Managing Implicit Bias with Diversity and Inclusion
An Imperative for Future Success
Discussion Resource
About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The Institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. To learn more, visit www.tiaainstitute.org.

About the Council on Foundations

An active philanthropic network, the Council on Foundations (www.cof.org), founded in 1949, is a nonprofit leadership association of grantmaking foundations and corporations. It provides the opportunity, leadership, and tools needed by philanthropic organizations to expand, enhance and sustain their ability to advance the common good. With members from all foundation types and sizes, the Council empowers professionals in philanthropy to meet today’s toughest challenges and advances a culture of charitable giving in the U.S. and globally.

About Duke University

Duke University provides a liberal education to undergraduate and graduate students, attending not only to their intellectual growth, but also to their development as adults committed to high ethical standards and full participation as leaders in their communities, both here and abroad.

The partnering organizations gratefully acknowledge the work of Derek Fromson, lead writer of this publication.
The impact of implicit bias on leadership

Society has struggled with the notion of difference for centuries. Race and ethnicity, gender, sexual orientation, religion, age, physical ability, and countless other dimensions of difference have been the source of much consternation throughout human history. In the workplace, the attempt to bridge the divides focuses on the benefits of diversity, including a rise in innovation born of multiple perspectives, along with improved bottom lines.

To attract and retain diverse talent, workplaces have evolved to a more inclusive mindset when hiring. Benefits programs are tailored to ensure they are equitable and cater to the unique needs of employees. Affinity groups have formed to provide a greater sense of belonging for employees perceived to be outside the “traditional” organizational norm. And workplaces have made increasing efforts to provide accessibility for all.

This evolution has not gone unnoticed; organizations are now celebrated as “best in class” in regard to their diversity practices. These employers proudly share their distinction as “Best Employer for Women” or “Best Place to Work for LGBT Equality”—accolades which are often the result of intentional programs that address the nuanced needs of a diverse workforce.

As the workplace has evolved, so too has our understanding of workplace behaviors. Previous patterns of bias in the workplace were explicit—in fact, basing employment decisions on elements of difference is still legal in some states today. But while many employers have sought to eradicate the explicit behaviors associated with bias, we have learned that implicit, or unconscious, bias continues to contribute to behaviors and decisions in the workplace.

Implicit bias has been studied and written about for years. Many organizations have implemented implicit bias training programs to educate their leaders on how to minimize the effect of bias on their decision making. However, despite all the science, research and education concerning implicit bias, we have yet to effectively address its implications in the decision making of organizational leaders.
For this reason, a group of approximately 50 leaders from higher education, philanthropy, and the private sector met in November 2017 in Durham, N.C., where the Duke University’s Office of the Provost, the TIAA Institute, and the Council on Foundations hosted a convening to explore the links among diversity, equity and inclusion, and implicit bias.

While the business case for diversity, equity and inclusion varies across the higher education, philanthropic and private sectors, the challenges related to diverse talent pools, equitable practices, and inclusive workplaces are common across the sectors. This discussion resource lays out the themes that arose from the convening, and raises a number of questions to be explored. The work on implicit bias and its effect on leaders and organizations undoubtedly will continue to evolve. We encourage leaders to explore these themes and look for ways to reduce bias in their own organizations. We hope this resource offers you a place to start.

Ron Pressman
TIAA

Sally Kornbluth
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From left to right: Lynn Pasquerella, President, Association of American Colleges and Universities; Jacqueline Looney, Senior Associate Dean for Graduate Programs and Associate Vice Provost for Academic Diversity, Duke University; Stephanie Bell-Rose, Senior Managing Director and Head of the TIAA Institute; Diane Ashley, Chief Diversity Officer and OMWI Director, Federal Reserve Bank of New York
Introduction

Implicit bias in the workplace can be pervasive. It can hinder diversity and inclusion initiatives and recruiting and retention efforts, and unknowingly shape an organization’s culture. Implicit bias can skew talent and performance reviews. It affects who gets hired, promoted and developed.

