

GOALS AND TARGETS FOR DIVERSITY, EQUITY, AND INCLUSION: THE GENDER PROPORTIONALITY ASPIRATION (GPA)

EXECUTIVE SUMMARY

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OVERVIEW

Achieving diversity, equity, and inclusion (DEI) in organizations requires behavior change. Short-term costs deliver long term benefits. Short-term costs associated with DEI include discomfort from difference and a perception that DEI can be a zero-sum game where those in power lose out by being more inclusive. Long-term benefits include more creative problem-solving on teams, more objective decision-making, and greater fairness, leading to a more inclusive and innovative culture.¹ The trade-offs are similar to the choices people make in other contexts, such as saving for retirement, exercising, or giving up smoking. When people have to make these choices (short-term cost vs. long-term gain), the majority display cognitive biases and make suboptimal decisions.² So, how can companies make smarter DEI choices? Setting organizational DEI goals, and creating accountability for achieving them, is an evidence-based high leverage point to increase DEI in the U.S. tech industry.

GOAL SETTING AS A TOOL FOR BEHAVIOR CHANGE

Research shows that behavior change requires transformation along two dimensions: the will and the way. *The will* reflects our desire and motivation to act.³ *The way* reflects our strategy: the knowledge and skills we draw on to act.⁴ Goals have the potential to be a powerful tool for behavior change because they address both the will (motivation) and the way (cognition and skills) of behavior change. Goals help us tap into the necessary ways to change by **focusing attention; prompting effort; inducing persistence; and mobilizing specific, relevant strategies** to reach the target.

HOW TO SET EFFECTIVE DEI GOALS IN U.S. TECH

While data disclosure and transparency are important, evidence demonstrates they are not enough to motivate significant and sustained behavior change on DEI. Goals, especially public goals, serve a critical function in mobilizing the will and the way to change DEI behavior. Fundamentally, U.S. tech companies should manage the challenge of increasing DEI and women's representation the same way they manage all their other business-related challenges: through performance goals with deadlines and rewards, underpinned by personal accountability. **Reaching DEI goals requires no more and no less than the use of the same planning, feedback, and accountability processes that are used to achieve goals in other areas.**⁵

WHAT DEI GOAL TO SET: THE GENDER PROPORTIONALITY ASPIRATION

To increase the representation of women in U.S. tech, we suggest tech companies introduce an outcome goal of reaching gender proportionality at all levels in five years. While this goal is not a number, it is a very specific target to increase gender balance in tech. **The Gender Proportionality Aspiration (GPA)**⁶ stipulates that the **ratio of women to men at any level in a company should be at least proportionate to the ratio of women to men at the level below**. The GPA directs companies to use all means at their disposal – promotion, external hiring, internal (lateral) hiring, and retention – to reach this goal for all levels. We expect that an industry-wide commitment to the GPA will substantially help diversify the tech sector.

¹ Page, S. (2007). *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*. Princeton, NJ: Princeton University Press.

² Bohnet, I. (2016). *What Works: Gender Equality by Design*. Cambridge, Massachusetts: The Belknap Press of Harvard University Press.

³ Wilermuth, S., & Gino, F. (2013). "I'll Have One of Each": How Separating Rewards Into (Meaningless) Categories Increases Motivation. *Journal of Personality and Social Psychology*, 104(1), 1-13.

⁴ Berkman, E. (2018). *The Neuroscience of Goals and Behavior Change*. *Consulting Psychology Journal: Practice and Research*, 70(1), 28-44.

⁵ Whelan, J., & Wood, R. (2012). *Targets and Quotas for Women in Leadership: A Global Review of Policy, Practice, and Psychological Research*. Centre for Ethical Leadership, Melbourne Business School.

⁶ Bohnet, I., Hauser, O., & Chilazi, S. (2020). *Gender Proportionality Aspiration [Manuscript in preparation]*. Harvard Kennedy School.

WHY GPA?

