

FIRST TRANSITIONS

NEWS & INSIGHTS

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DIVERSITY: A FORCE MULTIPLIER

Half the dynamic duo for achieving high performance

The dividend on diversity is high. According to a McKinsey & Company report titled "Diversity Matters," companies in the top quartile for gender or racial and ethnic diversity are more likely to beat their national industry median for financial returns. Companies in the bottom quartile for these diversity dimensions are less likely to see average-beating returns. Deloitte Australia Research shows inclusive teams outperform their peers by 80%. Yet, that McKinsey report states 97% of US companies have senior-leadership teams that fail to reflect the demographic composition of the country's population. Though valuable, diversity is difficult to achieve.

Poor Judgment

Our flawed perceptions of diversity are one reason it is an elusive goal. Imagine you are in a group with a male to female ratio of 2:1. Everyone in the group is wearing different colored shirts. How would you rate the gender diversity of the group? Research shows people in this situation are more likely to report their group is gender diverse. The "diversity" of the t-shirts throws off perceptions of diversity along other dimensions. A manager with people representing a variety of ethnicities and different races will report her team of mostly men as being more gender diverse than it really is. This is called the "spill-over bias." It keeps decision-makers from taking steps to improve diversity because they are biased to think their teams are already diverse enough.

Unconscious Bias

Spill-over bias is a form of "unconscious bias." Our minds make quick automatic judgments and assessments of people and situations. The responses are not within our direct control. They affect our behaviors, decisions, and even facial expressions. A manager who thinks he is objectively evaluating two job candidates is unaware he is favoring the person from the part of the country he grew up. We cannot fix what we cannot see. Though managers may want to develop diverse teams, they tend to hire people "like them." Unconscious bias leads to unintended homogeneity. The good news? There's an app for that! Technology is out there that reduces the effects of unconscious bias on hiring.



No Pain, No Gain

"In fact, the worst kind of group for an organization that wants to be innovative and creative is one in which everyone is alike and gets along too well" says Margaret A. Neale, Stanford Graduate School of Business Professor (Insights by Stanford article: "Diverse Backgrounds and Personalities Can Strengthen Groups"). Well managed intellectual debate, conflict, and controversy make teams innovative. Studies show socially similar groups have high satisfaction with team productivity but objective standards show they do not perform well. Introducing newcomers makes the team uncomfortable but they end up performing better. Too often, managers are putting a premium on stability and harmony to the detriment of results.

Change is time for Change

For organizations to reap the full reward of true diversity, here are a few key practices for managers. Continually evaluate the team mix, purposefully switch team roles, and introduce newcomers. Times of change such as reorganizations, staff reductions, hiring seasons, and project launches are perfect for evaluating and adjusting team dynamics to meet current and future demands.

For innovation to be achieved, inclusion efforts must be tied to team diversity. Leaders who manage the tension created by diversity thoughtfully foster creativity and problem-solving. Inclusivity happens when managers model and vigorously defend involvement, respect, connection, empowerment, and the high value of varied ideas.

For tools, training, and guidance on building or refreshing an inclusion and diversity strategy for your organization, contact a First Transitions office near you or visit our website: www.firsttransitions.com

FIRST TRANSITIONS FIRST STRATEGIES FIRST

Biased? Who, Me?

DEAR FRIENDS AND COLLEAGUES:

I am no Emily Post. But, even I know that talking politics at parties is line dancing on thin ice. Apparently, a friend of mine is more of a risk taker than I knew! This friend recounted a dicey political conversation at a social gathering. The other person, whose views lean heavily to one "wing" said of the father of one of his kid's friends, "He's a [insert party name here]! Ugh, he is just awful!" The person said he could not stand this father's views and shivered as if to shake off the memories like a horse flinches off flies. My friend noted the irony. A person so entrenched at one end of the political spectrum disgusted and appalled at another for being equally entrenched at the other end. What struck her though was that this person did not seem to get the irony. He could see the kid's father's bias but not his own.

My friend witnessed what is called a "bias blind spot." Most of us recognize we are biased to a certain degree. We are partial toward and against certain things, groups, or people. However, what we are not as good at recognizing is how biased we are in comparison to others. This is the blind spot. We tend to see ourselves as less biased than others. Biblically speaking, we see the speck in our brother's eye but not the plank in our own!

A study published in Management Science (Volume 61, Issue 10) titled, "Bias Blind Spot: Structure, Measurement, and Consequences," explains that the more we think we are less biased than others, the less we listen to other's advice. This close-mindedness to external advice negatively affects our judgment and decision-making. The lack of humility to accept our own vulnerability to bias also makes us less likely to learn how to overcome these biases impacting our decisions and judgments.

It is naïve and not good for the creative process for us to get to a point where we all get along. Healthy disagreement is just that – healthy. Discourse and the respectful raising and challenging of opposing views breed discovery and innovation. Deafly yelling our views at others like madmen wearing noise-cancelling headphones is tearing this nation apart. I implore all of us to take a hearty dose of humility each day and go into the world with an open mind. Be aware of the plank as you ask with empathy about the speck in your brother's eye. Think before you speak. Listen more. Author Shauna Niequist says, "Brave is listening instead of talking." Let's be brave and change the world – one conversation at a time.

Warmest Regards,



Russ Jones

If you do not think biases are affecting the quality of managerial decision-making in your organization, please contact us immediately! Call our office near you or visit our website, www.firsttransitions.com, don't let bias blind spots keep you from considering opportunities to improve leadership and organizational performance.

