

Tiffany Jana - Ashley Diaz Mejias

Foreword by JAY COEN GILBERT, cofounder of B Lab and the B Corp Movement

ERASING INSTITUTIONAL BIAS



**How to Create
Systemic Change for
Organizational Inclusion**

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How to Create Systemic Change
for Organizational Inclusion

Tiffany Jana
and
Ashley Diaz Mejias



Berrett-Koehler Publishers, Inc.
a BK Business book

Erasing Institutional Bias

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Berrett-Koehler Publishers, Inc.

1333 Broadway, Suite 1000

Oakland, CA 94612-1921

Tel: (510) 817-2277, Fax: (510) 817-2278

BK® www.bkconnection.com

Ordering information for print editions

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Individual sales. Berrett-Koehler publications are available through most bookstores. They can also be ordered directly from Berrett-Koehler: Tel: (800) 929-2929; Fax: (802) 864-7626; www.bkconnection.com

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Distributed to the U.S. trade and internationally by Penguin Random House Publisher Services.

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First Edition

Paperback print edition ISBN 978-1-5230-9757-9

PDF e-book ISBN 978-1-5230-9758-6

IDPF e-book ISBN 978-1-5230-9759-3

Digital audio ISBN 978-1-5230-9761-6

2018-1

Interior design and production: Dovetail Publishing Services

Cover designer: Dan Tesser / Studio Carnelian

Dedications

Tiffany Jana

To my eldest daughter, Naomi Vickers, an inspiration to all around her.

Ashley Diaz Mejias

For my daughters Belen, Maisy, and Yves.

With a soul-dwelling awe at the light that lives in each of you.

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Foreword

by Jay Coen Gilbert, cofounder, B Lab,
serving the B Corporation movement

Only 43 percent of B Lab’s staff who are people of color feel they can bring their whole selves to work, compared to 96 percent of their white coworkers.

The words hit me like a punch to the gut. As a person who cares deeply about equity, I have spent considerable time and resources and dedicated my professional and civic life for the last decade to building a more equitable society and a more inclusive economy, so reading this statistic from a recent staff survey devastated me.

It also shouldn’t have surprised me.

B Lab, the organization I cofounded in 2006, is the nonprofit behind the global B Corporation movement. B Corporations redefine success in business—they compete to be best *for* the world and meet the most rigorous standards of social and environmental performance, public transparency, and legal accountability to balance profit and purpose. There are roughly 2,500 Certified B Corporations in more than 150 industries and 50 countries all dedicated to a single unifying goal—using the power of business to create an inclusive economy that works for everyone. B Corps have been called one of the “20 Moments That Mattered” over the last 20 years by *Fast Company*, and one of the “Business Trends to Master” by *Fortune*. B Corps have been lauded by a Nobel Prize–winning economist, a former US president, former US secretaries of labor and state, and dozens of governors across the political spectrum who are inspired by B Corporations’ new model of inclusive corporate governance that ensures

consideration of all stakeholders—not just shareholders—when making decisions. B Lab has been honored as a recipient of the Skoll Award for Social Entrepreneurship and of the McNulty Prize at the Aspen Institute. And yet, only 43 percent of B Lab’s staff who are people of color feel they can bring their whole selves to work, compared to 96 percent of their white coworkers.

Houston, we have a problem.

B Lab, an organization of roughly 65 people, is 68 percent white—whiter than the US population, which according to the 2016 estimates by the US Census Bureau is 61 percent white, non-Hispanic white. That wasn’t what surprised me. What surprised me was that the staff survey suggested that our culture was more like 98 percent white. More specifically, white middle-to-upper-class culture. I learned that there were things I never noticed that were negatively impacting our team’s experience at work. For example, our primary office location is in a largely white affluent suburb and that has created an unwelcoming environment for some team members. Other issues seemed to be about class and culture as well as the interconnected issue of race: our expense reimbursement policy assumes our colleagues have credit cards (we don’t offer corporate cards) and is ignorant to the fact that some who do might be put in a tough spot if we reimbursed them after they needed to pay their monthly bill (more burdensome because research that suggests credit terms are often worse for people of color than for whites); personal shares at our weekly staff meeting, intended to build connection and community, often featured photos from a team member’s amazing travel experience or beautiful wedding, which for some had a “must be nice for you” dissonant ring; general office chatter—whether in the kitchen, on Slack, or during GoToMeetings—reflected the life experiences, interests, and digital feeds of our team, and since that team was largely white and privileged, or then just being around the office was a daily reminder

of “otherness” and an obstacle for some to bring their whole selves to work every day. Compounding these issues, B Lab had almost no people of color in leadership, creating a lack of role models for career development and compounding a sense of isolation. Perhaps that is why people of color at B Lab were more likely to experience social interactions at work as “poor or fair” vs. “good or great.”

