Diversity Data Series
1. An introduction to diversity data

Part 1 of our Diversity Data Series guides introduces diversity data collection and its application in the workplace. Its purpose is to provide organisations with advice and guidance on why they should collect diversity data, what the key foundations are for ethical data use, and in what ways they might collect data to support their diversity, equity and inclusion (DEI) mahi.

Also known as demographic data, diversity data refers to the information you collect from members of your workforce regarding their backgrounds, identities and characteristics. This information can be used to improve understandings of how different groups experience your workplace and inform your DEI strategy. Collecting and using diversity data can be challenging but, if done well, it is invaluable.

Why collect diversity data?

Collecting diversity data can support your organisation and people in many ways.

- **Affirmation**: In the first instance, it demonstrates to your employees that who they are matters to you and affirms your commitment to this kaupapa

- **Insight**: Gathering this information means you better understand your workforce and the lived experiences of your people

- **Focus**: By identifying under-representation and inequities, you can determine your organisation's priorities and target your DEI work to meet your people's needs

- **Action**: What gets measured gets done, so knowing where your gaps exist means you can create positive solutions to address those gaps and track your progress

- **Transparency**: Sharing insights about your organisation, including how these translate into action, is an important part of bringing all your people on your DEI journey

- **Relevance**: Prospective employees, clients, and customers, as well as government regulators, investors, and other stakeholders, are increasingly expecting demonstration of DEI performance.

As with any activity, it is important that your organisation takes the time to thoroughly understand and articulate your own rationale for collecting and using diversity data. Your reasons for doing so might relate to any number of the above (and potentially more); however, your drivers should be authentic and meet your workplace's specific needs.

Knowing your data intentions

Diversity data can be sensitive and personal. For that reason, and before even beginning to think about what data you will collect and use, it is important to ground your approach in a clear understanding of data handling ethics and define what these should look like in the context of your organisation.

It is also important to ensure your approach is culturally sensitive to and supports diverse worldviews, particularly te ao Māori. In support of Māori data sovereignty, in 2020 Stats NZ Tatauranga Aotearoa developed Ngā Tikanga Paihere – a framework and set of guiding principles for ethical and culturally appropriate data use. Drawing from 10 tikanga Māori, the five principles are:

1. Have appropriate expertise, skills and relationships with communities

2. Maintain public confidence and trust to use data

3. Use good data standards and practices

4. Have clear purpose and action

5. Balance benefits and risk

Although these principles have been defined in the context of public and community research, much of the ethical guidance can be applied when undertaking internal data gathering exercises within a workplace context.

To learn more about Ngā Tikanga Paihere, visit data. govt.nz. For more general information about ethical data management, consult their Data Toolkit.

Internal capability

Another thing you should establish before diving into your diversity data journey is what internal capability, expertise and skills you have to support it.

Rather than being seen as purely an HR effort, your diversity data process should include a range of different stakeholders across your organisation, such as:

• HR or people and culture

• Senior leadership

• Organisational development

• Communications

• System/IT support

• Legal and compliance experts

• Trade union representatives

For each stakeholder group, consider the unique roles they will play and what information they should and shouldn't access. You should also identify who should be responsible for monitoring and discussing any issues that might arise.

Key legislation

In addition to ethical and cultural considerations, it is crucial that anyone that collects, handles or accesses diversity data understands the legal obligations of employers.

The key pieces of legislation that need to be thoroughly understood are:

1. **The Privacy Act 2020**, which governs how organisations and businesses can collect, store, use and share personal information. Privacy considerations are explored further on in this guide, as well as throughout the rest of the Diversity Data Series.

2. **The Human Rights Act 1993**, which covers equal opportunities and preventing unfair treatment on the basis of personal characteristics. The Act governs employment matters among other public spheres and also sets out the prohibited grounds of discrimination for the Employee Relations Act 2000.

Think about the role of any internal groups or committees that are dedicated to this mahi, such as diversity committees, working groups and employee network/resource groups. Where you have this internal capability, they should be included within the project design as early as possible to ensure that diverse voices are influencing the shape of your data exercises.

It is important that those handling data understand privacy and any other legal and ethical considerations, and are trained in fundamental DEI topics, such as unconscious bias and cultural intelligence.

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Data collection points

There are two main ways in which diversity data is usually collected: using an internal employee record system; or asking employees through a survey.

Both systems require employees to self-report their information, but there are some differences in terms of how the data can be collected and used. Below is a table summarising how these methods compare.