FOOD FOR THOUGHT

"In embracing the diversity of human beings, we will find a surer way to true happiness"

-Macolm Gladwell



Competition Can Remedy What Ails Health Care

“Chaotic, unreliable, inefficient, and crushingly expensive.” Not a glowing endorsement of our health care system. This list of lovely adjectives opens the December 2016 *Harvard Business Review* article, “Health Care Needs Real Competition.” Authors Leemore S. Dafny and Thomas H. Lee, MD note competition as central to the best options for improving health care. Dafny’s research shows provider consolidation raises prices with no impact on quality. Essentially merging two dysfunctional organizations only serves to create one organization with twice the problems and no solutions.

The article explains barriers to competition including no financial or market share reward to providers for delivering value and no punitive consequences for failing to do so. There’s little availability of good data on outcomes and costs. It’s hard to design value-based care without a way to measure value-based care. Lastly, many health care leaders lack the skills and know-how to transform their models, reinvent their organizational culture, and promote high-performing teams. But, take heart. Seems these barriers

are slowly eroding; making competition possible.

The authors explain a change-agent role for each stakeholder group. This is an interesting twist. Typically, providers and payers are the culprits held responsible for fixing the mess they created. Instead, this article points to the team effort required. Government regulators and commercial insurers are told they must protect and promote competition. Government payers are encouraged to lead with innovative payment mechanisms. Providers are challenged to seek innovation and growth not consolidation. They are encouraged to form alliances that improve patient value. Lastly, it is up to patients and employers to fight for care that is “coordinated, compassionate, safe, and technically excellent.”



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3 TIPS: RESISTING JEDI MIND TRICKS

Ok, so they’re not “Jedi” mind tricks. But they are just as powerful. Though they keep us from being paralyzed by data overload, our mind takes little shortcuts that have a mighty impact on how we make decisions or judgements. Here are three mind-tricks and ways to resist them:

- 1 **Confirmation bias:** The tendency to search for information that supports what we already believe and ignore information that goes against what we think. Imagine you believe the opposite of what you believe. Then, seek out evidence to support that argument. Allow yourself to find the merits.
- 2 **False-consensus effect:** The tendency to overestimate how much others agree with us. See people for who they are, not who we want them to be. Don’t assume. Ask people for input and opinions. Avoid making decisions based on questions such as, “What would I want in this situation?” or “What would I do?” Instead, consider what the other person might want based on preferences they have demonstrated in the past.
- 3 **Rhyme as reason effect:** Rhyming statements are perceived as more truthful. For example, “wealth makes health” seems more plausible than “financial success makes people healthier.” Just because it sounds nice, does not mean it’s true. Notice the rhyme. Re-phrase in your own non-rhyming words before gauging the validity of the information.

OUR SERVICES

FIRST TRANSITIONS

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FIRST STRATEGIES

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- Retention strategies
- Leadership development
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- Selection process design
- Onboarding program design
- e-Coaching
- Pre Retirement Education Programs

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Editor: Nicole DeFalco
Art Director: Tricia Keener Blaha

WHAT WE STAND FOR

Our day-to-day activities, our dealings with each other and our relationships with customers/clients must be governed by a passionate and unwavering commitment to a set of values, which are:

QUALITY: Take time to do things right the first time.

SERVICE: Render intelligent, timely and considerate service to all.

CONCERN FOR PEOPLE: Treat clients, program participants and employees with honesty, trust, fairness and respect.

COMMUNICATIONS: Communicate with our clients, program participants and employees in ways which will assure mutual understanding.

CONSISTENCY: Insure that our behavior each and every day supports our values, goals, and standards.

SIMPLICITY: Conduct our business in an easily understood manner.

REALISM: Acknowledge that our success will come through intelligence, hard work, patience and experience.

RECOGNITION: That our clients and participants trust us with the most highly confidential information they have.

RESPONSIBILITY: Encourage individual responsibility and decision making.

FLEXIBILITY: Recognize the necessity to be open to change for the mutual benefit of our clients, program participants and our organization.

RESPECT FOR TRADITION: Understand what created past successes.

INTEGRITY: Consistently practice the utmost modesty and integrity in serving our clients, our participants and ourselves.

COMMITMENT: Take the plunge - there is truth in the theory that there is "strength in numbers."

And finally, never sacrifice these precepts for the short term.

OUR LOCATIONS

FIRST TRANSITIONS

First Transitions, Inc. has been a provider of career-transition services since 1981. We have completed consulting assignments for more than 500 organizations in 45 states. Our uniqueness has been in the caring, nurturing approach we have taken in assisting individuals in attaining life goals, personal or professional.

WHERE TO FIND US:

- 1211 West 22nd St., Suite 1006
Oak Brook, IL 60523
630-571-3311
630-571-5714 (fax)
- 10 S. Riverside Plaza, Suite 875
Chicago, IL 60606
312-541-0294
- 33 Wood Ave. South, Suite 600
Iselin, NJ 08830
800-358-1112
- 2151 Michelson, Suite 232
Irvine, CA 92612
949-551-4377
- Terraces Center
303 Perimeter Center North
Suite 300
Atlanta, GA 30346
770-891-7866
- 200 S. Executive Drive, Suite 101
Brookfield, WI 53005
800-358-1112
- 8888 Keystone Crossing
Suite 1300
Indianapolis, IN 46240
800-358-1112
- Our Web site address:
www.firsttransitions.com
- E-mail us at:
admin@firsttransitions.com