One of the things we learn in Dr. Jana’s and Diaz Mejias’ book *Erasing Institutional Bias* is to be data-driven. The quantitative and qualitative results of our staff survey were a cold-shower reminder for me to look at the data and not to trust blindly in my own personal experience, which may be quite different from the experience of others, including others whom I care about and think I know well. Despite the pain I felt learning this information, I would have been far more devastated had I and our management team remained oblivious any longer. Data—and the deeper understanding it can offer—creates opportunities. This data gave us the information we needed to begin to improve the experiences, and hopefully the success and longevity, of people of color at B Lab. While we have a long way to go, changes to these policies, to our everyday business practices, and to our leadership team are underway. These changes will make us a stronger team that makes better decisions and builds a stronger, more inclusive global movement of people using business as a force for good.

In this book, Dr. Jana and Diaz Mejias take us through the many and intersecting types of bias, including occupational, gender, racial, hiring/advancement, customer, and retribution, showing us the nuances of these biases and ways they play out in our lives and in our workplaces. I can say from the vantage point of B Lab and the B Corp community that even with the best of intentions, each of these biases can manifest in a very real and present way. One that has felt most pressing for B Lab, and for me personally, has been bias in hiring and advancement.

If a non-inclusive culture and bias is more likely to persist in a homogeneous culture, then a necessary step in building an inclusive culture and eradicating institutional bias ought to be building a more heterogeneous culture. That means diversifying the team—at all levels—to ensure more heterogeneous perspectives and experiences can show up in the everyday interactions that create culture, and can add value to solving problems and seizing opportunities that create great organizations.

In my experience, that is often easier said than done.

We all tend to have networks that resemble ourselves. For example, according to research by Public Religion Research Institute (PRRI), 75 percent of white people do not have a significant relationship with a person or family of color. Another example, holding Boys Night Out and Girls Night Out events are fun and can be important safe spaces, but they can reinforce monogender personal networks. From my experience, building heterogeneous teams and cultures requires intention and commitment.

For those who lack intention or commitment, and for whom erasing bias isn't self-sufficient motivation, there is plenty of research that makes a compelling business case for building diverse and inclusive teams and culture. As the report "The Competitive Advantage of Racial Equity" from the consulting firm FSG states, "Research shows that more diverse teams are better able to solve problems and that companies with more diverse workforces have higher revenues, more customers, and greater market shares." As someone who came to B Lab after 13 years building a basketball footwear and apparel company called AND1, I often default to sports metaphors. For those with a similar bent, from a purely competitive point of view, your team will beat my team if my team only uses half of its available players.

At B Lab, our biggest obstacle has not been intention or commitment, it has been time. Like many organizations, for-profit or

nonprofit, the team at B Lab is running hard all the time. People put in long days, often nights and some weekends, to advance what we feel is important work. For every team member, there is always way more to do in a day, a week, a month, than can be done. As my partner likes to say, we will always be “over-opportunited and under-resourced.”

In an environment like this, every person’s understandable reflex when filling open positions is to fill them fast. Help is on the way! Get someone talented and aligned on board ASAP. Faster if possible. As a result, we too often value a speedy hiring decision over a strategic hiring decision. That often means we have filled full time positions with interns—aka easily accessible, known quantities who have demonstrated they can do the work and are a good cultural fit. And they can start tomorrow. At one point, roughly one-third of all B Lab staff were former interns. As in many organizations, interns often come from our personal networks—the schools we attended, a neighbor or colleague’s child, or just local talent with the life experience that has taught them that the world is theirs if they work hard and self-advocate. For an organization like B Lab, with primary offices located in an affluent suburb of Philadelphia, cofounded by three white people, this means our interns have looked almost entirely like us. And, since we have often promoted from within, this desired internal upward mobility—great for career development—can have the unintended effect of elevating a homogeneous culture, especially when we backfill with interns who reflect the existing team, their implicit biases, and our collective prioritization of speed over strategy.

