Center for Employment Equity

Count and Compare

One strategy for reducing discrimination

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How do we reduce discrimination and increase diversity in our workforces? Hmm, let's first ask some other questions.

How do managers reduce waste in the production process? promote quality? control labor costs? get new products to market? *They count.* They count waste, defects, returns, cost, time to market. If the counts are good they get raises, if they are bad they change what they are doing.

How do investors evaluate firm performance? *They count and compare*. What is the return on investment compared to other firms? Market share? Brand value relative to competitors? They invest in the comparatively successful and punish the laggards. Firms promote and evaluate performance by monitoring the numbers, setting goals, comparing to competitors.

If a firm or government agency does not monitor something it probably does not value it. Or if it does care, but does not monitor, it probably manages poorly. There is now a consensus that accountability and transparency are important mechanisms to reduce discrimination and bias and increase diversity in employment. Neither is possible, in the absence of metrics. Imagine pay for performance with no performance metric? How about a stock analyst with no performance data? We must count diversity, disparity and dignity. Once the metrics are in place, accountability and transparency are possible. Without them it's shadowboxing in the dark.

What metrics make sense for firms and workplaces?

- Firms need to collect data on themselves. Not only point in time descriptions of workforce diversity, but the flows of hiring, firing, and departures. Firms need to know if the problem is in hiring or hostile climates or low wages, or all of the above.
- Firms need to analyze their internal disparities in earnings, promotions and other rewards for coming to work. The methods to do so are well established and easy to implement in standard HR software. A smart pay gap analysis – whether about race, gender, disability or their intersections – should explore both pay gaps within jobs and those between them. Segregation and face-to-face bias both need to be managed.

- Firms need to keep records and analyze them around internal discrimination complaints. If a firm is producing a defective product they must see the defect in order to fix it; if their workers are being subject to indignities they need to have a mechanism to recognize and repair.

What metrics make sense for regulators and othe stakeholders?

- Regulators and activists need to rank firms in terms of their employment diversity, pay gaps and discrimination complaints.
- Rankings can be used by consumers or investors, like return on investment comparisons, to both reward and punish.
- The Department of Labor's Office of Federal Contract Compliance Programs should use available data to idenitfy the worst actors in the worst industries.
- The U.S. Equal Employment Opportunity Commision should be permitted to implement private sector pay data collection. It should also start using available data to benchmark firm and industry diversity for the private sector.
- The U.S. Department of Justice should be analyzing the forty years of state and local government pay data collected by the EEOC to rank city and state governments in terms of their diversity and pay gaps.