

Pinsight

Repairing the Broken Rung

OVERCOMING BIAS IN THE LEADERSHIP PIPELINE





AT A GLANCE

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Diversity and the
next generation
of leaders
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ABOUT THE STUDY

Women and minorities still face many barriers in attaining leadership roles. *Repairing the Broken Rung* is the latest comprehensive study of fairness in how organizations identify and prepare the next generation of leaders.

This report stems from a partnership between Pinsight, a leadership assessment and development firm, and researchers from Purdue University and George Mason University. We collected data from 129 organizations that together employ over half a million people and span most industries. We studied how these organizations identify high-potential employees (employees who show potential for a leadership role) and select successors for executive positions with a particular focus on diversity. We also studied 328 managers (most held midlevel and senior management jobs) to understand their unconscious biases when deciding who shows potential for leadership.

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Introduction

INTRODUCTION

Organizations must rethink how they identify future leaders – today's practices are often influenced by unconscious bias and result in unintentional discrimination, leaving potentially more capable talent behind.

Little progress has been made in achieving diversity in leadership roles. At the current rate of improvement, women may hold only one more percent of leadership positions ten years from now.¹ This shocking lack of progress persists despite decades of American corporations claiming that they care about diversity and are taking corrective action.

Historically, corporations have taken steps to ensure fairness in hiring, but progress has been lagging in promotions. This is especially important as the *war for talent*² has forced organizations to search for leadership talent internally and invest in growing their own leaders. Over the past few decades, many organizations have adopted systems and processes to identify leadership talent from within and actively groom a select few individuals for promotion.

Because many organizations today grow their own leaders, decisions about who gets a promotion happen one to two years before the actual promotion. For instance, employees who are identified as having leadership potential benefit from special assignments, networking opportunities, and executive coaching, which give them a clear advantage at the point of promotion. If women and racial minorities are prevented from accessing the same developmental opportunities, they are at a disadvantage and cannot compete. This is why it's important to not only study the promotion decision itself, but also the upstream tributaries feeding that decision – the systems and processes organizations use to identify future leaders.

¹ Thomas, R., Cooper, M., Konar, E., Rooney, M., Noble-Tolla, M., Bohrer, A., Yee, L., Krivkovich, A., Starikova, I., Robinson, K., Nadeau, M., & Robinson, N. (2018). Women in the Workplace 2018. Retrieved from McKinsey & Company database.

² War for talent refers to the heightened competition among companies in recruiting and retaining talented employees that comes with tighter labor markets.

