Data-Driven D&I

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3 things that will move you from "data-driven" to "data-solving"

Diversity is never just one thing

Moving from measuring diversity as a demographic variable towards measuring diversity as a *socially constructed concept*

Towards more comprehensive, root-cause models to discover the sources of potential bias
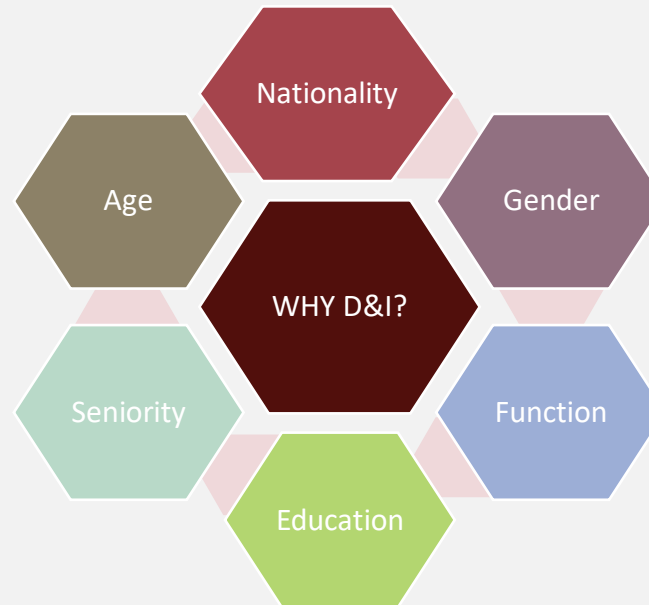

Surface-level diversity is the genetic or visible physical characteristics of a person, such as, among other observable characteristics, gender, age, or skin colour.

Deep-level diversity is about the non-observable traits that can be concealed or revealed at a person's discretion, such as beliefs, attitudes, norms, and values.

Hexagon diagram:
- Nationality
- Gender
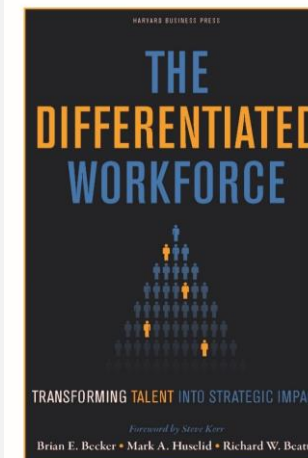- Function
- Education
- Seniority
- Age
- WHY D&I? (center)

Level of analysis – TEAM

It is important to develop more specific knowledge about the potential barriers and opportunities that diversity offers

Individuals from **different social groups** in the same employment performing **equal work** must receive equal "treatment" (e.g. pay), **unless any difference in "treatment" can be justified** (performance)

THE DIFFERENTIATED WORKFORCE
TRANSFORMING TALENT INTO STRATEGIC IMPACT
Brian E. Becker • Mark A. Huselid • Richard W. Beatty
Foreword by Steve Kerr
HARVARD BUSINESS PRESS

The most strategic approach in managing human capital: DIFFERENTIATION

"Many HR leaders have spent their careers ensuring that all employees are treated *equally* instead of *equitably*".
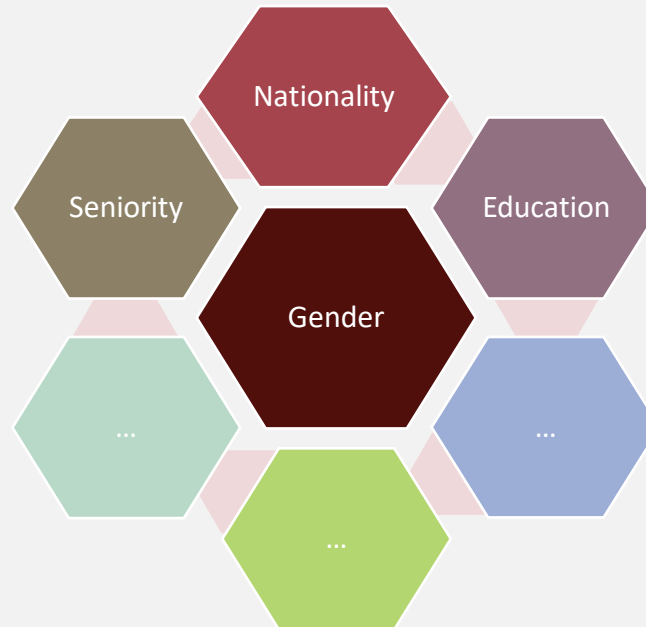
NHCA methodology

Diversity is never just one thing

Moving from measuring diversity as a demographic variable towards measuring diversity as a *socially constructed concept*

More inclusive definition of "Equal Pay for Equal Work"

Nationality

Seniority

Education

Gender

...

...

...

