosing between two equally qualified candidates. Fit is a very charged word.
Whenever you hear the word fit, you should be compelled to ask two questions. First, fit with whom? And second, who decides? Bias, as it impacts our ability to make hiring decisions, is absolutely rampant. The data on favorability during recruiting and hiring decision making is unambiguous. We do not hire the best candidates, we hire for fit and comfort. This pattern of hiring limits diverse candidates before they even hit our companies. It also impairs our ability to be productive, innovative, and to grow thriving cultures.

Our collective, implicit biases, which are far stronger and more devious than our individual explicit and/or implicit biases, have effects that are far-reaching with organizational and societal impact. Connecting assessment techniques with the decision-making process, and developing multi-trait, multi-method approaches to evaluating talent, could help counter the bias issues that plague the hiring process. By increasing exposure to a variety of people and groups, and developing discipline and awareness around our thinking and decision making, we can drastically improve talent selection for our organizations.

B) IMPACT OF UNCONSCIOUS BIAS ON PERFORMANCE EVALUATION

In addition to impacting recruitment and hiring, unconscious bias also influences performance evaluation. This can be explained by the in-group and out-group phenomenon, which was first proposed in 1979 by Henri Tajfel as a part of the social identity theory and has been studied for many subsequent decades. This phenomenon drives the way in which our unconscious bias impacts our ability to manage talent.

Subconsciously, we are driven towards things that are most like us and make us feel most comfortable. The key to any good performance manager is the ability to give feedback and to coach. One can imagine that it is far easier to coach and offer feedback to someone you are very similar to, as opposed to someone who you may not completely understand. One of the drivers of discomfort is rooted in the ability to anticipate the reactions of the person who is being coached. There appears to be an increased level of connectivity to those who we perceive as familiar and similar to ourselves.

If you are managing someone who is very different from you, you are less likely to anticipate their reaction to your feedback. You might be less comfortable interacting with these individuals, and as a result you might actually decrease the frequency of interactions essential in building up the confidence and comfortability required to effectively coach and provide feedback (Berger & Calabrese, 1975).
This idea of attaching labels to people in our out-group is a phenomenon that does not receive enough consideration. For example, an assertive woman is often perceived differently than an assertive man. Once we begin applying these labels, we limit our ability to completely appreciate these behaviors and the nuances that they offer. *Leadership and Self-Deception* (2000) explores this phenomenon in great detail. As outlined in the book, our inability to see others for more than these labels limits our capacity as leaders to fully engage. When we put people into boxes, we actually limit ourselves by restricting the interactions that are available to us.

With this in mind, it is easy to reconcile that people within our in-group often get higher performance ratings than those in our out-group. The collective understanding of performance evaluations is flawed in several ways. Contrary to their title, performance evaluations do not truly assess performance. The Academy of Management has shown that performance evaluations are most often driven by rater bias, not actual performance criteria (Kingstrom & Mainstone, 1985). Again, this phenomenon can be addressed by increasing the exposure of our leaders to many different types of people.

This exposure can help facilitate an increase in comfortability, whereby leaders can effectively interact with both their in-groups and out-groups. We can also rid ourselves of numeric evaluations, and instead focus on increasing leader confidence in their feedback and coaching skills. Knowledge is power, and educating our leaders about this in-group and out-group phenomenon, as well as how our brain limits our ability to see the world holistically, would help to mitigate the impact of our unconscious bias on performance management.

**C) IMPACT OF UNCONSCIOUS BIAS ON PROMOTION AND SUCCESSION PLANNING**

Perhaps the largest, and arguably the most ominous impact of our unconscious bias is on promotion and succession planning. A workplace equity poll conducted in 2015 by Gallup discovered that 12% of American women have been passed over for promotion or opportunity due to their gender, and 17% reported having been denied a raise for the same reason. The same poll conducted two years prior found that 31% of women felt they would be paid more if they were male, and 20% of men felt they would be paid less if they were female. Only 1.2% of the Fortune 500 CEOs are African-American, and less than 5% are women.
We are all very familiar with these statistics. Could it be that men, particularly men over 6 feet tall, are truly better leaders than women? Or is it more reasonable to postulate that our collective agreements about what a leader is favors 6-foot Caucasian males?

If 100 leaders were asked if men are more effective at leading than women, they would likely respond with a resounding “no”. However, when we look at the data, it is alarmingly clear that men occupy leadership roles at a far greater percentage than women. This exemplifies the impact that our collective unconscious biases have in organizations and society. To address these discrepancies, we need to challenge the criteria through which we conduct talent planning and promotion.

Let’s define success competencies by level and by job. Again, this can be done by looking for multi-trait multi-method approaches for succession planning and promotion. Let’s engage women in management and leadership development earlier in their careers. Let’s find mentors and exciting opportunities where flexible work may be possible for key leadership positions. Finally, let’s challenge our definition of leadership, particularly our ideas of effective leadership. Most of us would agree that leadership is driven by collaboration, empowerment, and by fostering productivity and engagement. Leadership is not driven by comfort, who we know, and the types of people with whom we are more comfortable.

D) IMPACT OF UNCONSCIOUS BIAS ON INNOVATIVE THINKING

In her book, *Insight Out* (2015), Tina Seelig defines insight out innovation as applying creativity to generate unique solutions. In contrast to this creative approach, our Bias Trifecta leads us to the find the easiest, most efficient, and quickest answers. Our brains are efficiency junkies. As a practical example, think of when you are presented with a challenge at a new employer. Often, the first thing we do is go to our old data to find a similar situation. We then bend and twist these ideas until they can be applied to the new situation. This is a replicating activity, not an integrating activity.

