

The new tools to diversify our workforce

Behavioural economist and Harvard Kennedy School professor outlines the technological tools that could help foster equality in the workplace



Iris Bohnet

The shorter you are, the less money you make, controlling for other demographic characteristics such as your sex, race or age. According to a study run in the US, a difference of only six inches, comparing someone who is 5 feet, 6 inches with someone who is 6 feet tall, translates into a pay penalty of more than \$5,000 per year. Scientists debate why this is the case but one of the reasons appears to be that we do not associate shortness with leadership.

This gives us pause when thinking about the current race for the White House. But of course, Hillary Rodham Clinton is successfully jumping yet other hurdles. She is a woman, another demographic attribute not typically associated with leaders.

There are signs that our workforces are diversifying. In 1960, 94% of all doctors and lawyers in the US were white men.

By 2008, this had fallen to 62%. So there is hope. Hope for Clinton and for all those who defy the stereotype of what the typical person in a given role looks like – the male nurse, the black CEO, the Latino director of a symphony orchestra,

the female engineer – and the short president or prime minister.

But building our economies on hope is a risky business. Consider the downside. If women were completely excluded from the workforce, global income per capita would drop by almost 40%.

Based on labour market data for 126 countries from the International Labour Organisation, income losses of 25% and more are a reality in countries where

the gender gaps in workforce participation are large, such as in the Middle East and North Africa.

The upside is substantial. Casting the net more widely, including women and African, Asian, Hispanic and Native Americans, has paid off for the US economy.

A group of researchers from Chicago and Stanford measuring the effect of an increase in the talent pool on the US economy between 1960 and 2008 found that it explains 15% to 20% of aggregate growth in output per worker.

It is hard to imagine a scenario where benefiting from 100% of the talent pool would not be the best strategy. And yet still, across the world, we fall short. Stereotypes, biases and other stubborn mind bugs do not allow us to use the resources at our disposal optimally.

Our hope needs help. All of us, but especially those tasked with identifying talent, need help to make our often self-limiting mindsets get things right. We now have the tools available to blind

ourselves to the demographic characteristics of job applicants, for example.

Startups such as Applied in the UK and GapJumpers and Unitive in the US have developed software that not only allows hiring managers to disregard irrelevant

information but also offers a more structured approach to evaluation.

Our research shows, for example, that forcing our minds to make explicit comparisons between candidates, ideally, question by question, helps us focus on individual ability rather than the characteristics of the group a person belongs to.

The tools also typically replace the much-loved – but close-to-useless – unstructured interviews with work sample tests better able to predict future performance.

These tools do not just level the playing field but help us make better decisions in basically every respect.

There are dozens of studies showing that placing our hope in unstructured interviews definitely is not a winning strategy.

In one study, based on the finding that there was no correlation between unstructured interview scores and future performance, the researchers concluded that interviews should be replaced by a lottery.

Thankfully, companies can do better than that. Data analytics now allow us to develop unbiased algorithms, such as provided by



Pymetrics, much better able to assess whether someone is a good fit for our organisation. Indeed, it is with fit where bias often creeps in and hiring managers quite literally report that they are looking for someone like themselves, someone who ideally shares the same hobbies and who roots for the same sports team.

New technological tools such as Edge, developed in Switzerland, enable companies to diagnose what is broken.

They can get the help of Paradigm, a California start-up, to analyse the problem, and then work with one of the earlier mentioned companies to fix it.

While I serve as a scientific adviser for some of these startups (and thus, might well be a bit biased), I am genuinely excited they have taken the research evidence and turned it into tools that move the dial from hope to help.

Iris Bohnet is the author of **What Works: Gender Equality by Design** (Harvard University Press, 2016). The behavioural economist is a professor at Harvard Kennedy School and the director of its Women and Public Policy Program