- **Intentionally gender-neutral**, GPA reinforces the message that DEI is for everyone. Regardless of which gender is the majority, it encourages leaders to move towards gender balance.
- **Legal risk is minimized** because goals are not focused on “women”.
- **GPA presents a holistic approach** to attracting, promoting, and retaining talent. Instead of just focusing on hiring and the “pipeline problem”, it also incentivizes development of in-house talent.
- **The concept is simple** to grasp and easy to implement and track because it relies on a straightforward count of the fraction of women and men at each level. Research shows that people are more likely to change their behavior when it is made Easy, Attractive, Social, and Timely (EAST) for them.⁷
- **Setting a company-wide, collective goal is an important step** forward. Social norms are a powerful driver of behavior change.
- **GPA meets leaders and teams where they are** and bases goals on current status. Indeed, some might argue that the GPA is too gradual in its approach, but the model (see Appendix) highlights the huge strides that can be made using this approach over a five-year period.

The five-year Gender Proportionality Aspiration should be viewed as a first step. As progress is made and women’s representation numbers increase, the initial goal should be updated and/or added to. Future DEI efforts must build on this initial goal while continuing to raise the bar so that all organizations always have something challenging, specific, yet realistic to work towards. The scientific evidence is clear that feedback, monitoring, and public accountability are key ingredients of goal attainment.⁸

⁷ Service, O. et al. (2014). *EAST: Four Simple Ways to Apply Behavioural Insights* (Behavioural Insights Team Report).

⁸ Harkin, B., Webb, T. L., Chang, B. P., Prestwich, A., Conner, M., Kellar, I., ... Sheeran, P. (2016). *Does monitoring goal progress promote goal attainment? A meta-analysis of the experimental evidence*. *Psychological bulletin*, 142(2), 198.

APPENDIX

HOW IT WORKS: THE GENDER PROPORTIONALITY ASPIRATION (GPA)

The GPA stipulates that the ratio of women to men at any level in the firm should be proportionate to the ratio of women to men at the level below, starting with the entry level, which should be proportionate to the available talent pool. If followed, the GPA allows companies to “pull through” the higher levels of diverse representation typically present at lower rungs of the organization all the way to top leadership using all levers at their disposal, including promotions, external and internal hiring, and retention. We suggest a time horizon of five years, with three phases as illustrated in the example below.



ILLUSTRATIVE EXAMPLE: In a given tech company, there are 30% women and 70% men at the Entry Level (i.e., a gender ratio of 30:70). The Entry Level falls a bit below the available talent pool, which has 40% women and 60% men (40:60). The gender ratios at higher levels of the company are 20:80 at the Mid-Level, and 10:90 at the Senior Level, as shown in the pyramid.

1. In Phase 1 (years 1-2), the GPA asks the company to increase gender representation such that the Senior Level should aim to look like the Mid-Level (20:80); the Mid-Level should aim to look like the Entry Level (30:70), and the Entry Level should aim to look like the Talent Pool (40:60).
2. Repeating this exercise in Phase 2 (years 3-4), we should see the following gender ratios at the end of Phase 2: Entry Level 40:60, Mid-Level 40:60, and Senior Level 30:70.
3. Repeating this exercise in Phase 3 (year 5), we should see the following gender ratios at the end of Phase 3: Entry Level 40:60, Mid-Level 40:60, and Senior Level 40:60.

DEI GOALS AMONG U.S. TECH COMPANIES

Intel: In 2018, Intel announced that it had achieved “full representation” in its workforce, defined as matching the available talent pool (“market availability” based on sources including university graduation data from the National Center for Education Statistics, data from the U.S. Census Bureau, and internal company data). In practice, this translated to having approximately 27% women, 9.2% Hispanic workers, and slightly under 5% Black workers. While most tech companies use somewhat idiosyncratic metrics for their data reporting, Intel is the only one on record so far to use the “full representation” standard. The company also ties 7% of all employee bonuses to internal hiring and retention goals.⁹

Pinterest: In 2015, Pinterest for the first time set annual external hiring goals, which were made public the following year. By 2019, it had achieved all three of its goals: hiring rates for women engineers reached 27% (surpassing the goal of 25%); hiring rates for underrepresented minority engineers were 9% (vs. the goal of 8%); and hiring rates for underrepresented minority employees across the company in both business and product (i.e., non-engineering) roles rose to 14%, exceeding the goal of 12%.¹⁰ Women’s representation in engineering roles rose from 19% in 2015 to 25% in 2019, and women made up 47% of Pinterest’s overall workforce in 2018.¹¹

Twitter: In 2017, Twitter set two-year diversity targets for women and Black and Latinx employees. By December 2019, it had nearly achieved its target for women’s overall representation (from 38.4% in December 2017 to 42.0% in November 2019, against a target of 43%) and Latinx overall representation (from 3.4% in

⁹ Koh, Y. (2018, October 29). [Intel Hits an Internal Goal for Workforce Diversity](#). *The Wall Street Journal*.