We often build upon an answer we already have to reach a solution as quickly as possible. We rarely abandon the old information to pursue new or contrasting views of a given situation. How many of us truthfully seek this challenge, and take a more rigorous and holistic approach to a known problem? Very few of us attempt to integrate what we know with what we don’t know, or what we must seek out. This integration is often where holistic and innovative solutions come from. Unconscious bias is the enemy of innovation, driving us towards the easiest and quickest solutions at the expense of the more creative, bright ideas.
E) IMPACT OF UNCONSCIOUS BIAS ON TEAM FORMATION AND PERFORMANCE

Our unconscious bias encourages us to act within our comfort zones, and as a result we often put teams together in a very elementary way. We find people who we have counted on before, we get a diverse skill set to solve a problem or accomplish a given set of tasks, we establish a set of goals, and we set about to perform.

How many of us put together teams based on the process or the tenor of the interaction? In other words, if we are assigning a very difficult task, we might want individuals who place less importance on political correctness. If we have a highly visible team that must maintain a given process, perhaps we hire diplomats and people who are developing in their career. This level of thinking drives us towards putting teams together based on traits and characteristics that would be best suited for the task.

In order to effectively generate such teams, we must first identify the type of team we are looking to form. To do this, we can categorize teams into three levels based on diversity: Level I (when functional diversity is the only criteria to select members), Level II (where personality type is considered in team formation), and Level III (where functional diversity, personality type, and demographic type are all considered and weighted against the given mission and goals).

Level III teams require leaders to form and develop the team in a much more rigorous manner, and are likely best suited for change initiatives and innovation. When a team must be innovative or accomplish extraordinary tasks, we have to look at team formation and development very differently than when teams are put in place to iterate an already existing process.

Our unconscious bias often leads us to form teams based on what we know, what we are most familiar with, and what we believe would give us the outcome we desire. When putting together high-performing, heterogeneous teams, we like to agitate and ensure all voices are heard. We encourage respectful conflict and debate. We pursue a sense of accountability, not driven from the top-down, but driven from peer to peer.

Unconscious bias severely impairs this team formation and leadership. Developing formation techniques based on Level II and Level III diversity will be helpful in driving innovation and productivity. Generating heterogeneous teams based on experience, traits, functional expertise, and level of experience, can be very helpful in encouraging
new thinking as well as driving high-performance. However, the leadership of these teams will require maturity, rigorous thought, and active engagement. Many leaders seek comfort in their teams as opposed to a dynamic environment.

Perhaps the solution for effective team formation is much simpler than some of the above-mentioned challenges. Perhaps team formation and team performance is more about the leader than it is the actual team. Our challenge as leaders is to seek holistic solutions, rigorous evaluation and new data, and disruption, regardless of whether it makes our jobs more difficult and demanding.

**COLLECTIVE IMPACT OF UNCONSCIOUS BIAS IN ORGANIZATIONS**

Eliminating unconscious bias is impossible, so how can we mitigate the impact of our biases?

*At the individual level we can:*
- Drive development programs that tackle the root of how we process information and make decisions.
- Develop leaders and challenge their way of thinking.
- Invite leaders to expand their worldview beyond what they experience on a day-to-day basis.
- Work at understanding that our brains limit our ability to see the world accurately.

*At the collective level we can:*
- Challenge our processes and practices around hiring, performance management, promotion, team formation and development, and innovation.
- Move toward merging data collection and decision making in hiring. Often, good and rigorous hiring practices are totally divorced from the actual decision-making process.
- Increase leaders’ comfort with people in their out-group.
- Improve leaders’ feedback and coaching skills.
- Ensure that our competencies and criteria for talent development, promotion, and succession planning are based on business results, such as productivity, engagement, and innovation.
- Make sure that we are using Level II and Level III thinking to create teams based on the nature and the tenor of their tasks, rather than the actual content of their output.
- Make certain that our action plans have individual process components.

The systems and processes by which we recruit, hire, evaluate, promote, form teams, and innovate are often our biggest weaknesses. They enable our individual biases rather than challenging the paradigm. Ultimately, let’s challenge leader thinking to mitigate the impact of unconscious bias.
CONCLUSION

Since the first diversity initiative was enacted around 60 years ago, explicit discrimination in the workplace has been greatly reduced. Where diversity initiatives have failed, until recently, is acknowledging that inside all of us exists an unconscious bias towards those who are different than us.

This is not an affliction of the majority, but rather a part of the human condition. When not addressed and regulated, this bias causes diversity initiatives to fail, discriminatory practices to go unnoticed, and the demographic disparities within the workforce to continue.

This article explored how individual unconscious bias impacts leaders’ ability to accurately take in and process information, and make more objective and holistic decisions. More critically, this article outlined how our collective unconscious biases have sustained relatively limited processes around talent acquisition, performance management, and succession planning, as well as our ability to be innovative and put high performing teams in place to drive innovation and solve complex problems.

Although unconscious bias exists outside of our conscious awareness, there are effective ways to recognize, manage, and lessen its impact, the most important of which is establishing a culture of awareness, disciplined thought, and collective effort to seek to understand.
ABOUT THE AUTHOR

Michael Brainard received his Ph.D. in Industrial and Organizational Psychology, and brings over 20 years of experience as a management consultant, senior executive, executive coach, entrepreneur, and researcher. As CEO and Founder of Brainard Strategy, a management consulting firm specializing in leadership, organizational, and strategy development, Michael has worked with Fortune 500 executives across industries, blending a strategic, behavioral, and experiential learning approach.

Though not identifying himself as a diversity and inclusion expert, Michael firmly believes that key areas of leadership behaviors and decision-making practices are influenced by unconscious bias. Michael seeks to mitigate these effects by highlighting the impact of unconscious bias through Brainard Strategy’s leadership development initiatives and offerings.