Individuals from **different social groups** in the same employment performing **equal work** must receive equal pay, **unless any difference in pay can be justified** (performance)

NHCA Nordic Human Capital Advisory

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A five-star rating means no consistent bias
- No significant difference between social groups
- Across multiple years (at least 3 years)
- For various outcomes

Example: Is there bias?

- 🟢 No bias
- 🟡 Needs attention
- 🔴 Significant bias

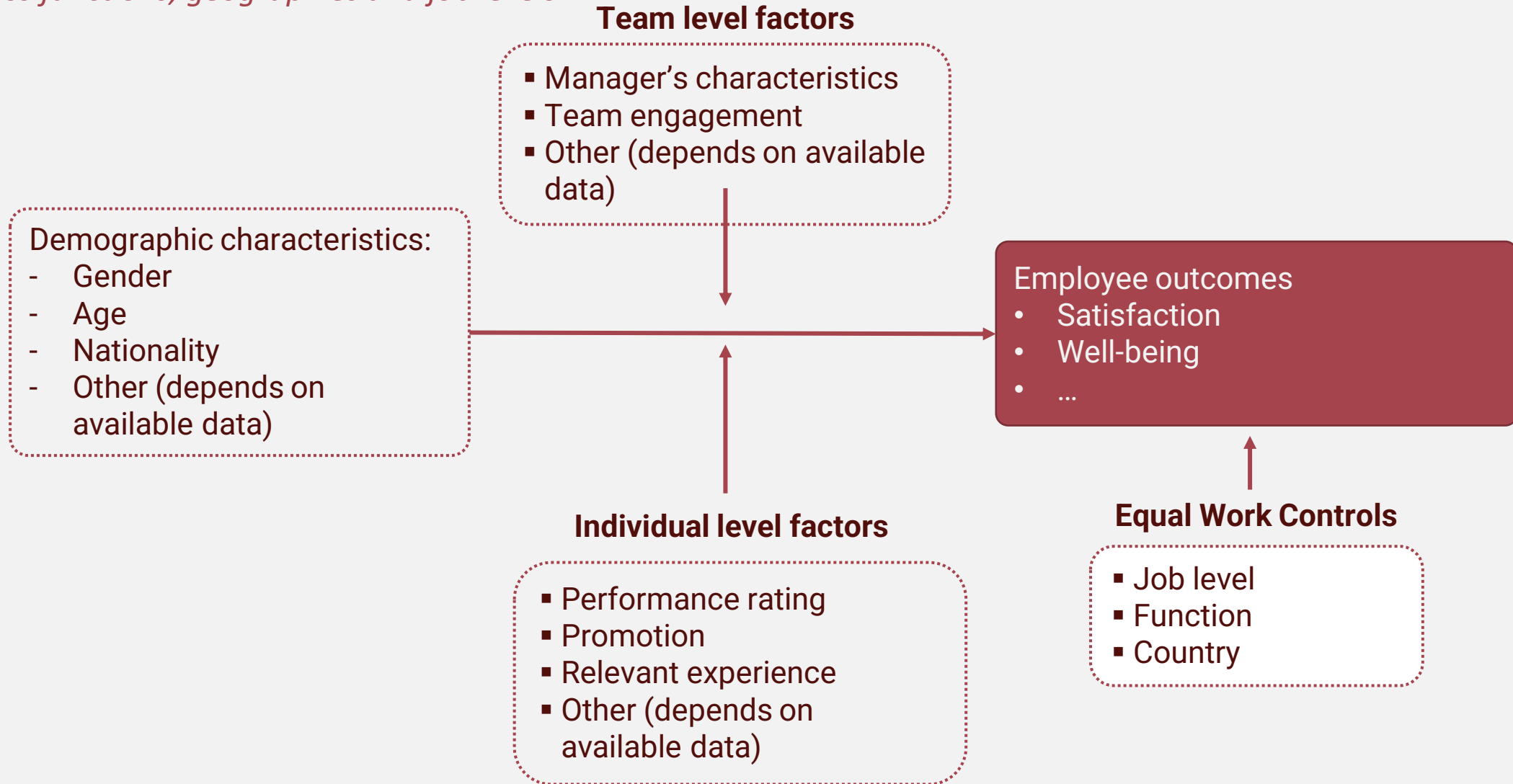|	Gender (female)			Seniority (more years)			Nationality (locals)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Salary	🟢	🟢	🟢	🟢	🟢	🟡	🔴	🔴	🔴
Bonus	🟢	🟢	🟡	🟡	🟢	🔴	🟢	🟢	🟢
Total pay	🟢	🟢	🔴	🟢	🟢	🟡	🔴	🔴	🔴

