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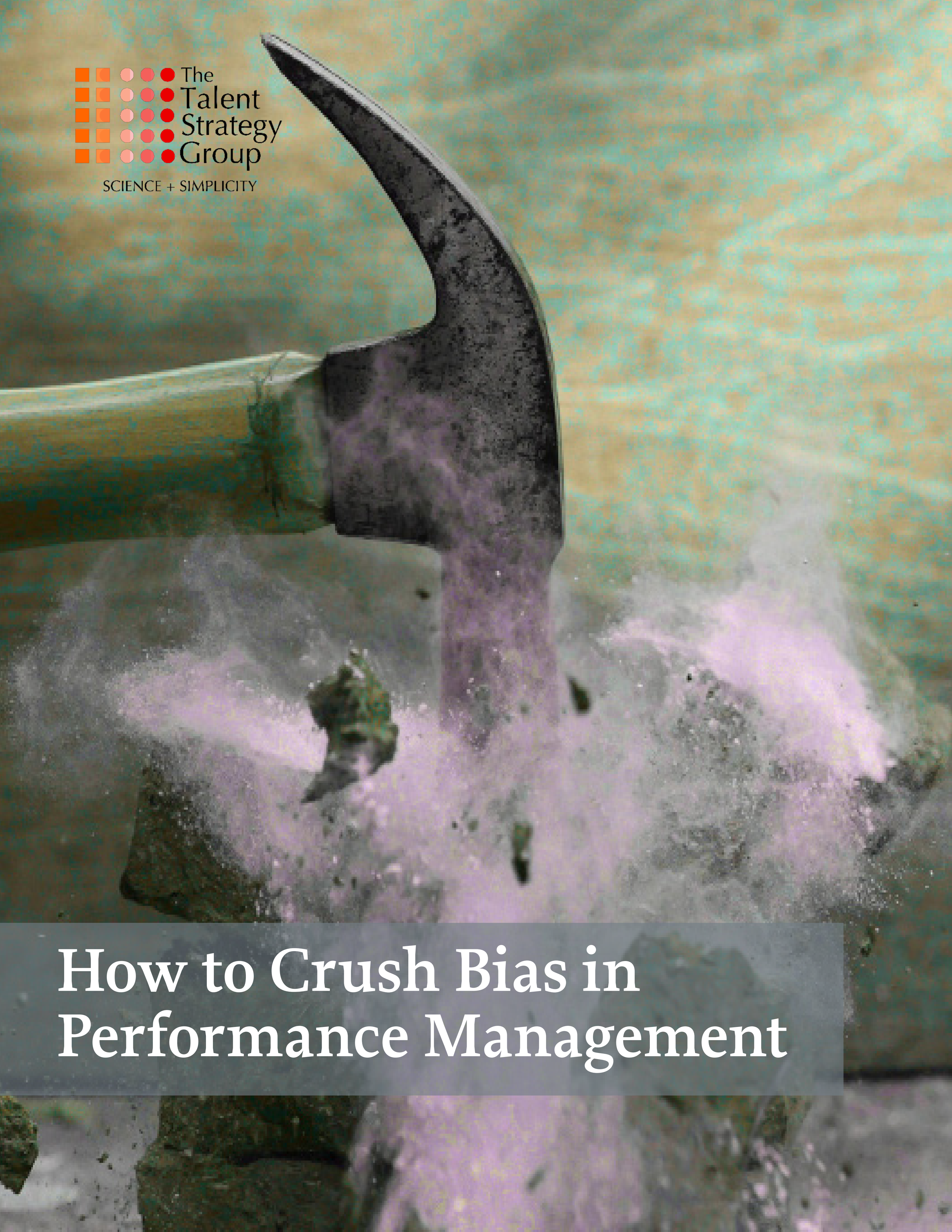

How to Crush Bias in Performance Management

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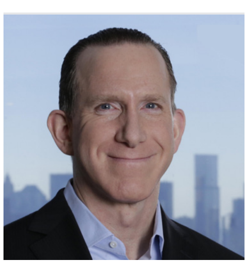

by Marc Effron,
Talent Strategy Group

It's unfortunately still fashionable to sell companies bias training to help their leaders reduce bias in performance management. While the intentions of these efforts are admirable, the research is clear that anti-bias training rarely has a lasting effect.