Since they gather different types of insights, all of which are potentially very valuable, ideally organisations might use both methods. However, not all organisations will be ready for advanced data collection, nor will all have an employee record system, or one that can collect and store diversity data easily. For organisations that are in the early stages of data collection, or for those that cannot use an HRIS, collecting diversity data through an employee survey is a great first step.

Whichever approach you choose, think carefully about what you want to achieve, ideally keeping the whole process as simple as possible, and making sure employees know what data is being collected and why.

	Employee records	Employee survey
Systems requirements	Requires a secure records system, often called an HRIS (HR information system).	Requires a secure and trustworthy survey platform.
Point of collection	Information can be collected at the point of employment/on-boarding. There should also be a means of updating the information for existing staff.	Information is collected whenever the survey is conducted. This is usually within a defined period with a survey deadline.
Privacy implications	Since the diversity data is attached to employee records, those who have restricted access to the data can identify individuals. Some systems are self-service; others require the data to be collected and manually entered by HR. In either event, there should be up-front communication of why the data is being collected.	Since the diversity data responses are not attached to any employee records, this method can assure total anonymity (provided the survey doesn't collect data that identifies individuals). It should still tell employees why the data is being collected prior to the survey being undertaken.
Short-term or long-term use?	Data stored in an employee records system can be analysed at any point in time, meaning that reports can be generated periodically. This allows for longitudinal analysis, meaning you can track how trends shift over time.	Surveys are an ad hoc activity, the results of which only represent a snapshot in time. Surveys can be undertaken periodically; however, the results won't be like-for-like since they depend on who responds to them.
What can the data tell you?	• How many employees belong to different diversity groups, but only if records are completed and up-to-date • How different groups experience the employee lifecycle (such as promotions and attrition) • Can be cross-analysed with/disaggregated by any other data records, e.g. locations, teams/departments, seniority levels and other employee details	• How many employees belong to different groups (as self-reported at that moment in time), but only as a proportion of the overall respondents • How different groups respond against any given employee engagement survey indicators • Can only be cross-analysed with/disaggregated by any other information you might collect as part of that survey
Summary	Reveals the proportional representation of groups within the workforce, and how people progress within the organisation.	Reveals disparities in what diverse groups of staff experience and feel in your organisation.

Privacy and security considerations

The Privacy Act 2020 requires that employers only collect personal information for "valid work purposes only", which means that you should only collect data that you need. Therefore, it is not just ethically important but also important legally to first understand your own data intentions thoroughly and then only collect diversity data that you intend to use to benefit your DEI work.

It is also a legal requirement that organisations protect the privacy of any personal information gathered and do not disclose or use it for any other purpose. This means that the system through which you collect, store, and analyse the data must be secure and restricted to only those with authorised access. Unless they have agreed, individuals must not be identifiable in any reporting of the data (see Part 4 of the Diversity Data Series for more guidance on this).

For more information about the Privacy Act 2020 and the Privacy Principles, you should read information provided by The Office of the Privacy Commissioner (OPC) | Te Mana Mātāpono Matatapu, as well as Employment NZ.

Understanding the data lifecycle

It is easy to think of diversity data collection as a stand-alone activity at a specific point in time; however, we would encourage you to consider it to be a cycle and on-going process instead.

Rarely does one collection attempt result in a data set that is as rich and robust as it could be. Regular data collection provides opportunity to enhance questions asked and improve response rates.

Through collecting data incrementally, you can see the outcomes of your DEI work over time, demonstrating whether you are tracking in the right direction and highlighting any further gaps and needs.

We have developed these guides as a series to help you navigate the steps of the process:

Diversity data in recruitment

Another crucial point of data collection is during the recruitment process. Capturing diversity data at this first phase of the employee lifecycle can tell you whether certain groups are experiencing barriers in the recruitment process, and at different stages of that process (from shortlisting to interviews to appointment).

Since not all candidates will become your employees, this requires a separate process. Usually, it is achieved through a diversity data collection form to be returned by candidates at the point of application, when they submit their application or CV.

By law (as per the Human Rights Act 1993), diversity data cannot be used to discriminate against candidates in hiring. Therefore, it is crucial that this data is kept entirely separate from the application and it should never be seen by anyone involved in the recruitment decisions and outcomes – it should be kept securely by a designated HR personnel instead. Your recruitment process should include measures to safeguard this confidentiality.

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Read the rest of the guides in this series to learn about preparing your people for diversity data collection, how to collect and analyse the data, and how to use it to further your DEI journey.