In Fall 2017, Duke University’s Office of the Provost, the TIAA Institute and the Council on Foundations hosted a day-long convening to explore the implications of implicit bias on organizational effectiveness and efforts to advance diversity, equity and inclusion. The specific focus on the intersections between leadership and implicit bias was prompted by Dr. Benjamin Reese, Vice President for Institutional Equity and Chief Diversity Officer at Duke, whose expertise and experience helped guide a dialogue about the roles and responsibilities of leaders to both model and drive behaviors that support truly inclusive cultures.

What is implicit bias?

Every human being is triggered—either positively or negatively—when exposed to different kinds of people. Implicit bias refers to such subconscious reactions to behaviors, traits and characteristics. Implicit bias impacts individuals, nonprofit organizations and higher education institutions at virtually every level, including hiring, performance management, succession planning and strategic decision making. Most biased decisions are made by well-intentioned people who are unaware of the internal unconscious processes that may be affecting their decision making every day.

From an organizational effectiveness standpoint, experts at the convening concurred that as the demographic profile of our nation continues to evolve, our ability to be successful—whether in business, foundation work or academia—will be increasingly dependent on our ability to work together effectively in inclusive environments. To that end, it is critical that leaders create an environment where implicit biases are acknowledged and managed across the enterprise.
The business case for diversity and inclusion

Conversations about implicit bias are one of the many components of successful diversity and inclusion programs. While social justice typically is the initial impetus behind such efforts, nonprofit organizations and higher education institutions increasingly have begun to regard the business case for diversity and inclusion as a competitive advantage. It makes intuitive sense that a diverse and inclusive employee base—with a range of approaches and perspectives—would be more competitive in a global economy, and research backs up that conclusion.1,2 A small but increasing number of nonprofit organizations and higher education institutions have seized the opportunity to go even further, by reframing diversity and inclusion initiatives as enablers of two of the foremost goals for CEOs: growth and value.

Yet progress is slow. Many nonprofit organizations and higher education institutions struggle to understand where and why they lack diversity; to materially increase levels of diverse talent; and to create truly inclusive cultures that enable the organization to reap the benefits of diversity. The tangible impacts these efforts have on organizational effectiveness and performance remain elusive. More research is needed in the higher education and nonprofit sectors to develop measures that reinforce the value of diversity—among C-suite leaders, trustees, faculty, program officers and others. In the corporate sector, research provides evidence that diverse boards, for example, are correlated to higher share prices. Similar “proof” of diversity’s positive impact in other sectors will contribute to sustained focus on advancing diversity goals.

Increased awareness and understanding of how implicit bias thwarts progress is critical to advancing diversity goals. That awareness should start at the top. Effective leaders in the 21st century must possess an understanding of their own implicit biases—“blind spots” that potentially can have a negative impact on their efforts to build a diverse and high-performing executive team. Demonstrating knowledge of how implicit bias can influence decision making, modeling personal self-reflection, and fostering authentic dialogue about instances of possible bias are important components of leadership.

“Having diverse leaders in place, we find, is crucial to disrupting bias,” said conference attendee Ripa Rashid, Executive Vice President at the Center for Talent Innovation (CTI) and co-author of the 2017 CTI study, “Disrupt Bias, Drive Value.” A diverse leadership team that models recognition and management of biases offers a valuable role model for employees, demonstrating that difference is valued, and that diverse individuals can thrive at their organization.

The value of uncovering implicit bias

Although carefully designed implicit bias interventions can be critical to any organization, they should not be viewed as a panacea for deeply ingrained or structural issues of inequity. Five established key drivers are motivating the examination and management of bias within nonprofit organizations and higher educational institutions: market, talent, values, innovation and goodwill.