Science shows that it doesn't provoke a long-term change in racial bias and in other cases it creates a backlash against the very people it was designed to support.[1,2]

The cause of that failure is obvious. As professors Frank Dobbin and Alexandra Kalev wrote in their landmark *Harvard Business Review* article, "Why Diversity Programs Fail": "It turns out that while people are easily taught to respond correctly to a questionnaire about bias, they soon forget the right answers."[3]

It's incredibly difficult to change the deeply-held beliefs and practiced behaviors of adults. There is a strong, natural resistance to admitting bias and it requires prolonged, sustained effort to change biases even with individuals who are highly committed to change them.

Most people don't want to be biased but it's unlikely that they'll recognize and stop showing their biases because of a training course.

Behavioral economics can help us

Most Americans know that it's important to save for their retirement, but only 57% of eligible employees contribute to a tax-free 401(k) savings plan in the United States.

Similarly, nearly every smoker is aware that smoking tobacco is dangerous yet quit rates remain low despite easily available smoking cessation programs and drugs.

The wrong choice in each of those areas will leave you poorer and sicker, but that's not enough motivation to convince many individuals to change their behaviors.

In those same situations, people's behaviors changed when a process steered them toward the right choice.

Where there was a system to automatically enroll employees to contribute to a 401(k) plan, 92% remained as contributors.[4] When a process forced people into a smoking cessation program, 80% quit smoking or radically reduced their consumption.

People still had free choice in both of those situations but a structured process helped strongly guide participants to the right choice.

Use Process to Realize Good Intentions

A great process is superior to good intentions and we should use that fact as we try to reduce bias in performance management.

These process-based techniques work because:

- Diverse groups make superior decisions to homogeneous groups or single individuals. The more we subject individual decision to group evaluation, the more we reduce bias.
- Analytics can give us nearly real-time data to search for and identify bias across the performance management process so we can correct it.
- Consistent processes ensure a clear standard for managers and employees so it is easy for us to measure quality and completion.

Here's how you can reduce bias at each stage of the performance management cycle.

Reduce Bias In Goal Setting

Poorly set goals sow the seeds for bias throughout the performance management cycle. Goals of uneven quality or with vague

metrics make it more challenging to coach for, and fairly evaluate, performance.

You can reduce bias in the goal-setting process through:

Goal calibration: A goal calibration process checks to see whether goals within a function or group are set at a relatively consistent level of challenge. This reduces bias by ensuring that no team member has goals that are meaningfully more or less challenging than others.

In a goal calibration session, each team member reads each of their goals (no PowerPoint decks or other needless complexly).

The other team members listen to those goals to identify any collaboration that's possible or overlap that needs to be corrected.

Everyone, especially the group's manager, listens to hear if the goals are all at a relatively similar level of challenge and if they can all be clearly measured. Too many qualitative metrics allows space for rating bias to creep in later.

A team member's goals are adjusted by the manager if the challenge is too much or too little or if the metric is too vague.

2-Level-up review: A fast, simple and powerful way to reduce bias in goal setting is a goal review by the manager two levels above the person who sets the goal.

In this process, the 2-level up manager gets a list of every goal set by their direct reports' team members. The employee's name isn't listed with their goals.

If your managers are setting goals properly (3-4 per person), this list will contain 100 – 150 goals. That may seem like an arduous task but the process is amazingly fast.

Since the 2-level up manager understands their objectives for their group, they can quickly read each goal and flag any item that either isn't aligned to their objectives, doesn't seem sufficiently stretchy or has a vague metric.

They mark goals that need correction, send their comments back to their direct reports and ask for the flagged goals to be improved.

Reduce Bias in Coaching

It may seem challenging to believe that bias can occur in the performance coaching process. But the research says, among other things, that women receive less feedback and less specific feedback than men do during performance coaching.

In fact, men are 10x more likely than women to receive daily feedback.[5]

There are two process controls that can help to identify and reduce bias in the coaching process.