¹⁰ Pinterest defines underrepresented minorities as employees of Native American, Pacific Islander, Latinx, and Black descent. Dennis, J. (2020, January 16). [What we’re learning as we build a more inclusive company](#). *Pinterest Newsroom*.

¹¹ Silberman, B. (2019, January 14). [Building a more diverse Pinterest](#). *Pinterest Newsroom*.

December 2017 to 4.7% in November 2019, against a target of 5%) while slightly exceeding its target for Black overall representation (5.7% in November 2019, against a target of 5%). In 2018, the company had committed to setting diversity goals every two years instead of every year, and narrowing its focus to increasing the representation of women as well as Black and Hispanic workers only, instead of underrepresented minorities generally;¹² in 2019, Twitter indicated it was taking a “new approach to how we measure the diversity of our global workforce, set bold targets, and share our progress” with a promise of further updates in 2020.¹³

DEI GOALS IN OTHER SECTORS

Unilever: In 2010, Unilever set a global goal of reaching gender parity, or a 50-50 split, in its managerial roles, where women at the time were represented at 38%. It announced in March 2020 that it had met its 50% goal. In addition to company-wide public goals, Unilever sets more granular internal goals for every market and function, which are reviewed and tracked by the Unilever Leadership Executive every month and reported to the Global Diversity Board three times a year. One example of such goals is the Gender Appointment Ratio (GAR), developed by Iris Bohnet and Oliver Hauser, which is an internal metric capturing the recruitment, promotion, and retention track records of senior leaders over a five-year period. A GAR of one means that leaders are promoting and retaining women in proportion to their representation in the “available pool”, or among the people that report to a particular line manager. Presenting such actionable information to leaders has helped to improve awareness of DEI and spark more thoughtful decision-making around hiring, promotion, and retention.¹⁴

CASE STUDY: 50:50 PROJECT AT THE BBC

Data becomes powerful when it is used as an engine for change. At the BBC, a grassroots effort to increase women’s representation in journalism has changed the way the organization works through a common goal and voluntary sharing and tracking of data.¹⁵

Ros Atkins, presenter of a nightly primetime news program at the BBC, was listening to a radio show in 2016 when he made the observation that there was not a single female guest on the hour-long program. This realization morphed into a deliberate effort to reach gender parity – 50:50 representation of women and men – as expert contributors on Atkins’ own show. The premise was simple: at the end of each night’s show, the production team would take two minutes to count and record the gender split of guests, with reporting taking place monthly. In January 2017, during its first month of counting, Atkins’ show reached 39% female contributors. Three months later, it hit 51% for the first time.¹⁶

The BBC’s story is a great example of making behavior and organizational change Easy, Attractive, Social and Timely (EAST) to make it stick.¹⁷ **The 50:50 Project has now been implemented in 60+ partner organizations globally, and 600+ content teams across the BBC.**¹⁸

¹² Koh, Y. (2018, October 29). [Intel Hits an Internal Goal for Workforce Diversity](#). *The Wall Street Journal*.

¹³ Brand, D. (2019, December 17). [Inclusion & Diversity Report December 2019](#). *Twitter Blog*. See also Cohen, D. (2019, March 14). [Twitter Wants Its Work Force to Be 43% Women, 5% Each Black and Latinx by Year-End](#). *Adweek*.

¹⁴ Unilever NV. (2020, March 3). [Nine ways we’re making Unilever a more gender-balanced business](#). *MarketScreener*

¹⁵ Chilazi, S., Rattan, A., & Georgeac, O. (2020). [Ros Atkins and the 50:50 Project at the BBC \(A\)](#) (London Business School Case CS-20-010). London, UK: London Business School.

¹⁶ Rattan, A., Chilazi, S., Georgeac, O., & Bohnet, I. (2019, June 6). [Tackling the Underrepresentation of Women in Media](#). *Harvard Business Review*.

¹⁷ Service, O. et al. (2014). [EAST: Four Simple Ways to Apply Behavioural Insights](#) (Behavioural Insights Team Report).

¹⁸ BBC. (2020). [Impact Report 2020](#) (BBC Report).