Overcoming Unconscious Bias

Holly English, Esq.

Moderated by Jennifer Haid, FSA, CFA

October 26, 2020
SOCIETY OF ACTUARIES
Antitrust Compliance Guidelines

Active participation in the Society of Actuaries is an important aspect of membership. While the positive contributions of professional societies and associations are well-recognized and encouraged, association activities are vulnerable to close antitrust scrutiny. By their very nature, associations bring together industry competitors and other market participants.

The United States antitrust laws aim to protect consumers by preserving the free economy and prohibiting anti-competitive business practices; they promote competition. There are both state and federal antitrust laws, although state antitrust laws closely follow federal law. The Sherman Act, is the primary U.S. antitrust law pertaining to association activities. The Sherman Act prohibits every contract, combination or conspiracy that places an unreasonable restraint on trade. There are, however, some activities that are illegal under all circumstances, such as price fixing, market allocation and collusive bidding.

There is no safe harbor under the antitrust law for professional association activities. Therefore, association meeting participants should refrain from discussing any activity that could potentially be construed as having an anti-competitive effect. Discussions relating to product or service pricing, market allocations, membership restrictions, product standardization or other conditions on trade could arguably be perceived as a restraint on trade and may expose the SOA and its members to antitrust enforcement procedures.

While participating in all SOA in person meetings, webinars, teleconferences or side discussions, you should avoid discussing competitively sensitive information with competitors and follow these guidelines:

- **Do not** discuss prices for services or products or anything else that might affect prices
- **Do not** discuss what you or other entities plan to do in a particular geographic or product markets or with particular customers.
- **Do not** speak on behalf of the SOA or any of its committees unless specifically authorized to do so.
- **Do** leave a meeting where any anticompetitive pricing or market allocation discussion occurs.
- **Do** alert SOA staff and/or legal counsel to any concerning discussions
- **Do** consult with legal counsel before raising any matter or making a statement that may involve competitively sensitive information.

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The SOA/CAS Joint Committee for Inclusion, Equity and Diversity (JCIED)

The CAS/SOA JCIED works to promote:

❖ Our profession as the STEM career of choice for candidates of all perspectives, experiences and backgrounds

❖ A strong sense of belonging such that our members fully contribute to advance the profession

❖ Equitable opportunity for education, research and leadership for our stakeholders
JCIED Working Groups

➢ Career Encouragement:
  ➢ Addressing barriers to entry for underrepresented candidates
    ➢ Awareness of the Profession
    ➢ Financial Barriers
    ➢ Building Networks
  ➢ BeAnActuary.org

➢ Professional Development
  ➢ Educating members at conferences and webinars
    ➢ Acting in Allyship
    ➢ Combatting Bias in Hiring
    ➢ Inclusive Teams
  ➢ Networking receptions

➢ Leadership Development
  ➢ Addressing barriers to career advancement
  ➢ Building a diverse leadership pipeline
  ➢ Creating opportunities for skills development
THE IMPORTANCE OF CIVILITY, RESPECT, AND UNDERSTANDING OF UNCONSCIOUS BIAS

Society of Actuaries
October 26, 2020
Presented by: Holly English, Esq.
WHAT ARE TODAY’S GOALS?

To help you better understand:

› The role of inclusive leaders
› The importance of civility and respect from the top down
› Emotionally intelligent leadership and communication style
› Hurdles to building trust: unconscious bias
› Overcoming unconscious bias
Successful companies and leaders take proactive steps to create a workplace which fosters an inclusive and upstander culture.
A **strong culture** that encourages and rewards appropriate behavior is the best approach, with a focus on:

- Strong core values
- Commitment from the top
- Emphasis on civility and respect in the workplace and not merely in compliance with law/policy
STRONG CORE VALUES

Foundation for welcoming/inclusive workplace

Leave no room for behaviors that are contrary to company’s values, e.g., systemic harassment
Provide management and employees with leadership tools consistent with a healthy culture:

- Interpersonal skills
- Conflict resolution
- Effective supervisory techniques
- Communication strategies

All of this equates to a high level of “Emotional Intelligence”
BENEFITS FROM EMPHASIS ON CIVILITY AND RESPECT

- Improved morale
- Increased productivity and job satisfaction
- Decreased turnover
- Reduced stress, improved employee health
- Better, more sophisticated decision-making
EXAMPLES OF DISRESPECTFUL BEHAVIOR

- Reply All
- Yelling in an email or text
- Yelling at a Colleague
- Yelling at a meeting
- Teasing
- Name Calling
- Intimidating Posture
- Derogatory Employee Reviews
- Sabotage/Under-mining
“Emotional intelligence is a way of recognizing, understanding, and choosing how we think, feel, and act. It shapes our interactions with others and our understanding of ourselves. … Research suggests it is responsible for as much as 80 percent of the ‘success’ in our lives.”