Market: Women and minorities are becoming primary drivers of the national economy. A diverse workplace can more effectively market and respond to all groups of consumers, from a wide range of racial and ethnic backgrounds and including men and women, older and younger adults, and those who identify as gay, lesbian, bisexual or transgender. Building a diverse workplace can help increase an organization’s “market share”—but true success requires individual employees to recognize and respond objectively and positively to differences among colleagues and external stakeholders.
Talent: When it comes to an organization’s most important assets—people—casting a wider net when hiring improves the chances of attracting the talent needed. Nonprofit organizations and higher education institutions with more diverse workforces will have an easier time hiring, onboarding and engaging diverse talent as they create and benefit from a virtuous cycle. This net includes uncovering and addressing biases that may unintentionally limit the talent pool tapped for recruitment.

Values: Rarely is the success of an organization based on the work of its leader alone. More likely, a successful institution empowers employees throughout the enterprise to make suggestions and contribute to innovations. Valuing diversity helps employees of all backgrounds feel included and committed to the organization’s business strategy. Ensuring that implicit biases are not interfering with inclusion efforts in empowering employees is critical.

Innovation: When people from diverse backgrounds with diverse skills work together, they approach challenges in a cross-disciplinary way. New ideas are created, driving the kinds of innovation that create impactful results. Diversity can help increase the quantity and quality of breakthrough ideas; however, if left unchecked, implicit bias can restrict the power and potential of diversity and inclusion to spur creativity.

Goodwill: Nonprofit organizations and higher education institutions that encourage inclusion and diversity are sure to win stakeholder confidence and goodwill. Those that proactively address the presence of implicit bias and support employees’ efforts to understand and manage the implications of implicit bias will further enhance loyalty and commitment.

A look to the future

As our nation moves toward a non-white majority, some would say that implicit bias will decrease, as individuals become more accustomed to interacting with others different from themselves. In the meantime, however, the impact of implicit bias may be more pronounced: Old stereotypes may be firmly entrenched, particularly it seems among older individuals who have not yet had enough exposure to diverse cultures to shake their deep-seated biases. Significant implicit biases seem to persist regarding the contributions that can be made by women, minorities, LGBT individuals and other
populations. Currently, it is perhaps implicit biases related to race that are fueling the significant and damaging incidents that make front-page news on a regular basis.

According to the most recent projections released by the U.S. Census Bureau in 2010, by 2050, minorities will be the majority in America, and the number of residents older than 65 will more than double.3

“By 2050, our nation will be 46 percent white, and there will be 200 million people of color. Single women will soon be the most powerful group in terms of buying power,” noted Ted Childs, Global Strategic Diversity Advisor and Principal, Ted Childs, LLC, at the convening.

**Millennials: Leveraging opportunities for change**

Millennials are the most racially diverse generation in American history, a fact driven by the large wave of Hispanic and Asian immigrants who have been coming to the United States for the past half century, and whose U.S.-born children are now aging into adulthood. In this regard, millennials are a transitional generation. Some 43% of millennial adults are non-white, the highest share of any generation.

For millennials, “inclusion” refers to support for a collaborative environment that values participation from individuals with different ideas and perspectives. To them, effective leadership at such collaborative nonprofit organizations and higher educational institutions is transparent, communicative and engaging.

Millennials, in fact, are much more open to the conversation about implicit bias than diversity and inclusion. They have grown up with and lived with diversity their entire lives. They went to school with people who are different, and spend more time than their predecessors did with people different from themselves. But that doesn’t necessarily shelter them from their own biases. In fact, we see the ugly ramifications of such biases in the racial tensions that exist on campuses across the country.

“What millennials sometimes miss is that their diverse upbringing doesn’t make them any more rational than we are,” said conference facilitator/moderator Howard Ross, founder of Cook Ross, the bias and diversity Washington, D.C.-based consulting firm. “Millennials have their own blind spots; bias is a natural function of who we are as human beings. It affects all kinds of decisions we make. Millennials may not have the same bias towards sexual orientation, but it doesn’t mean they are less likely to have biases about other things. With millennials, the approach needs to be from a more scientific standpoint: talk about the brain science and decision-making process and then secondarily talk about the diversity conversation.”

