

BIAS AND MERITOCRACY IN ENTREPRENEURSHIP

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What this discussion is about...

Is entrepreneurship truly meritocratic?

***Meritocratic*¹** – where progress is based on ability and talent rather than on class privilege or wealth.

*Meritocratic*¹ - <http://dictionary.reference.com/browse/meritocratic>



- We're all familiar with the term "glass ceiling effect"...
- And we know that it is particularly salient for the tech world...



- We know that there is a problem
- We always make sure there is the token female, and the token minority in every picture

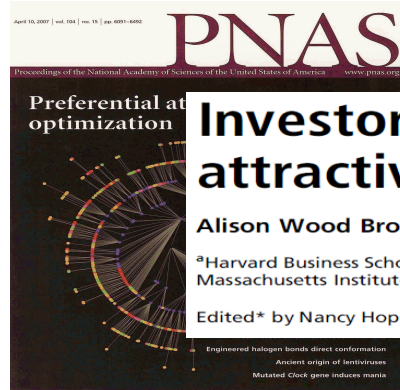


- People pursue entrepreneurship as an alternative when they feel thwarted

However, research shows interesting facts about Bias and Entrepreneurship

- Suspected or experienced biases in obtaining executive positions in technology and STEM
- However, large organizations are not the only route to executive responsibilities
 - Pursuit of entrepreneurial opportunities to circumvent suspected or experienced biases in larger organizations
 - These individuals choose to start new ventures as an adaptive mechanism because they believe their aspirations to elite positions often are blocked
- Yet, if entrepreneurs are to grow their organizations beyond small operations, allowing them to realize their aspirations for executive responsibilities, they often need access to investment funding
- Biased assumptions lead to nonmeritocratic blocked opportunities and misallocation of capital to new ventures

“Attractiveness” as a bias



Investors prefer entrepreneurial ventures pitched by attractive men

Alison Wood Brooks^{a,1}, Laura Huang^b, Sarah Wood Kearney^c, and Fiona E. Murray^c

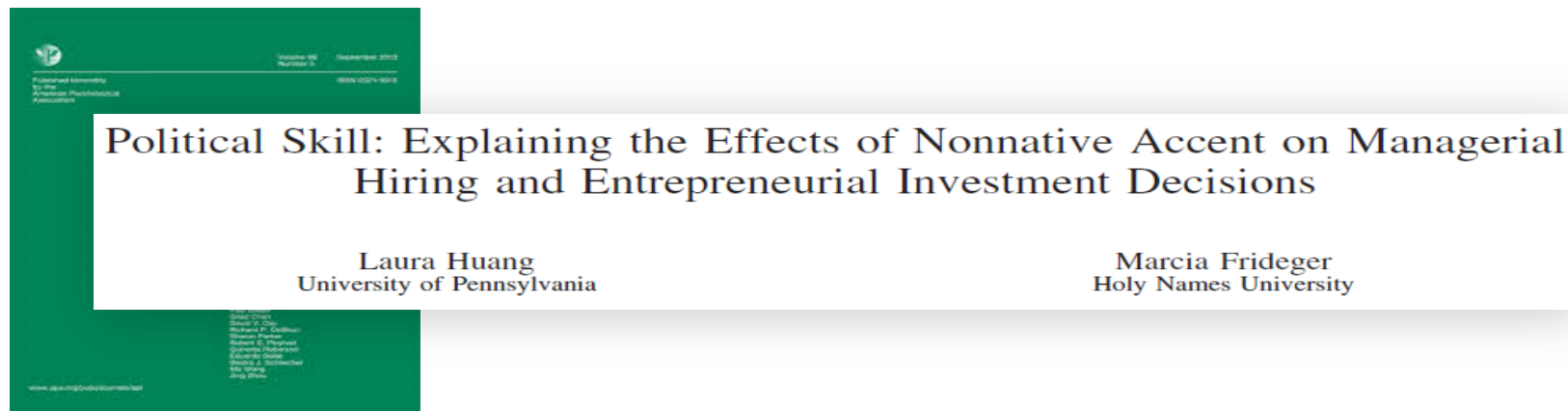
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Engineered halogen bonds direct conformation
Ancient origins of lentiviruses
Mutated Clock gene induces mania

- Business viability data regarded as the main criteria for investment decisions
- Our research, found other critical criteria that investors use to make these decisions
 - ***Profound and consistent gender gap:*** Investors prefer pitches presented by male entrepreneurs, even when the content of the pitch is the same
 - ***Attractive males were found to be particularly persuasive,*** whereas physical attractiveness did not matter among female entrepreneurs

Ability to convey “political skill”



- Assessments of **political skill** and **interpersonal influence** as an ostensibly meritocratic cover for race and nonnative speaker bias
 - *Technology pitch competitions*
 - *Hiring for executive positions in technology roles*

“Interpersonal Influence” as a bias

- Widely believed to be (and possibly is) important to entrepreneurship
- Also, highly ambiguous, providing a convenient and ostensibly meritocratic justification for biased recommendations
- A skill candidates can easily address to expand their opportunities

What's it really about?

Time, advice, and money are not doled out equally



The Art of the Pitch



“What’s Your Unfair Advantage?”



- Large extent about homophily, similarity, and identifying
- Don’t tell people what is so great about you, your product, your service
- Tell them stories, and they'll figure out how the stories apply

If you want **advice**, ask for **money**...

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You've got to pivot



Summary: Bias and Meritocracy in Entrepreneurship



Key points:

- Bias exists in Entrepreneurship just like everywhere else
- Get focused on what you need and how to position your business
- Know what you do better than everyone else
- Get ready to pivot





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