-J. Freedman
Research shows that those leaders strongest in emotional intelligence are more likely to succeed than those with the highest IQ and/or relevant prior experience.

85% of our financial success is due to skills in “human engineering” (i.e., personality and ability to communicate). Only 15% is due to technical ability.
MOST CRITICAL ASPECTS OF EMOTIONALLY INTELLIGENT LEADERSHIP

1. Personal and Social Competence

2. Building Trust Through Effective Communication

3. Developing Your Authentic Leadership Style
PERSONAL AND SOCIAL COMPETENCE

Personal Competence = Self-Awareness + Self-Management

Self-Awareness:
• Ability to evaluate your own state and emotional competencies

Self-Management:
• Ability to regulate your emotional state (the “Pause”; shifting your state)
Social Competence = Social Awareness + Relationship Management

Social Awareness:
- Ability to evaluate the emotional state of others

Relationship Management:
- Ability to navigate interactions with others (and emotions)
- Focus on the desired outcome (What is the “Intention?”)
BUILDING TRUST THROUGH EFFECTIVE COMMUNICATION

Establishing trust is the foundation for all relationships.

We build trust and meaningful relationships by…
› Showing that we care **personally and professionally**
› Using **open, honest** dialogue
› Giving direct feedback **regularly**
› Being vulnerable; **admitting mistakes**
› Expressing genuine **appreciation and gratitude**
**AUTHENTIC LEADERSHIP**

Authentic leadership is a leadership style that is consistent with a leader’s personality and core values, and that is honest, ethical and aligned.

**Authentic Leaders…**

- Assess and are aware of their own **strengths** and **weaknesses**
- Are dedicated to continued **personal growth** and **self-discipline**
- Make personal changes that enable them to **evolve** as a **leader** and as a **communicator**.

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## The Challenge of Authentic Leadership

<table>
<thead>
<tr>
<th>Competence</th>
<th>Connection</th>
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<tbody>
<tr>
<td>Business Aptitude</td>
<td>Trustworthy</td>
</tr>
<tr>
<td>Analytical Skills</td>
<td>Caring</td>
</tr>
<tr>
<td>Clarity/Focus</td>
<td>Respectful</td>
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<tr>
<td>Efficient</td>
<td>Empathic</td>
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<tr>
<td>Attention to Detail</td>
<td>Fair and Equitable</td>
</tr>
<tr>
<td>Strategic Thinking</td>
<td>Interested in Others</td>
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Authentic, inspirational and effective leaders excel at **both** competence and connection.
HURDLES TO BUILDING TRUST: UNCONSCIOUS BIAS

› Assumptions about social identities (race, sex, age, sexual orientation, religion, disability, etc.) that – without our awareness or conscious control – shape our likes and dislikes and our judgments about ability, potential and character.

› Exists because of our socialization, experiences and repeated exposure to images/ideas.

› We all have unconscious bias.

› Sometimes unconscious biases ≠ stated values/beliefs.
Multiple ways to see an object (or situation), but we default to only one.

Cognitive “illusions” rely on our stored knowledge.

Different people see different things.
What is the first thing you see?

• Two faces
• Vase
• Trophy
• Cross
• Urn
• Birdbath
• Other
GLISSER POLL QUESTION 2

What is the first thing you see?

• Old Woman
• Young Woman
• Both
EXERCISE OF THE UNCONSCIOUS
DIFFERENT PERSPECTIVES
EXERCISE OF THE UNCONSCIOUS

THE BOTTOM LINE

› Everything we see, hear and interpret is personal: different realities for different people.
› We don’t always see what others see.
› We may be able to reverse or lessen some of these perceptions at will.
Take a moment and close your eyes.

In your mind, picture a police officer.