There are many different theories about how decision making occurs in the brain, but many of these theories point to the amygdala, the brain’s emotional center. In some studies, the amygdala which reacts to strong emotions, shows greater activation when subjects view black faces compared with white faces, particularly if the presentation of the images is very brief. Although such studies are open to a variety of interpretations, they suggest that there are likely inner brain correlates of both positive and fearful assessments of people in the environment.

Most experts in the implicit bias field share this view, but point out that some practices show promise for reducing or managing automatic implicit bias responses. Stereotype replacement, for example, involves substituting stereotypical responses with non-stereotypical responses. Next, one considers how the biased response can be avoided in the future and replaced with unbiased responses. Changing perspective and
increased opportunities for more-than-casual interactions with “out”-group members also have proven helpful in managing bias. This approach is a fruitful area for future research, but it’s clear that personal interest and motivation to decrease bias is a necessary prerequisite.

An important takeaway: nonprofit organizations and higher education institutions that ignore the millennial point of view do so at their own peril. The impact of a lack of diversity and inclusion efforts negatively affects employees’ engagement and empowerment, as well as their ability to remain true to themselves. This, in turn, can negatively impact the company’s balance sheet. An often-cited Gallup study\(^4\) has pegged the cost of disengaged employees at up to $350 billion per year in lost productivity.

To be fully engaged, millennials require a supportive leadership and culture. For them, supportive leaders and culture promote a collaborative environment in which employees can see the impact of their work, understand the value they bring to the organization, and are recognized for their efforts. Leaders remain mindful that what brought diverse talent into their company is not the same as what it will take to support that talent.

“If you want to build a truly inclusive culture—one that leverages every individual’s passion, commitment, and innovation, and elevates employee engagement, empowerment and authenticity—you should be willing to break down the narrow walls that surround diversity and inclusion, and limit their reach. If you don’t know where to start, ask your millennials. Every one of them wants to be heard,” adds Ross.

Implicit bias and talent management

Business leaders have long recognized that building a diverse workforce inclusive of women, people of color, and LGBT individuals confers a competitive edge in terms of selling products or services to diverse end users. Yet a stark gap persists between the leadership behaviors that support the creation of a diverse workforce and the skills that help ensure that diversity is tapped to yield maximum value."

Often, leaders with a conscious focus on building a diverse and inclusive organization may still exhibit implicit bias. Internalized early childhood family cues, interactions in school and community settings, the influence of the media, etc.—all can contribute to thoughts, judgments and beliefs about individuals and groups, and can influence decisions about who gets hired, promoted or viewed as fitting into the mold of future C-suite executives. The process is subtle but powerful.

Clearly, hiring diverse talent is not the endgame. “Well-managed diverse teams are the answer,” said Ron Pressman, Chief Executive Officer, Institutional Financial Services, TIAA. Pressman endorsed the view that a diverse community representing a wide range of experiences and views is critical to success, and leadership must play an essential role in ensuring that implicit biases do not stand in the way of an inclusive team.

During the convening, Pressman shared his own career experience in leading teams comprising representatives from multiple countries, and emphasized the importance of observing and listening. “While a leader must give clear, emphatic direction,” he said, “it should be grounded in a deep understanding of individual talents and skills, and awareness of multiple perspectives. More than anything, leaders must ensure that all individuals are valued, and that they are treated with respect.” Much attention is given to leadership development programs at TIAA, focusing on helping managers uncover their implicit biases, recognizing when bias is interfering with team performance or individual assessment, and implementing strategies that leverage the diverse perspectives of all team members.

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As nonprofit organizations and higher education institutions seek to hire, develop and retain the best people, identifying and minimizing biases in talent management is a priority. These institutions need to be mindful that more diverse talent pools can create greater potential for bias, and that implicit bias in the hiring process may prevent the selection of the best candidates. Leaders at all levels must resist the human tendency to gravitate towards and select potential leaders who reflect personal characteristics that appear familiar and comfortable, particularly when research indicates that differing backgrounds, experiences and perspectives often stimulate the “creative abrasion” that contributes to innovation.