A simple, structured, consistent coaching process across the organization: Bias can creep in when there's variance in how man-

Bias-reducing power comes from measuring the quality of the coaching conversation

agers execute a process. Since most organizations have no structured process for on-going coaching and feedback conversations, there's significant variance in the quality and content of those conversations.

You can help your mangers reduce bias in feedback and coaching by consistently implementing the 2+2 Coaching approach. The 2+2 Coaching process radically simplifies and standardizes feedback by having every manager structure every feedback conversation in an identical way.

In a 2+2 conversation, managers make their two most important observations about the employee's progress towards their goals and two "feedforward"[6] comments about how that person can improve their performance in the future.

That standard 2+2 process will help reduce the bias that can creep in when managers follow their own coaching script. However, the anti-bias power comes from measuring the quality of that conversation using the One Question Survey.

The One-Question Survey with bias review: Each employee should receive a One Question Survey (you can use your HRIS system, web-based survey tools, etc.) that asks: Have you had a quality coaching conversation with your manager in the last 90 days? The answer choices are "Yes" and "No."

The one-question survey will be sent once a year and results confidentially tracked by employee. They'll be reported in aggregate to the manager's manager.

You can help to identify and correct bias by evaluating the responses by gender and race (and other categories if valuable) to see if patterns emerge either by individual manager, group or department or company-wide.

Flip the script: Another tip to crush bias in coaching is to regularly "flip the script" before a coaching conversation. A manager should ask themselves: If Barbara was Bob, would I use a different style or choose different words to convey the same message?

The conversations don't need to be identical, but there should be logical, bias-free reasons for any differences.

Reduce Bias in Ratings

The most effective way to reduce bias in the rating and review process is to execute well on the first two steps. If clear goals and metrics have been set and calibrated, and 2+2 coaching has occurred and its effectiveness assessed, more employees can be reviewed against reasonably objective standards.

Those steps are wonderful precursors to less biased reviews, but there are still ways to control bias in the review process itself.

Eliminate mandatory self-reviews: If self-reviews are considered by managers when they rate employees, there are tremendous opportunities for multiple types of bias to influence the assessment.

Employees who write eloquently may create

> Mandatory self-reviews can force bias into performance reviews. Confident men are far more likley to self-promote than others.

a more compelling case for a higher rating. Employees whose first-language is English may use diction or word choices that appeal more to a native English-speaking manager.

Less honest employees may try to shade the truth about metrics, contributions or accomplishments. Employees who write more or less than a manager wants to read may be considered to be trying too hard or not trying hard enough.

The performance review is a manager's opportunity to assess how an employee performed against their goals and behaviors. Don't let an employee's persuasive abilities inject bias into that decision.

We describe these challenges in even greater depth in our article "5 Reasons to Eliminate the Self-Review."

Use rating calibration session with diversity statistics: Many organizations already apply this technique but there's an opportunity to enhance its effectiveness.

In a ratings calibration session, managers in a functional group or geography meet to review the performance ratings and/or performance bonuses they each plan to give to their team members.

In a round-table discussion, anyone receiving the highest rating or lowest rating has to be discussed and approved by the entire group. Next, the group reviews statistics showing the distribution of ratings and bonus recommendations by key groups.

Those groups would include the typical categories of race and gender, but could also be presented by native-English (or home-country language) speaker, short vs. long-tenure, potential rating and other cuts that could tease out bias that might not otherwise be evident.

A common bias that occurs in performance reviews is what we call "hierarchy bias." This bias shows up when the average performance rating increases as one moves up levels at a company.

After reviewing the data, the group would decide what changes to make to their rating and bonus recommendations.

The recommendations above assume that you have performance ratings. We believe that ratings are essential to manage performance and even more so to crush bias.

Rely on Process, Not Hope

We're confident that 99.9% of leaders want their people decisions to be bias free. The current trend to train managers on bias does no harm but science suggests that the good intentions it creates rarely translate into changed behaviors.

If your company is serious about reducing bias in the performance management cycle, you need to rely on the powerful processes at your disposal– goal setting, coaching and reviews – to crush bias faster.

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