

WOMEN ON BOARDS AND IN BUSINESS LEADERSHIP

NAVIGATING STEREOTYPING AND
UNCONSCIOUS BIAS IN THE WORKPLACE



Creating Markets, Creating Opportunities

Canada 

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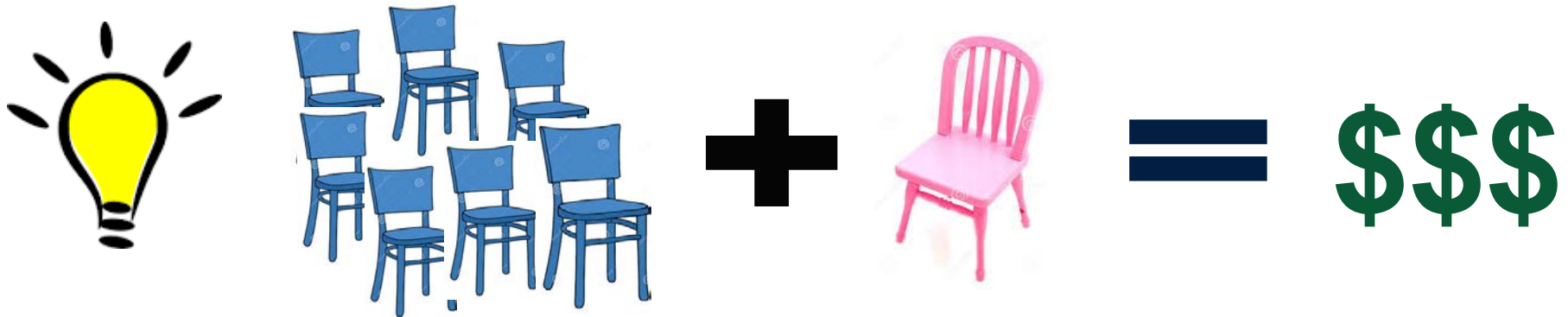
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Companies with more women in senior leadership: 35% higher ROE & 34% higher TRS. (Catalyst)

Companies with gender-diverse boards generate a higher return on equity (MSCI)

Between 2005 and 2011, companies with female directors enjoyed a 4 percentage point higher ROE (Credit Suisse)

Fortune 500 companies with at least 3 female directors earned ROE 4.8 percentage points higher than those without any. (Catalyst)



Gender diversity is a sign of a well-functioning board with good governance

- Women bring to the board:
 - Diversity of Thought
 - Stakeholder Representation
 - Competitive Advantage
 - Availability of Essential Skills

The Fantasy



The Reality



*'That's an excellent suggestion, Miss Triggs. Perhaps
one of the men here would like to make it.'*

How Can Successful Women Thrive On Boards?



- **First, they are not ambushed by unconscious bias**
- **Second, they are centered**
- **Third, they work with others, stay calm and pick their battles**