What does that person look like?
GLISSE POLL QUESTION 3

Is the police officer...

• Male or
• Female
Take a moment and close your eyes again.

Think: Surgeon
Think: Nurse

What do those people look like?
GLISSER POLL QUESTION 4

Is the surgeon...

- Male or
- Female

GLISSER POLL QUESTION 5

Is the nurse...

- Male or
- Female
AUTOMATIC ASSOCIATIONS

EXAMPLES

› “SURGEON” or “CEO” ➔ MALE

› “NURSE” or “ADMINISTRATIVE ASSISTANT” ➔ FEMALE

Our associations influence our behavior: Extend beyond images in our head to beliefs about potential and performance.
AUTOMATIC ASSOCIATIONS HAVE CONSEQUENCES

Consider This Study
Male vs. female job applicants.
AUTOMATIC ASSOCIATIONS
HAVE CONSEQUENCES

<table>
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<tr>
<th></th>
<th>Competence</th>
<th>Hireability</th>
<th>Mentoring</th>
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<tbody>
<tr>
<td>Male</td>
<td>4.0</td>
<td>3.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Female</td>
<td>3.5</td>
<td>3.0</td>
<td>4.5</td>
</tr>
</tbody>
</table>

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How much greater was the salary offered to males than females?

- $1,500
- $2,000
- $3,500
- $5,000
The scientists also offered lower starting salaries to the “female” applicants ($26,507.94 compared to $30,238.10).
AUTOMATIC ASSOCIATIONS HAVE CONSEQUENCES

› **Applicants:** Brendan, Greg, Emily, & Anne
› **Applicants:** Tamika, Aisha, Rasheed, & Tyrone

GLISSER POLL QUESTION 7

By what percentage did the people in the first group get greater callbacks?

• 10%
• 25%
• 50%
• 75%
AUTOMATIC ASSOCIATIONS HAVE CONSEQUENCES

› Applicants: Brendan, Greg, Emily, & Anne

› Applicants: Tamika, Aisha, Rasheed, & Tyrone
AUTOMATIC ASSOCIATIONS HAVE CONSEQUENCES

CONSIDER THIS STUDY

Performers in a music hall: Are they more talented than street performers?
AUTOMATIC ASSOCIATIONS HAVE CONSEQUENCES

GLISSER POLL QUESTION 8

Are you surprised by this story?

• Yes
• No
Why not?

- Street musicians are no good
- Street musicians are homeless or unemployed
- Many people don’t like classical music
- It’s rush hour and people are busy
Nobel-Prize winning psychologist Daniel Kahneman describes shortcomings of human decision-making.

Many decisions rely on automatic reactions rather than deliberative thought.

He calls these automatic, knee-jerk reactions “System 1 Thinking.”
**TWO SYSTEMS DRIVE THE WAY WE THINK**

**System 1:**
- Automatic
- Intuitive
- Instinctive
- Primary
- Rapid
- Blind
- “WYSIATI”

**System 2:**
- Considered
- Effortful
- Focused
- Secondary
- Slower
- Lazy
A CONFLICT BETWEEN THE TWO SYSTEMS

red blue orange purple
orange blue green red
blue purple green red
orange blue red green
purple orange red blue
green red blue purple
A CONFLICT BETWEEN THE TWO SYSTEMS

GLISSER POLL QUESTION 10

On a scale of 1 – 5, 1 being easy and 5 being hard, I would rate this exercise:

• 1/5
• 2/5
• 3/5
• 4/5
• 5/5
HOW DOES UNCONSCIOUS BIAS MANIFEST AT WORK?

In all aspects of the employment relationship.

› Resume screening
› Interviews
› Offer terms
› On-boarding
› Assignment process
› Mentoring programs
› Performance evaluations
› Identifying high flyers

› Performance improvement plans
› Employee interactions (hostile work environments)
› Employee satisfaction (retention)
› Promotion
› Termination
HOW DOES UNCONSCIOUS BIAS MANIFEST AT WORK?

