
The Meritocracy Myth

A preview to the upcoming whitepaper

Re-thinking merit:

Why the meritocracy is failing Australian businesses



“We need to change the way we think. All of us. Not an easy thing to do, but it’s been done before.”

Julie McKay,
Executive Director
UN Women National Committee Australia

Foreword

A world where the best and brightest rise to the top would be a wonderful place to live.

Our traditional understanding of meritocracy needs to change.

The merit process is flawed, and overcoming our well-intended belief in a meritocracy - which does not exist - is a missing piece in the diversity conversation.

In the upcoming whitepaper, we hope to start a new conversation about our overly simplistic view of 'merit' and its impact on women's access to leadership roles.

We call on business leaders and managers at every level to boldly seize on the words, policies and recommendations in the paper - and across the diversity discourse - to ensure another generation doesn't slip by without significant change.

We also want to highlight the unsung heroes of the conversation, the tireless work of HR professionals in developing the diversity agenda. These advocates are critical to progress in practice, and need to be at the decision-making table of every business.

Equality is possible, but if we shy away from the challenge our sisters, daughters and granddaughters will continue to face the same disadvantages their mothers and grandmothers did.

It's up to us, now. All of us.



David Wakeley
Chief Executive Officer
Autopia



Julie McKay
Executive Director
UN Women National Committee Australia

The meritocracy myth uncovered

“Individuals advance through the system according to ability and achievement.”

Australian businesses are functioning under the pretense that the above statement is true.

However countless academic, social and business studies have proved that our conception of meritocracy is a myth, in a myriad of social settings:

Aesthetic capital

Several studies have explored the concept of ‘aesthetic capital’ and the ‘ugliness penalty,’ the effect that better looking people have more success in a range of endeavors, including job interviews and loan applications.¹

Height premium

Similarly, a growing number of studies overseas and in Australia point to the ‘height premium,’ the tendency for overrepresentation of tall men in positions of leadership. In Australia, ASX CEOs are, on average, 7cm taller than the average man (94% of ASX50 CEOs are men). Men 190cm or taller make up 3.2% of the Australian population, but almost 20% per cent of ASX50 CEOs.²

Activating stereotypes

Women who were told that women performed worse than men on a math test performed less well than women for whom this negative stereotype was not activated.³

Blind auditions

The introduction of blind auditions for major symphony orchestras in the US, where the player is hidden from the judges by a screen, increased women’s chance of advancing through preliminary rounds by 50%. The New York Philharmonic, for example, saw the proportion of women rise from 10% to 45% of new hires once blind auditions were implemented, ensuring judgment was based on talent not gender.⁴

The reality is there are a variety of non-merit factors that negate the intended effects of merit. These act as barriers to women’s advancement in the workplace; and to business’ ability to capitalise on Australia’s talent pool.

¹ ‘Is Lookism Unjust? The Ethics of Aesthetics and Public Policy Implications.’ Louis Tietje and Steven Cresap; Journal of Libertarian Studies, Volume 19, No. 2 (Spring 2005): 31–50

² Top 50 CEOs head and shoulders above the rest, Edmund Tadros, Australian Financial Review, 22 Sep 2012

³ Stangor, Charles; Carr, Christine; Kiang, Lisa, Activating stereotypes undermines task performance expectations. Journal of Personality and Social Psychology,

Vol 75(5), Nov 1998, 1191-1197 and Victor Sojo and Robert Wood 2012, Resilience: Women’s Fit, Functioning and Growth at Work: Indicators and Predictors, Melbourne Business School, Centre for Ethical Leadership.

⁴ Behind the Scenes, Behind the Screens, Lisa Frattare and Meg Urry, January 1999; Orchestrating Impartiality: The Impact of ‘Blind Auditions’ on Female Musicians, CLAUDIA Goldin and Cecilia Rouse, The American Economic Review, 2000

Why Australian workplaces are not meritocracies.

Why do we persist with the concept of merit?

1 Merit is subjective

The way merit is used in the recruitment and retention of candidates is not definitive, neutral or objective. In fact, significant cognitive bias exists which introduce subjectivity into the processes.

In the business world, merit can be thought of as using the following formula:

$$\text{Merit} = \text{Past Performance} + \text{Potential}$$

Past performance is relatively easy to determine; it looks at years of experience, type of experience, formal qualifications, and measured outputs. Potential is where entirely subjective measures are used. Factors such as 'fit' for the team, leadership potential, 'suitability' for the job and likelihood to 'stick around' are considered as part of judgments of potential.

When qualitative measures are used, there is a decision making process whereby those seeking merit set the parameters for what they're seeking. This process enshrines a definition of merit which reflects the values and biases of the decision makers, those already in power.

2 It's not a level playing field.

Women and men do not start from an 'equal playing field' with regards to access to opportunities to build networks and enhance their careers. Women remain responsible for the majority of unpaid care work in our country, are less likely to be offered formal training and development and are often excluded from the informal networking which later leads to opportunities arising for men.

There is a raft of explanations for the persistence of merit in the national and business psyche. Explanations operating at a systemic, social and individual level have been addressed by psychologists, social scientists, organisational behaviorists and business experts.

At a systemic level, deeply entrenched gender norms and expectations mean that bias, both conscious and unconscious, continue to exert a power on decision making that perpetuates current power structures and acts as a barrier to entry into the 'in-group'. At a social level, organisations have a stake in the merit principle.

To accept that merit processes are flawed is to accept that appointments based on merit are flawed.

Why does diversity matter?

In short, greater diversity impacts a business's bottom line. Failing to embrace diversity through continued reliance on flawed principles of merit are holding businesses back from stronger economic outcomes.

The business case is extremely well documented. There is a significant evidence base demonstrating that diverse teams make better decisions and weather crises better than teams which lack diversity. This has been studied in the context of the global financial crisis: companies who weathered the GFC best were those with more women on their boards. Diverse organisations better understand customers, better engage employees, make more informed, lower risk decisions, and gain a competitive advantage.

To believe in the myth of meritocracy, is to engender our long term mediocrity.

We can do better, and we must do better.

So what can we do?

1 Change the goalposts: diversity is of more merit to business

Understand the limits of employment practices based on merit and seek diversity as a better means of realising economic growth and success.

2 Deliver on diversity targets

Set targets for women at all levels of your organisation, share them publically and develop strategies to meet them.

3 Use bias interrupters

Introduce bias interrupters at all stages of the employment process:

recruitment, performance reviews, promotions, remuneration and bonuses.

4 Charge managers with staff buy-in for diversity initiatives

Diversity initiatives are only as successful as the staff buy-in they receive. All levels of the organisation need to be supportive of change.

Attend

If you would like to attend our upcoming event:

"Gender Diversity in the Workplace"
on the 12th of May 2015

Please register at: gender-diversity.eventbrite.com.au

Share

If you would like to share your experiences driving gender diversity at this event

Please enter your details at:

<http://events.autopia.com.au/meritocracy-myth-share-your-experiences>



UN Women National Committee Australia

As the United Nations Entity for Gender Equality and the Empowerment of Women, UN Women Australia brings together experts in the gender sector to progress gender equality and empower women to reach their full potential in contributing to our communities at work, home and in public life.



Autopia

Autopia is a financial services firm that specialises in novated leasing for Australian employers, and vehicle-related finance & tax solutions for member-based associations. Through specialisation, consultation and technological innovation, Autopia delivers “Intelligent Car Ownership” to thousands of drivers all over the country. One of our founding values is ‘Giving back’, and one of the ways we do that is by supporting UN Women in its important work around Gender Diversity – a subject we’re passionate about.