

Using Demographic Data to Inform Decision Making

Why is collecting diversity and inclusion data important?

Leveraging demographic data for decision-making is important for organisations because it enables them to create more effective and strategic diversity and inclusion initiatives, improves workplace inclusivity, drives business performance, aligns workforce diversity with market needs, ensures compliance, enhances the organisation's reputation, and supports continuous improvement and learning. Collecting diversity and inclusion data contributes to a more equitable and inclusive work environment positioning the organisation for greater success in an increasingly diverse global marketplace.

How does collecting diversity and inclusion data help organisations?

1. Identifies Strengths and Gaps

The collection of diversity data provides a clear picture of an organisation's current diversity within its workforce, highlighting areas of strength and pinpointing clear gaps, informing the direction of diversity and inclusion efforts.

2. Informs Strategic Planning

With concrete data on the diversity of their workforce and the effectiveness of existing diversity and inclusion initiatives, organisations can develop strategic plans that are tailored to the specific needs of the organisation that are based on the needs identified.

3. Drives Targeted Initiatives

Demographic and diversity data aids organisations in understanding and addressing the barriers to inclusion that people from diverse backgrounds are facing within the organisation. This ensures that any interventions are designed to address specific challenges and increasing the chances of success.

4. Monitors Progress Over Time

By collecting demographic and diversity data consistently over time, using the same questions each time, organisations can track their progress against set goals and objectives. Ongoing monitoring is important for evaluating the impact of diversity and inclusion initiatives, demonstrating progress to stakeholders, and evaluating the success of initiatives.

5. Enhances Accountability

When demographic and diversity data is collected and shared, it creates a layer of accountability for achieving stated diversity goals. It encourages leaders to commit to change, and provides a basis for stakeholders, including employees, to hold the organisation accountable for making progress.

6. Improves Employee Engagement and Retention

Actively collecting and acting on demographic and diversity data communicates to employees that the organisation and its leaders have an ongoing commitment to creating an inclusive environment. This can result in improved employee engagement by making employees feel seen and valued, leading to higher job satisfaction and retention rates.

7. Attracts Diverse Talent

Prospective employees often look for signs that an organisation is genuinely committed to diversity and inclusion. The transparent collection and sharing of diversity and inclusion data, along with how it informs decision making demonstrates this commitment, making the organisation more attractive to a diverse pool of talent.

8. Supports Compliance and Risk Management

Collecting diversity and inclusion data can also help organisations comply with legal and regulatory requirements related to workplace diversity and anti-discrimination. It enables organisations to proactively identify and address potential compliance issues reducing potential legal risks.

9. Aligns with Broader Business Goals

Diversity and inclusivity within an organisation are increasingly recognised as drivers of innovation, customer satisfaction, and market expansion. Through the collection of related data, organisations can align their diversity and inclusion efforts with broader business goals, ultimately leveraging diversity as a strategic advantage.

10. Fosters a Culture of Continuous Improvement

Organisations are able to continually improve on their strategies based on the insights provide by collection of diversity and inclusivity data, ensuring that their initiatives remain effective and relevant.

How to best leverage demographic data for decisions in diversity and inclusion initiatives

1. Collect Demographic Data

- **Identify Key Demographics:** Determine which demographic factors (e.g. age, gender, race, ethnicity, disability, veteran status, neurodiversity, etc.) are most relevant to your organisation's goals.
- **Ensure Ethical Collection of Data:** Ensure that data collection methods comply with relevant ethical, privacy and compliance regulations. Tell participants how their data will be used and the steps in place to protect their anonymity and confidentiality while also offering them the option to 'opt out' of answering some questions that may be personally sensitive.
- **Use Surveys and HR Systems:** Collect data through employee surveys, HR information systems, or other internal tools. Consider including questions that capture aspects of diversity beyond visible demographics, such as sexual orientation, socio-economic background, and educational diversity.

Example: A resources company operating globally may choose to conduct annual surveys that include questions on ethnicity, gender, age, disability, and for the first time, questions on sexual orientation and veteran status, while ensuring all data collection complies with global privacy standards and local regulations.