AFFINITY BIAS EXAMPLE:
An interviewing manager selects a candidate based on a “connection” such as shared backgrounds.
ANOTHER TYPE OF UNCONSCIOUS BIAS: CONFIRMATION BIAS

Confirmation bias is a tendency to selectively seek, interpret, and weight information in ways that support our pre-existing beliefs.
CONFIRMATION BIAS EFFECTS

- Confirmation Bias can effect our perceptions of candidate/employee performance and/or potential.
- Our view may have been formed from:
  - a single encounter (positive or negative)
  - second-hand information (e.g., rumor)
  - stereotypes that we hold.
WAYS TO OVERCOME UNCONSCIOUS BIAS

Organizational Structure

Use Microaffirmations

Individual Analysis and Actions
1. Be Aware of Subtle Messages
USING MICROAFFIRMATIONS TO OVERCOME UNCONSCIOUS BIAS

DEFINITION OF MICROAFFIRMATIONS

Small, everyday gestures that foster positive feelings of comfort, support and inclusion which help others feel successful and valued.
EXAMPLES OF MICROAFFIRMATIONS

- Attentively listening
- Actively seeking input
- Giving credit to others
- Encourage fair treatment and respect

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2. Individual Analysis and Actions
Hiring:

› “Do I typically hire the same type of person?”
› “When I say a candidate is not the right fit, what do I mean?”
› “What does my slate of candidates look like? Do I speak up if it is not sufficiently diverse?”
› “Which of my past hires were successful and what can I learn from the choices that didn’t work out?”
QUESTION YOURSELF

Managing:

› “Who do I like to assign work and to lead project teams? Do I have the same go-to people all or most of the time?”
› “Who do I take to important client or cross-team meetings?”
› “Do I hold back on assigning work to employees from underrepresented groups until others vouch for their abilities?”
› “To whom do I give second chances and the benefit of the doubt?”
Question Yourself

Personal:

› “How did/do I benefit from affinity bias in my own career? Did someone in my affinity group give me a key opportunity that contributed to my success?”

› “With whom am I more inclined to spend discretionary time, go to lunch, participate in activities outside of work?”
3. **Retrain Your Brain**
RETRAIN YOUR BRAIN

Overriding stereotypes takes a conscious act of will, whereas the activation of stereotypes does not, because they are often embedded in our unconscious mind.
Awareness is necessary, but not sufficient, by itself, to interrupt unconscious bias.

Behavior changes are also essential. Like correcting a bad habit, you can retrain how you approach and respond to your biases.

Research shows that, people who seek to be fair and unbiased are more likely to be successful in interrupting their biases.
ACTIONS TO RETRAIN YOUR BRAIN

1. Become self-observant

› Pay attention to your thinking, assumptions, and behaviors and then acknowledge, analyze, and alter your response to break the underlying associations.

› Take notice every time you jump to conclusions about a person with a different social identity.
2. Actively doubt your objectivity

Review your decisions and search for evidence of bias:
› Audit your decisions to ensure no disparate impact.
› Pause before you make a final decision to question your assumptions and first impressions.
› Ask others for feedback.
› Justify your decision by identifying the reasons.
3. **Look for counter stereotypes**

- Research has shown that simply viewing stereotype-busting images and articles helps reduce implicit bias.
- Pay more attention to individuals in counter-stereotypic roles (e.g., male nurses, female airline pilots, athletes with disabilities, and stay-at-home dads).
ACTIONS TO RETRAIN YOUR BRAIN

4. Remind yourself that you have unconscious bias

 › Research shows that people who think they are unbiased are actually more biased than those who acknowledge they have biases.
5. Engage in cross-difference relationships

› Cultivate work relationships that involve people with different social identities.

› Mentor junior colleagues who are different from you (gender, race, age, religion, parental status, etc.), and listen to their perspectives.
6. Find commonalities

› Look for and find commonalities with colleagues who have different social identities from yourself.

› When you deliberately seek out areas of commonality with others, you will behave differently toward them and exhibit less implicit bias.
7. Give up being color/gender/age blind

› Don’t buy into the popular notion that you should be blind to differences; it is impossible. Your unconscious mind sees and reacts to visible differences, even if you consciously believe you don’t.

› The better course is to acknowledge these differences and work to ensure they aren’t impairing your decision making.
THE FINAL WORD

› Advocate for a civil and respectful culture, where leaders understand the importance of emotionally intelligent leadership and an inclusive culture.

› Be aware of our biases, identify them as they arise and interrupt them, versus unknowingly being driven by them, and coach our teams of employees to do the same.
QUESTION & ANSWER

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