Dr. Jana and Diaz Mejias’ book asks us to reflect on how each of us individually may contribute to creating or perpetuating institutional bias in our organizations. As I reflected, I realized I have personally exacerbated the difficulties of building an inclusive and diverse team by—likely among other things—creating

and perpetuating a culture that prioritizes speed over strategy. Not only do I work fast and long hours, thus creating expectations of the same, but I am an idea-generating machine that sees opportunity everywhere and creates energy to turn safe-to-try ideas into dangerous-to-implement initiatives that overburden an already overstretched team. My pace, passion, ability to make connections and see opportunities, when coupled with a lack of adequate self-restraint, has too often pushed us to hire faster, not smarter, as people understandably grasp for the nearest life preserver to carry them through the next set of waves. This is at least one way I need to change my behavior to support the team in achieving our shared objective of building an inclusive, diverse, and best-in-class organization. Hiring outside of our existing personal and professional networks will require a sustained effort to identify partners, to explore areas of alignment, and to build trust. That will take time, and I need to change my behavior to create the space to make that possible.

A similar dynamic exists for building an inclusive, diverse B Corp community worthy of being called leaders.

A community of business leaders cofounded by three white guys tends to beget more white guys. When building a community of business leaders (and society has created a situation in which most business leaders are white men), then it's likely that without explicit intention, commitment, time, and money focused on building a heterogeneous community, we are destined to get what we got—a largely white male community.

There are other factors at work, too, that have made progress more difficult. Despite intention to diversify our community, many team members are limited in their knowledge of—let alone relationship with—other professional networks serving underrepresented communities. Some may also feel reticent to lean in to build relationships with these networks, feeling unequipped, or

even perhaps a little intimidated, to engage with, for example, communities of color about our work and how it may or may not resonate with their personal or business objectives.

As the staff survey illustrated, we have also been too slow to recognize the importance of inclusion in addition to the value of diversity. It is only recently, thanks to the thoughtfulness and advocacy of B Lab's Equity, Diversity, and Inclusion Committee, that we have spent time and resources creating more inclusive event design and more inclusive language and imagery in our marketing and communications. We have only just begun to think through the implications of the fact that women and entrepreneurs of color may have different needs and priorities that ought to shape the services and products we offer, and that drive their particular value proposition for deciding whether it is worth the time, effort, and money to join the B Corp community. For example: women- and people of color-led businesses have a much harder time raising capital; they have more limited social networks of privilege, power, and resources; they are burdened with society-imposed biases that further limit their opportunities, which could be exacerbated if they are also seen by the gatekeepers to powerful business and investor networks as leading "less serious do-good" businesses. All of these truths exist and make the reality of being a women- or person of color-led business different than being a white- or especially a white male-led business. With this understanding, we need to shape our offerings accordingly, and are beginning to do so.

Despite the many challenges, while the efforts of B Lab and the B Corp community to lead by example have been slow and flawed, they have been real.

We all have implicit bias and, as a result, so do our communities and our institutions. The B Corp community reflects the business community at large, and the business community reflects

society. Hundreds of years of inequity have created a society in which only 3 percent of US businesses with employees are owned by people of color and only 4 percent are owned by women. While 29 percent of US businesses are owned by people of color, and 37 percent are owned by women, approximately 90 percent of businesses owned by people of color and by women are solopreneurs with no employees. Six percent of US B Corps with employees are led by people of color and 23 percent by women. In a glass-half-full world, regarding people of color– and women-led businesses with employees, the B Corp community is two times (for people of color) and nearly six times (for women) as diverse as the US business community. In a glass-half-empty world, 6 percent and 23 percent are still unacceptably low, robbing our community and our society of the value that would be created for all of us by a more diverse community of leaders.