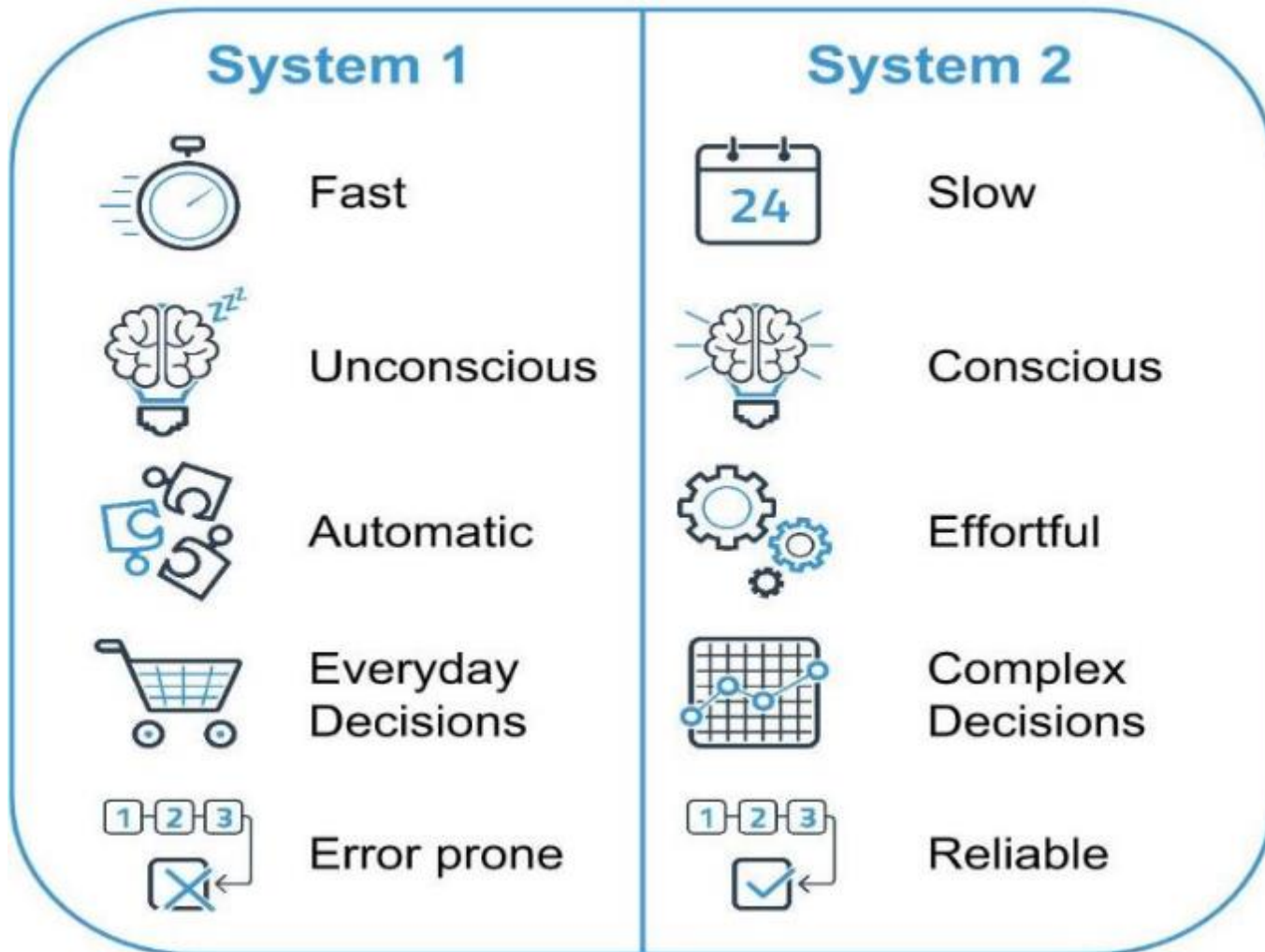
What Is Unconscious Bias?

Unconscious bias refers to a bias that we are unaware of, and which happens outside of our control.

It is a bias that happens automatically and is triggered by our brain making quick judgments and assessments of people and situations, influenced by our background, cultural environment and personal experiences



The Source Of Unconscious Bias - System 1 And System 2



System 1 – The Source Of Unconscious Bias

System 1 is involuntary, automatic and always on. It assesses information quickly and uses rules of thumb and snap judgements to deal with life's complexities. It is the source of unconscious bias. When we think of CEOs or board directors, System 1 supplies a mental picture of a member of this category who qualifies as “typical.” And in this case, “typical” will most likely be a man

System 1 has a need for internal consistency and confirmation of previously held beliefs and thus finds it hard to update and incorporate new information. Which can mean that often women do not immediately come to mind when thinking about a CEO vacancy.

