Hiring

A Simple Nudge to Boost Diversity

Even well-meaning organizations often struggle to diversify. For example, despite intensive efforts in recent years, Silicon Valley’s workforce is still dominated by white and Asian men. A new study finds a straightforward intervention that could help.

Across eight experiments, the researchers explored the partition dependence effect, which holds that when people are asked to choose a few options from a pool segmented along a given dimension, they tend to pick some from each category. In the first experiment, participants were asked to imagine they were recruiters tasked with reviewing the profiles of eight job applicants and choosing three people to interview. For some participants, the applicants’ profiles were sorted such that the first four were men’s and the last four were women’s; for the others (the control group), the order was random. Those in the first group made significantly more-diverse selections than those in the control group. Subsequent experiments found that the effect held when the applicants were sorted by nationality and university and when the participants themselves were seasoned human resources professionals. Importantly, the average competence of those “hired,” as assessed by the GPAs on candidates’ résumés, was just as high when the selection was more diverse. “Our research encourages HR professionals to pay more attention to the way in which information is presented in personnel selection decisions,” the researchers write. In concrete terms, they say, “job application portals can be tweaked such that spreadsheets...sort the applicants by the category on which the company wants more diversity,” while recruiters going through résumés on paper could place those from different groups into separate piles.

But what if just one person will be hired? In the final experiment, some applicants were grouped by ethnicity, and the rest were presented individually; the individually presented applicants were more often chosen. “If organizations want to increase the representation of a particular group...they can ungroup candidates from minority backgrounds but group candidates from the majority background,” the researchers suggest.

About the Research
“Let’s Choose One of Each: Using the Partition Dependence Effect to Increase Diversity in Organizations,” by Zhiyu Feng et al. (Organizational Behavior and Human Decision Processes, 2020)

Productivity

Hold Fast to Those Morning Routines

A prolific writer as well as an inspirational leader, Winston Churchill is famous for his daily routine, which began at precisely 7:30 AM with breakfast, reading, mail, and dictation, all from the comfort of his bed. Indeed, conventional wisdom holds that a consistent routine, especially early in the day, is key to productivity—and studies have found that most people follow one (or try to). A research team wondered: What happens when those routines are disrupted?

To find out, the researchers conducted two studies among employees of a large U.S. university. In the more-extensive investigation, participants were surveyed thrice daily over a...
three-week period, first about the extent to which they had adhered to their usual morning practices (eating breakfast, exercising, commuting to work, and so on) and, as the day wore on, about their mental energy, calmness, engagement with work, and progress toward goals. Controlling for factors including quality of sleep, tension, and day of the week, the researchers found that people reported more mental depletion and less calmness on days when their morning routines were disrupted than on other days. They also said they were less engaged with their work and made less progress toward their goals. That’s because automating repeated activities into routines conserves energy for more-important pursuits, the researchers explain. When routines are disturbed, people have to expend more energy on the mundane necessities of life.

The implications for individuals are obvious, and managers should take heed as well. If aware that an employee’s morning has been plagued by factors such as a sick child or a snarled commute, they could suggest a break to restore calm and boost engagement and productivity. And they might think twice before firing off early-morning emails to their teams. “Any benefit associated with contacting employees during non-work hours may be negated if it disrupts employees’ non-work routines or prevents them from forming routines in the first place,” the researchers write.


MARKETING

Can Satisfying Today’s Customers Reduce the Cost of Acquiring Tomorrow’s?

Marketing managers must continually strike a balance between making customers happy and keeping costs in check. A critical expense is the cost of selling, or COS: what a firm must spend to persuade people to buy its offering and to make the purchase convenient. It’s generally assumed that increased customer satisfaction reduces future COS, because happy customers’ word of mouth should enable lower spending on marketing and advertising. However, that assumption lacked credible empirical backing—until a team of researchers recently decided to test it.

The researchers gathered nearly two decades’ worth of data from 128 publicly listed U.S. companies. Their analysis showed that on average, each one-point increase in the American Customer Satisfaction Index score lowered a firm’s future COS by almost 3%, amounting to savings of $130 million annually. The benefit was greatest for highly diversified firms (for which gains in satisfaction often cross over to other products and services), for firms in high-growth industries (for whom positive word of mouth is especially salient because many customers will be unfamiliar with new offerings), and for firms in labor-intensive industries (where offerings vary greatly from company to company, making it hard for consumers to compare them and thus encouraging them to stick with what they already know). It was less pronounced for capital-intensive firms and those with a high proportion of debt to assets, which lack the financial flexibility to fully exploit good satisfaction scores.

“These findings are of direct importance to CMOs as they can now articulate the economic value of customer satisfaction for reducing future COS to internal and external constituents,” the researchers write, noting that customer-satisfaction initiatives are often underappreciated in the C-suite.


Harvard Business Review
November–December 2020 25