Institutional bias goes beyond the walls of any single institution. The further bias gets from individual human bias, the harder it can be to see if we don't know where or how to look. Take the implicit bias of the legal structure of the corporation itself. The legal principle of shareholder primacy states that corporations are obligated to maximize value for shareholders. This creates an economic system full of well-intentioned people who are legally obligated to make decisions that benefit only, or at least overwhelmingly, those with the financial capital to own shares. And who owns those shares is illuminating. Only about 10 percent of Americans own nearly 85 percent of the shares of all the companies traded in the stock market; nearly 50 percent of Americans do not own a single share of a single company. The path to ownership, and thus to influence, over corporate behavior is even more difficult for people of color. Given hundreds of years of slavery, racial terror, and discrimination, black Americans have very little financial capital

compared to their white fellow citizens (for example, black families have \$0.05 cents of wealth for every \$1.00 dollar of wealth owned by white families; that figure is \$0.06 cents for Latino families), giving them less opportunity to have a say in governing the behavior of corporations. B Corporations address this systemic institutional bias by voluntarily holding themselves to a higher standard of legal accountability which requires B Corps to consider the impact of their decisions on all of their stakeholders—their workers, their communities, the environment—and not just their shareholders.

B Corps not only institutionalize inclusive corporate governance, but also take action to increase their inclusive business practices. Today, hundreds of B Corps of all sizes in dozens of industries are participating in B Lab's Inclusive Economy Challenge, which invites companies to set and meet three goals in order to use their business as a means of advancing equity and inclusion. The list of potential goals goes well beyond human resources—focused diversity training to use the power of individual businesses to address systemic marginalization and lack of opportunity including issues such as living wage, gender pay equity, inclusive supply chains, and distributed ownership.

I believe more in karma than coincidence, so it was not surprising to me that I received Dr. Jana and Diaz Mejias' manuscript not long after our management team was presented with the data on the inclusiveness and diversity of our organization and our community. Thirsty for insights and resources, I began to devour the book, realizing quickly that this text laid the groundwork for me not only to understand how my perception of staff experience could deviate so far from reality, but also how I could move from feeling devastated to motivated. Dr. Jana and Diaz Mejias offer practical, actionable ideas that can transform problems into solutions.

One of the most powerful effects the book had on me was affirming the power in owning and naming the challenges we experience in turning our intentions into actions and our actions into results. This is especially true for white-led businesses and business communities from which we too often hear either a deafening silence on these issues or which have the mistaken perception that institutional bias is a problem for “others,” not “us,” a perception that prevents organizations and society from reaching their full potential. As Dr. Jana says, “we are all are part of the problem if we are participating in systems without questioning and leveraging our influence.” As I prepared myself to write this foreword, I felt an eerily familiar feeling, a mixture of excitement and anxiety. The feeling just before taking a big risk, in this case, turning a private belief into a public commitment and thereby creating accountability for leveraging the kind of transparency that creates vulnerability and the potential for transformation.

I met Dr. Jana in 2013 when she came to B Lab and then to our staff retreat to lead our team through our first inclusion, diversity, and equity training. Her company, TMI Consulting, which specializes in helping companies unlock innovation through inclusion, had become a Certified B Corporation the year before. From the frameworks she shared, the exercises she led us through, and the conversations she helped us have, I knew her work would dramatically change my business. Our team then invited Dr. Jana to share her insights and to deliver a challenge to the B Corp community as a keynote speaker of our first public B Inspired event in 2015. She delivered, and since then Dr. Jana has been a much sought out thought partner to B Lab and to many in our community working on these issues. Although we have a long way to go at B Lab and in the B Corp community to live up to our highest aspirations, we have made huge progress since starting our journey, in large part thanks to our invaluable partnership with Dr. Jana. I am grateful

that each of you and your organizations have the opportunity to be transformed by Dr. Jana's work. Dr. Jana and Diaz Mejias' book has tools to help us move beyond the more common, but less effective, frame of bias identification to instead sketch a clear, actionable roadmap to behavior and systems change. Once we understand bias and systemic oppression, what next? Dr. Jana and Diaz Mejias answer this crucial question for us.

At this moment in history, we cannot afford to continue ignoring the inequities disproportionately affecting marginalized, vulnerable, and historically underrepresented communities. We can, and must, work individually, organizationally, and collectively as part of a deliberate, coordinated movement to dismantle the systems built by bias and create a new normal—a purpose-driven inclusive economy that works for everyone.

Read this book. Let it inspire you to move from hopeful intention to skillful action.