Understanding and Addressing Unconscious Bias

By Kimberly Drumgo, MBA, PMP

Do any of the following situations sound familiar? While assembling a team to work with a new cloud startup, the partner picks mostly staff members in their late 20s or early 30s, rather than those who are older, in the belief they will feel more comfortable with a tech client. A candidate who arrives late—but has great experience and references—doesn't get the job because the interviewer assumes he or she is probably lazy. In another case, an interviewer who played tennis in college favors a job candidate whose background doesn't quite suit the job but who excelled in tennis at school.

These are all examples of unconscious bias, a trait we all share no matter how good our intentions. It's a challenge that CPAs should be aware of, because it may prevent individuals from receiving important career opportunities and cause firms to overlook important information when making key business decisions. Here are some guidelines on how to spot and tackle unconscious bias in the workplace.

Recognizing Our Biases

Bias is inescapable, but it doesn't make us bad people. Whether conscious or unconscious, biases aren't limited to physical characteristics such as gender, ethnicity, race, or age. There are more than 100 types of biases and misconceptions that also relate to how we do our jobs, make decisions, whom we socialize with and where we socialize.

There are four primary triggers that explain why bias persists in our daily lives:

Too much information: At any moment, we are exposed to more than 11 million bits of information per second, yet our human brains can only process a few bits at a time; the rest of the information is left to be processed unconsciously. Therefore, we subconsciously sort, categorize and prioritize information most important or familiar to us when making decisions. The most common bias to come into play when we are suffering from "information overload" is confirmation bias, which we use to confirm what we believe to be true. For example, you hold the belief that a team member is not pulling their weight. During your encounters with the team member, your observations are focused on finding evidence that demonstrates the team member's ineffectiveness. Confirmation bias places more importance on proving ourselves right and not on understanding the facts and perspectives in play. The omission of key facts and perspectives often results in drastically different outcomes that can have negative business impacts.

Not enough meaning: With so much information at our disposal, it can be difficult to assign meaning to different situations. In the absence of meaning, we create our own meaning using assumptions, stereotypes (good and bad) and what's most familiar to us. Affinity bias and in-group and out-group biases most often surface when we need to create meaning in specific situations or environments. In such cases, we find meaning and gravitate toward those who are familiar to us or who have similar personalities or interests. Those who are similar tend to stick together, often creating in-group and out-group dynamics. The in-group are the "cool kids," the dominant group, and have affinity toward each other; those who do not share enough of the in-group's traits are considered the out-group. This leads to micro-inequities, in which the in-group receives privileges that those in the out-group do not. The persistence of affinity bias and group biases erode trust, collaboration and cohesive team dynamics, ultimately creating a dysfunctional organizational culture.

Not enough time: When time is a critical factor and we are faced with making a decision that may require sorting through information and meaning, the default decision is often the path of least resistance. This is status quo bias, which means doing what you've always done, because you assume it worked and not much has changed. Firms may see this bias in the type of employees they hire, the technology they've used for the last 20 years or the benefits they offered to their employees. Status quo bias stifles innovation and growth in organizations.

Not enough memory: We all remember the most impactful events and circumstances in our lives. However, not all events and circumstances impact us the same way, and what we remember is a very individualized process. For example, the experience one partner has with staff at a client site can be the opposite of what someone else recalls. This not-enough-memory scenario can lead to halo and horns bias effects. The halo effect is remembering the one good thing that a person did while ignoring the rest of their performance. The opposite is true for the horns effect: if a staffer made a mistake on a major project, that story may become their legacy at that firm. In both scenarios, the feelings about the staffers can then be transferred to other unrelated attributes and unfairly increase or decrease growth opportunities for the staffers.

As you can see from the triggers outlined above, we all have a natural propensity to prefer people who look like us, sound like us, share our beliefs and interests, and whose situations confirm our beliefs or expectations. Our biases develop over time and are shaped by our backgrounds, life experiences, and personal beliefs. Unfortunately, if our unconscious biases go unchecked, we may unknowingly take the wrong action or make incorrect decisions based on assumptions, stereotypes and misperceptions.

Minimizing bias in the workplace leads to a more trusting, diverse and inclusive environment, which is good for business and the bottom line: companies with a diverse workforce are 35 percent more likely to outperform organizations that don't have diversity initiatives, McKinsey research has found. In addition, 85 percent of companies agreed that diversity is key to driving innovation in the workplace, according to a *Forbes Insights* study. Employees at companies with inherent and acquired diversity were 45 percent more likely to report growth in market share and 70 percent more likely to report that the company had captured a new market, according to a *Harvard Business Review* report.

Taking Steps Toward Change
Understanding unconscious bias is important, because it can affect hiring, performance evaluation, promotions and general interaction with team members. The first step is to admit that we are biased and then identify those biases. Begin by doing the following:

- **Create more awareness around bias**. The more we talk about biases the more we are aware of them. Leverage training and other free resources (see the resource list for more information) to enhance awareness.
- **Avoid the bias triggers.** Slow down and consider the information available to you before making snap decisions or judgment.
- **Check for bias within yourself and others.** Are your assumptions accurate or are they out of date and unfounded? A good resource is *https://implicit. havard.edu/implicit/*.
- **Call out and address biases as you see them.** Don't wait until it is too late to course correct.

- **Establish processes to minimize bias.** By putting more structure around key areas that lend themselves to bias, we minimize the likelihood of bias creep. A few examples include blind interviewing, removing pronouns and jargon from job descriptions, and evaluating workforce metrics to see if there are pay and promotion discrepancies based on a variety of diversity dimensions (i.e., gender, age, ethnicity and race).
- **Create opportunities to learn.** Take time to think about what motivates others and how best to address their motivations.

A Look in the Mirror
The best advice in addressing unconscious bias is to look at yourself in the mirror, recognize your own biases and consider how best to dissolve them. You'll be surprised at the many benefits of overcoming your own assumptions or misperceptions. ▣
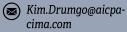
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