

Decision Processes Colloquia

Monday, Date

Where: JMHH G50

When: 12:00 – 1:20 pm

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Diversity Incentives Can Increase Women's Aspirations to Lead

ABSTRACT:

To boost diversity, organizations are increasingly using “diversity incentives,” or payouts for managers or executives dependent on progress towards a specific diversity goal. Diversity incentives can affect both actors—managers incentivized to meet the goal—and targets—marginalized group members who are the focus of the incentivized goal. Whereas the effects of incentives on actors are well-documented, it is unclear how targets will be affected. We examine how gender diversity incentives affect women's aspirations to lead. On one hand, diversity incentives may generate identity threat and concerns about backlash among women; on the other, they may be viewed as costly signals of organizational support for women's leadership aspirations. A preregistered field experiment ($n=2,035$) shows that communicating the existence of organizational diversity incentives increases women's aspirations to lead by 11.3% relative to sharing a goal-free diversity statement and by 11.7% relative to communicating diversity goals alone. We replicate these findings across three preregistered experiments (total $n=2,495$) and provide evidence that diversity incentives increase women's expectations of receiving sponsorship from their managers, thereby increasing their willingness to state leadership aspirations. Our findings contribute to our understanding of the drivers of female leadership aspirations.