Examples Of Biases



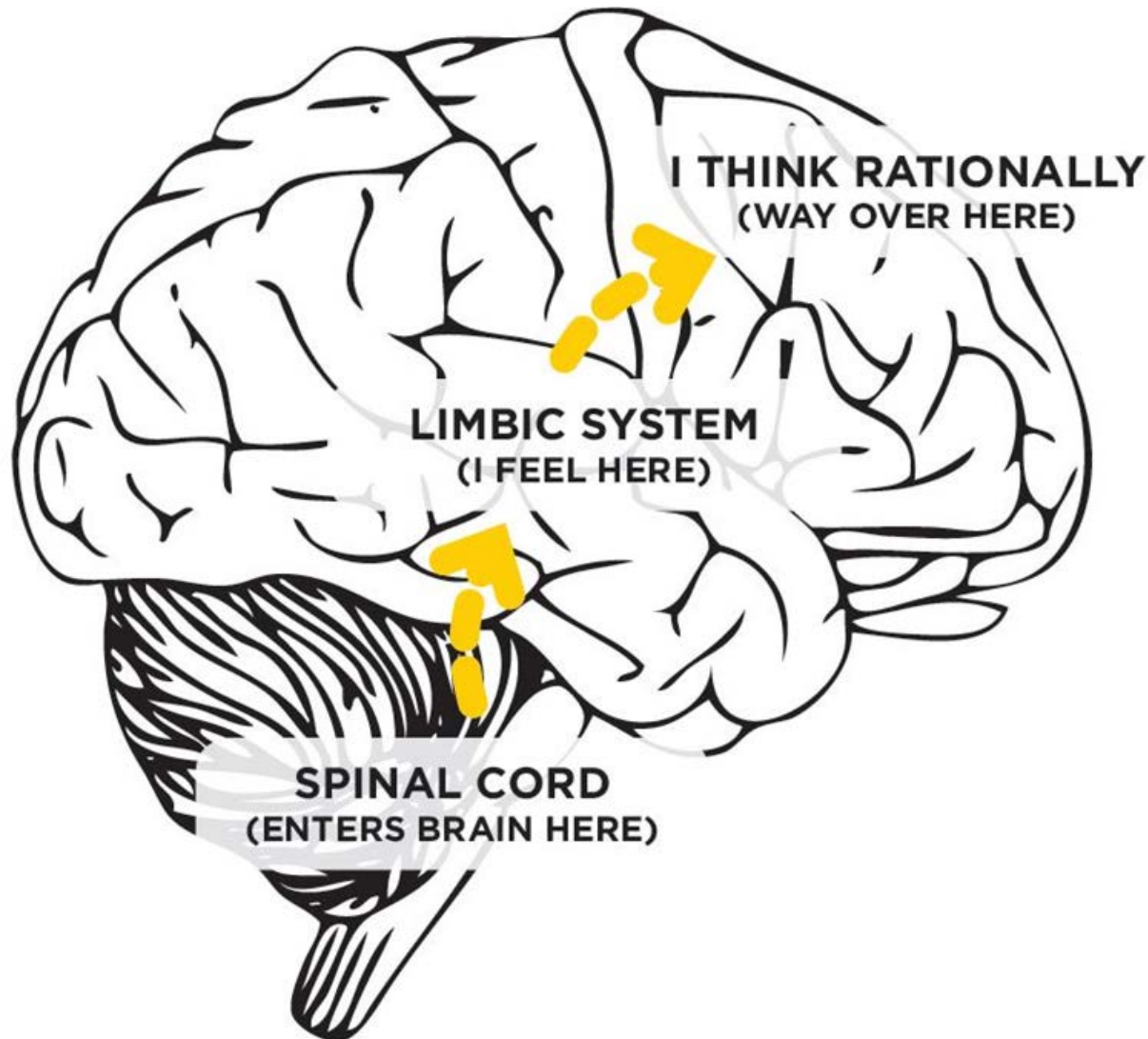
Stability biases are the tendency toward inertia in an uncertain environment. This includes failing to adjust to take new information into account and a preference to keeping things as they are in the absence of immediate pressure to change.

- An example is a reluctance to recruit women to sit on boards or to promote more women to senior leadership positions.

Social biases arise from preferences for harmony over conflict or even constructive questioning in which the desire for consensus disables a realistic appraisal for alternative courses of action.

- An example is the “old boys club” on a board whose members all come from the same social milieu.

Unconscious Bias Can Trigger An Emotional Hijack



Oops. Is This The Right Room? Do I Belong Here?



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An Emotional Hijack

An emotional hijack is triggered by messages warning of a threat sent from System 1. The signs of an emotional hijack are:

- A strong emotional reaction
- Sudden onset

An emotional hijack is the opposite of Emotional Intelligence, which is governed by System 2. Emotional Intelligence takes over when you pause to reflect and realize that System 1 has distorted the threat level.

System 2



System 2 is based on **conscious** reasoning, requires effort and is controlled. It is capable of abstract analysis and rule-based thinking. It is slower than System 1 and can be lazy and just accept messages sent from System 1 without further reflection

So when we allow System 1 stereotype others and match people to existing social categories, we classify people based on our experiences. In short we economize our cognitive effort.

However, the good news is that System 2 is able to learn new models, and to an extent take charge of our automatic, unconscious repertoire.

How Successful Women Thrive On Boards

First, they are not ambushed by unconscious bias

- They recognize the triggers of unconscious bias
- They manage that self-defeating “little voice” in the head
- They don’t get overwhelmed by the “threat” of biases

Second, they are centered

- They are emotionally self-aware
- They are attuned to their guiding values
- They are confident, knowing their abilities and strengths

Third, they work with others, stay calm and pick their battles

- They are open to learning
- They develop alliances
- They celebrate small victories
- They figure out how to sustain themselves and keep going

How Successful Women Thrive On Boards



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How Boards Thrive with Diversity

“I believe that women bring about something in and of themselves that is more precautionary maybe and more thoughtful about the future and more concerned about the next generation and what we leave behind.

And I also believe that diversity procures that element of second-guessing, thinking through, debating a bit more, which is propitious to better decision-making.”

Christine Lagarde

Reflections



Our aim is to thrive as business leaders and board members – despite unconscious bias.

- What are the things that you are going to start doing?
- What are the things that you are going to stop doing?
- What are the things that you are going to continue doing?

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THANK YOU!