Nordic Human Capital Advisory

★★★☆☆

- Observable difference between social groups during the last year for specific outcomes
- More targeted approach in managing gender disparities
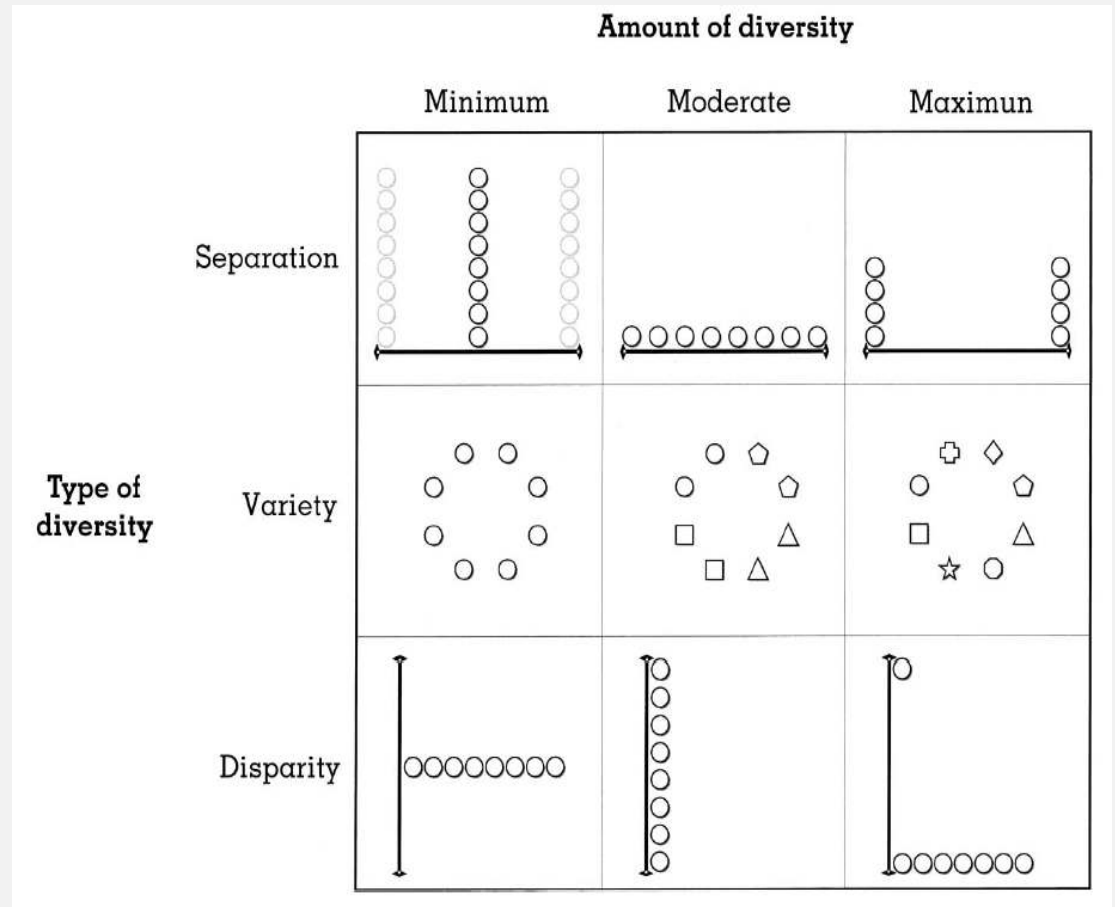- New focus of D&I

NHCA Nordic Human Capital Advisory

Things you ask me about …

Proposed research model

Across functions, geographies and job levels …

Team level factors

- Manager's characteristics
- Team engagement
- Other (depends on available data)

Demographic characteristics:
- Gender
- Age
- Nationality
- Other (depends on available data)

Employee outcomes
- Satisfaction
- Well-being
- …

Individual level factors

- Performance rating
- Promotion
- Relevant experience
- Other (depends on available data)

Equal Work Controls

- Job level
- Function
- Country

Within-team diversity index

Within-team diversity index

Diversity Type	Index	Formula	Minimum to Maximum	Assumed Scale of Measurement
Separation (on attribute S)	Standard deviation	$\sqrt{[\Sigma(S_i - S_{mean})^2/n]}$	0 to $[(u - l)/2]$	Interval
	Mean Euclidean distance	$\Sigma\sqrt{[\Sigma(S_i - S_j)^2/n]}/n$	0 to $[(u - l)/\sqrt{2}]$	Interval
Variety (on attribute V)	Blau	$1 - \Sigma p_k^2$	0 to $(K - 1)/K$	Categorical
	Teachman (entropy)	$-\Sigma[p_k \cdot \ln(p_k)]$	0 to $-1 \cdot \ln(1/K)$	Categorical
Disparity (on attribute D)	Coefficient of variation	$\sqrt{[\Sigma(D_i - D_{mean})^2/n]}/D_{mean}$	0 to $\sqrt{(n - 1)}$	Ratio
	Gini coefficient	$(\Sigma|D_i - D_j|)/(2 \cdot N^2 \cdot D_{mean})$	0 to $1 - (1/n)$	Ratio

Signaling effect