# **Book summary: "What Works: Gender Equality by Design"**By Iris Bohnet

In *What Works: Gender Equality by Design*, Harvard professor and author Iris Bohnet provides practical examples of how behavioural science can be used to improve gender equality in business. Drawing on research from economics and psychology, she provides lessons on the "nudges" businesses can make to improve organisational decision making and remove bias from systems. The book is about gender but offers lessons to other diversity strands.

## Why should companies take a behavioural science approach?

Bohnet argues that unconscious bias is a fact of life. We all have deep seated biases that are difficult to recognise and even harder to remove. She cites one study where two groups of business school students analysed a case study of a successful venture capitalist. One group was told the venture capitalist was called Heidi and the other that he was called Howard. When the students were asked to rate Heidi and Howard, they said that Heidi was less humble, more power hungry and more self-promoting than Howard – proof of how deep seated many of our expectation and biases are. Many organisations have tried to tackle unconscious bias through training, but there is limited data that training is effective in changing long term behaviour.

Other companies have sought to boost women's chances of successes by providing them with leadership training and mentoring. But research shows that women who "lean in" can experience backlash with Bohnet concluding that "getting help only takes you so far".

Bohnet argues trying to remove bias or change individuals is pointless, without designing systems that help us avoid bias: "Systematic interventions are required to de-bias the system. And that is what we have to push for: redesign the environments in which we work, learn and live."

After setting out *why* companies should use a behavioural science approach to improving diversity, Bohnet then goes on to explain *how* companies can use this approach. Her key message is that companies need to collect data to understand their problems and then experiment to find solutions. The chapters are packed full of evidence-based interventions to improve diversity. Here we briefly summarise her key recommendations.

# 1. Use data in people decisions

Bohnet argues that people analytics, that is, the use of data to track, analyse and understand workforce patterns, are *essential* for any organisation that wants to change the way it operates. Data is at the heart of all the recommendations that Bohnet makes in the book and she argues that companies will be unable to move the dial on diversity until they collect and understand their own data: "Any organisation that hopes to learn and improve needs to base its decisions on evidence."

Relevant data will be different for each organisation but it could be analysing and collecting sex disaggregated attrition rates, employee engagement, pay rises, bonuses, speak up opportunities, accounts or evaluations. Without this information companies will find it hard or impossible to identify problems and to test whether interventions are effective. (For more on people analytics, see New Financial's report *A Forensic Approach to Diversity Data*).

#### 2. Use structured interviews

Bohnet writes that there is "overwhelming" data that shows that unstructured job interviews are a poor way to predict who will be successful in a job. Interviewers use intuition, best practice, tradition and industry norms to select candidates – not real evidence about who will be effective in a role. And interviewers often focus on details that are irrelevant to future job performance, such as a shared sporting interest.

To combat these biases, companies should introduce structured interviews where candidates are scored against pre-determined questions that are posed to all candidates. These questions should be based on job competencies or other robust evidence. Interviews should be conducted one on one with interviewers later meeting up to discuss controversial candidates.

Interestingly, Bohnet is <u>not</u> in favour of blind recruitment (where names are excluded from CVs) as studies have shown that companies that anonymise CV's actually hire fewer diverse candidates than those that do not.

#### 3. Attract the right people

Bohnet says that companies need to play close attention to the messages they are projecting about their company. For instance, researchers have found that job adverts that use words like assertive, competitive, ambitious and individualistic attract fewer female candidates than adverts that use more communal words, like committed, supportive and understanding. Bohnet recommends screening job adverts for these words, using an online tool like Textio.

The language, imagery, people, incentive schemes or hours worked that are communicated in job postings, adverts, websites, social media or other communications can all inadvertently attract or discourage women from applying to a company.

#### 4. Get rid of employee self-assessments

Women tend to underestimate their own ability in employee evaluations, while men overestimate their ability. Additionally, evaluators tend to 'anchor' their overall score to whatever the member of staff has rated themselves as. Bohnet argues that companies should do away with employee self-assessments altogether given these limitations

## 5. Use role models

Role models matter. Who people see at the top of an organisation matters to who people think can get ahead. In a study of 20,000 US firms from 1990 to 2003, researchers found that when the share of female top managers increased, the share of women in mid-level management also rose. And these senior female role models need to be visible within an organisation: "People need to see counter stereotypical role models often for their beliefs to change."

As well as pushing women into visible senior positions, firms should also think about who they choose to display on their walls through artwork and portraits. A boardroom or reception covered with portraits of men is unlikely to be inspiring to women or encourage people to express diverse opinions. Younger people can also be positive role models, particularly for older men. Fathers with daughters are more likely to support gender balance initiatives, she writes.

#### 6. Crafting groups

The gender make-up of groups matters. One study looking at equity research analysts on Wall Street found that for each star performer added to the team, the gains each star bought declined and eventually became negative. That means that improved group diversity does not *always* lead to better performance.

Organisations looking at diversity should consider "critical mass", where at least a third of the group is from a minority. This avoids tokenism, "Queen Bee" syndrome and allows individuals to speak up. Bohnet also recommends that companies introduce rules for decision making in meetings that encourage women and other diverse groups to speak up. Research has shown that having a unanimity principle or setting ground rules (such as a no interruption or a politically correct rule) can help increase participation.

#### 7. Increase transparency and shape norms

Companies and other organisations can harness the power of "herd behaviour" by setting norms and defaults around diversity: "People are generally more likely to adopt a behaviour if they know most others are already doing it." For instance, a company could talk about the positive steps that one team is making to improve diversity and make this a new norm for the company.

Bohnet also recommends companies use rankings and codes of conduct to express norms and encourage change. Comply or explain policies as well as disclosure requirements are also useful tools in prompting change.

Recent research on goal setting also suggests that companies should set smaller interim goals as this increases the sense of achievement when these interim goals are hit: "People care what others think and so do companies."