Beyond hiring, implicit bias can be prevalent in other talent management matters. Decoupling qualitative feedback from measurable performance in the review process is one option for nonprofit organizations and higher educational institutions striving to minimize implicit bias. Typical words and phrases used to describe employee performance provide another area for examination. Implicit bias along gender lines could be revealed through review of a random sample of employee evaluations, noting the difference in the types of words and phrases used to describe performances of male versus female employees.
Leadership turnover presents opportunities

An aging population of college and university chancellors and presidents (many of whom are 68+ years old) presents an important opportunity to advance diversity objectives in higher education, as a sizable leadership turnover has already begun. Retirement may impact more than two-thirds of the presidential positions at public universities during the next decade.⁶

The 2017 American College President Study, produced by the American Council on Education with support from the TIAA Institute, explored these trends. Key findings include:

- Almost one-quarter of college and university presidents plan to step down from their current positions within the next two years;
- More than one-half of presidents expect to step down in the next five years; and
- 78% of presidents plan to step down within the next nine years.

“We need to use the opportunity to reflect evolved thinking about diversity and what really are the important skills and critical competencies of new hires in higher education leadership,” said Mary Sias, Director, Millennium Leadership Initiative, American Association of State Colleges and Universities.

Significant turnover presents an opportunity to examine structure and systems where potential biases in the presidential hiring process can be identified and addressed. Structure forces some behaviors in nonprofit organizations and higher education institutions, but introducing changes and creating consistency in implementation of certain processes can result in less biased behavior.⁷ It is critical to constructively confront implicit biases to make sure they are not derailing talent management efforts. Hiring managers must recognize the potential for a host of different identity factors impacting their judgment of applicants. While they may feel confident about their objectivity, it is increasingly important that hiring managers consider the possibility of an applicant’s name, gender, age, complexion, or perceived sexual orientation

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⁶ American Council on Education (ACE) and TIAA Institute. “2017 American College President Study,” pg. 57-58.
influencing their assessment of an applicant’s suitability. Indeed, abundant research has demonstrated the insidious nature of our assessment of a person based on name or height or weight. Other research reveals that hiring managers may unconsciously believe that women and minorities lack the financial acumen and skills needed to perform certain roles, even when their credentials are commensurate with candidates deemed well-prepared. Research can provide evidence that can help dispel implicit bias, and leaders need to refer to and disseminate such research to prod decision makers to question the status quo.

Minimizing implicit bias and managing its effects

Many nonprofit organizations and higher education institutions are now building implicit bias modules into their diversity and inclusion training programs, which is an important step forward. “Workplaces are a good place to start,” noted Benjamin D. Reese, Jr., Vice President for Institutional Equity and Chief Diversity Officer, Duke University. “You have a captured audience with the employees. It’s fertile ground for exploring whether the implicit bias training conducted has an impact on short- and long-term behavior. Does it change the behavior of employees at all levels?” It may, but likely more so if the programming is framed as voluntary and the scenarios closely align with the work environment. But, be cognizant of the fact that mandatory training can create the potential for backlash.

Aside from staff training, what tools and resources have you supplied to your teams to address implicit bias?

Benjamin D. Reese, Vice President for Institutional Equity and Chief Diversity Officer, Duke University
Furthermore, employees must be cautioned against the “bystander effect” (i.e., “I attended training; I did what I was supposed to do”) and the prevailing notion of “checking the box.” Even the best implicit bias training will have only minimal impact if it is not followed by clear implementation strategies and structured accountability methods. It is often helpful for implicit bias workshop participants to walk away with clearly delineated behaviors they will monitor and modify for themselves.