2. Analyse the Data

- **Assess Representation and Gaps:** Analyse and explore the data to identify representation gaps across different levels and departments within the organisation.
- **Benchmark Against Industry Standards:** Compare your organisation's demographics against industry standards to identify areas for improvement.
- **Use Data Visualisation Tools:** Employ data visualisation tools to create understandable and impactful representations, and perhaps even presentations, of your demographic analysis.

Example: A resources company may find that women make up only 15% of their engineering workforce and that local community members are underrepresented in managerial positions at various sites. They may use data mapping or graphs to visually represent the diversity of their workforce across different operational locations.

3. Set Informed Diversity and Inclusion Targets

- **Define Specific Goals:** Based on the data analysis, set specific, measurable diversity and inclusion goals related to improving representation, inclusion, and equity within your organisation.
- **Align with Business Objectives:** Ensure that diversity and inclusion targets are aligned with overall business objectives, demonstrating how a diverse and inclusive workplace contributes to the organisation's success.

Example: Based on its analysis of collected data, a resources company may set a target to increase the representation of indigenous people in its workforce by 25% over the next three years, particularly perhaps focusing on conservation and land management roles.

4. Develop and Implement Strategies

- **Tailor Strategies to Data Insights:** Develop targeted strategies and programs designed to address the specific gaps and opportunities identified in the data analysis.
- **Incorporate into wider diversity and inclusion efforts:** Integrate these data-informed strategies into broader diversity and inclusion efforts, ensuring they complement existing initiatives.

Example: A resources company may develop targeted recruitment campaigns aimed at women engineering graduates and establish a mentorship program connecting experienced employees with new hires from underrepresented groups to support their career development.

5. Monitor Progress and Adjust

- **Establish Key Performance Indicators (KPIs):** Define KPIs that will allow for meaningful measurement of the impact of your strategies on your diversity and inclusion targets.
- **Regularly Review Data:** Continuously monitor demographic data and the progress of each of the diversity and inclusion initiatives. Use this ongoing analysis to adjust the organisations strategies as needed.

Example: A resource company may set up quarterly review meetings to monitor the progress of its diversity and inclusion initiatives, perhaps using a dashboard that tracks key metrics such as diversity in new hires, promotion rates of underrepresented groups, and results from employee satisfaction surveys.

6. Communicate Findings and Actions

- **Internal Communication:** Share insights from the demographic data analysis and the rationale for choosing certain diversity and inclusion strategies with all employees to build awareness and support for initiatives.
- **External Reporting:** Consider sharing progress on diversity and inclusion targets in external reports or on your organisation's website to demonstrate progress and commitment to external stakeholders.

Example: A resources company may incorporate its diversity and inclusion achievements and challenges into its annual sustainability report, sharing stories of successful diversity and inclusion initiatives and outlining plans for future improvements. They may also hold an annual diversity and inclusion forum inviting feedback from employees and external stakeholders.

7. Foster a Culture of Inclusion

- **Engage Leadership and Employees:** Engage leaders and employees at all levels in understanding and supporting diversity and inclusion initiatives. Leadership commitment is crucial for driving cultural change.
- **Feedback Loops:** Implement mechanisms for employees to provide feedback on diversity and inclusion initiatives, ensuring that the strategies remain responsive to the needs of the workforce.

Example: A resources company may launch an inclusion training program for all employees, focusing on cultural competency and unconscious bias. Leadership commitment is demonstrated through participation in these programs and regular messages reinforcing the importance of diversity and inclusion.

8. Evaluate and Iterate

- **Continuous Improvement:** Treat the use of demographic data in informing diversity and inclusion decision-making as an iterative process. Regularly evaluate the effectiveness of the strategies and initiatives and be prepared to make changes based on what the data is saying over time.

Example: After implementing new recruitment strategies aimed at diversifying its workforce, a resources company may conduct an annual review to evaluate the impact of these strategies. Finding that certain approaches were more effective than others, they adjust their tactics accordingly for the following year.