## How diversity and minimizing bias enhance innovation

Commitment to diversity does much more than benefit an organization’s image. Research suggests that the more diverse the nonprofit organization or higher education institution, the higher the level of innovation. For example, authors of one recent study found that nonprofit organizations and higher education institutions with greater numbers of diverse leaders were more likely to report an increase in market share and capture of new markets in the past year than organizations with less diverse workforces.\(^8\)

But while more heterogeneous groups tend to avoid the trap of “group think”—a situation that occurs when a group values harmony and coherence over accurate analysis and critical evaluation—creating a diverse team is not enough to spur innovation. Nonprofit organizations and higher education institutions must be mindful of the marginalized groups and corresponding “token” status that can be associated with outsiders, including those perceived to be underrepresented and those new to the group. Instead, the organization must create the type of environment that increases the potential for contributions by all team members.

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While it is widely believed that “diversity makes us smarter,” unproductive team dynamics can also hinder innovation. It takes intentionality, hard work, and an ongoing commitment to create team and workplace environments in which all employees feel free to contribute their perspectives.

“Getting” diversity

Awareness of implicit bias requires a fundamental change to the common approaches to diversity and must work on a number of different levels. Indeed, discussion during the convening focused on finding ways for people, especially those in dominant groups, to “get” diversity. The challenge, however, is that “getting it” on a conscious level may have little or no impact on implicit beliefs and, more importantly, behavior.

Collectively, the knowledge around implicit bias makes several things abundantly clear:

- The limiting patterns of unconscious behavior are not restricted to any one group. All of us have implicit biases, and those who serve as diversity professionals, in particular, have to address their own assumptions and biases if they expect to have the moral compass to guide others in acknowledging and confronting theirs.
- A person who behaves in a noninclusive or even discriminatory way does not necessarily have negative intent. Approaching people with an assumption of innocence in intent, but with an emphasis on the impact of their behavior, is more likely to successfully gain their attention than is presuming ill intent.
- Finally, objective measurements need to be created that can provide individual and collective feedback on organizational performance to help ensure truly inclusive nonprofit organizations and higher education institutions.


Looking ahead

An understanding of implicit bias is opening a new level of organizational engagement about diversity and inclusion. It requires awareness, introspection, authenticity, humility and compassion. And most of all, it requires communication and a willingness to act.

Several possibilities for action arose throughout the convening: bring people together, recognize individuals’ fear, widen searches, delegate responsibility, start early in the process, try something new, or take a layered approach. Most of all, encourage employees to engage in dialogue rather than debate. Establish positive intent behind the discussions of implicit bias so conversations can be productive, not accusatory.

The three convening organizations underscored their respective commitments to dig deeper to build and share knowledge about implicit bias and its implications. The TIAA Institute will leverage all pillars of its work—research, convenings and partnerships—to advance the dialogue, uncover best practices, and facilitate the exchange of ideas and information. Duke University has instituted diversity education for faculty and staff at all levels of the organization, in addition to ongoing research aimed at ensuring that their strategies are indeed, evidence based. The Council on Foundations will continue to mobilize philanthropy to partner across the social sector in this difficult work and provide resources and opportunities for institutional introspection.

Many questions were raised throughout the convening. Experts harbored no illusions about developing concrete answers; however, the questions provided a framework for an impactful discussion as well as steppingstones for continuing the dialogue. Specifically:

- How does implicit bias factor into creating diverse and inclusive workplaces?
- How do nonprofit organizations and higher education institutions identify and minimize implicit bias in talent management?
- How can we minimize implicit bias more broadly within our nonprofit organizations and higher education institutions?
- How do we engage others in the conversation and educate a broader population?
The open-ended nature of these questions may subject them to many interpretations, but if simply having the discussion continues—opening more eyes, broadening the circle of understanding, and encouraging deep thinking on the overarching themes of the day—progress will be made toward exposing and mitigating the effects of implicit bias.

Looking ahead, Ross offered this view: “Historically, we have dealt with implicit biases as if they were problems to be solved. Most of the discussion revolves around fixing this or fixing that. I look forward to the day when the way we look at human difference is a natural part of the equation that we filter everything through. I think ultimately we’ll get there, but right now we’re in a transition where people need to discover a new way of looking at things.”