

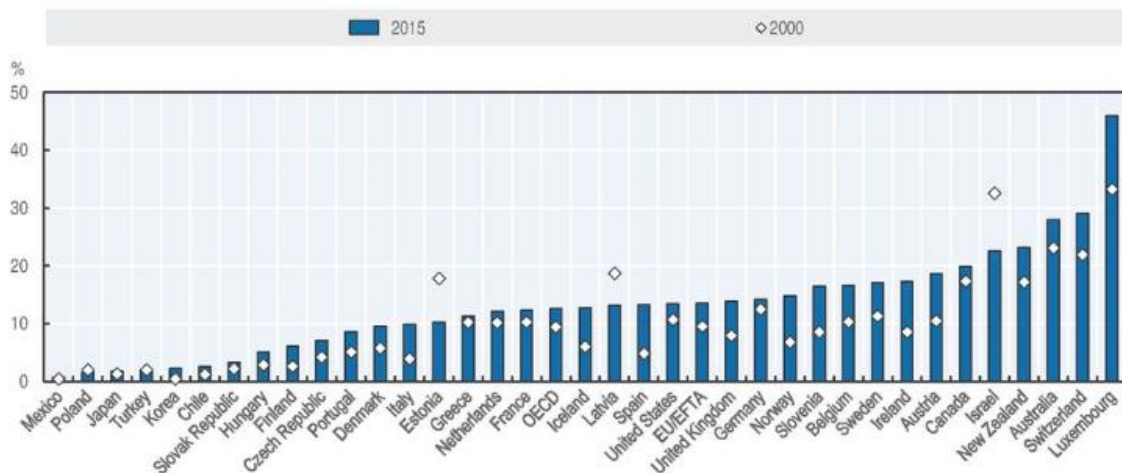
Issues note - Plenary I: The diversity challenge

OECD countries are becoming more diverse: the variety of groups defined by individual characteristics such as gender, age, disability, LGBT status, nationality, ethnicity, or race has increased considerably, in the labour market and in society more broadly. Women have entered the workforce in large numbers. Employment rates of older workers are increasing: 59% of individuals in the age group 55-64 are employed in 2016, up from 48% in 2000. Nearly 15% of the working-age population reports having a disability or long-lasting health problem that limits their activities in daily life. This share rises with age, with rates twice as high among those aged 50 to 64. Increasingly, LGBT people are open about their sexual orientation and gender identity. As an illustration, successive rounds of a Gallup survey in the US reveal that the proportion of adults who identify as LGBT is rapidly increasing: 3.5% in 2012, 3.7% in 2015 and 4.1% in 2016. And immigration is at a historic high: around 5 million people migrated permanently to OECD countries in 2016, well above the previous peak level observed in 2007 before the economic crisis. Almost one in ten people living in the OECD are foreign-born, and among younger cohorts, over a quarter of 15- to 34-year-olds are foreign-born or native-born offspring of immigrant parents in OECD countries with available data.

Yet, the full economic and social inclusion of these various groups remains an elusive goal. Although women's labour force participation rates have risen in recent decades, women are still 12 percentage points less likely than men to engage in paid work across OECD countries. When women do enter the labour force they are more likely to work part-time, are less likely to advance to management, tend to work in less lucrative sectors, and still face discrimination. These factors combine to create a sizeable wage gap: the median full-time female worker earns almost 15% less than her male counterpart. This rate has barely changed in the past decade, and contributes (along with other factors) to a sizeable gender gap in incomes in old age.

Other groups also face substantial barriers to their successful inclusion. Changing jobs or finding new ones once they are unemployed is a challenge for older people. People with disabilities find it hard to participate in the labour market, even though many can and wish to work: in a study of 16 OECD countries, their employment rate is 27 percentage points lower than that of non-disabled people. Discrimination against migrants and LGBT people is still frequent. Field experiments show that homosexual applicants are only half as likely to be invited to a job interview as their heterosexual counterparts, and they are offered wages that are up to 10% lower. LGBT people also fare poorly in many other measures of well-being: while homosexuality has become more widely accepted over time in most OECD countries, homophobia remains widespread and a large majority of LGBT people feel rejected. The pervasive stigmatization of sexual and gender minorities affects their educational attainment and mental health, and institutional barriers to the legal recognition of same-sex couples have negative effects on relationship stability and their children's well-being. Immigrants are also at risk of social exclusion and their skills are often underused. In most OECD countries, they have lower employment rates than the native-born population. This is true even for highly-skilled immigrants, especially for those with foreign credentials as these often do not translate well to host country degrees. Migrant women are particularly disadvantaged in the labour market, with employment rates well below foreign-born men and native-born women and men in most countries. The native-born offspring of foreign-born people also face persisting obstacles. In the EU, their youth unemployment rate is nearly 50% higher than among young people with native-born parents.

The foreign-born as a percentage of the total population in OECD countries, 2000-2015



Note: Data refer to 2000 or the closest available year, and to 2015 or the most recent available year. The OECD and EU/EFTA averages are simple averages based on rates presented. For Japan and Korea, the data refer to the foreign population rather than the foreign-born population.

Source: OECD International Migration Database; Eurostat.

StatLink <http://dx.doi.org/10.1787/888933497912>

Questions for discussion

What have businesses, governments or international organizations done to promote a diverse workforce and an inclusive society overall?

What are the most pressing challenges for a better inclusion of the increasingly diverse components of our societies?

Is the diversity challenge harder now than it was in the past?

Is there a backlash against diversity and inclusion?

Speakers

Jennifer Brown

CEO of Jennifer Brown Consulting (diversity and inclusion expert) and author of the best-seller *Inclusion: Diversity, the New Workplace and the Will to Change*

Hakim El Karoui

Essayist, Honorary President of the Club XXIe Siècle

Christl Kvam

State Secretary at the Ministry of Labour and Social Affairs, Norway

Michael O'Flaherty

Director of the European Union Agency for Fundamental Rights

Anne Thevenet-Abitbol

Prospective and New Concepts Vice President at Danone Group, EVE, Octave & Noé Programs Editorial and Art Director

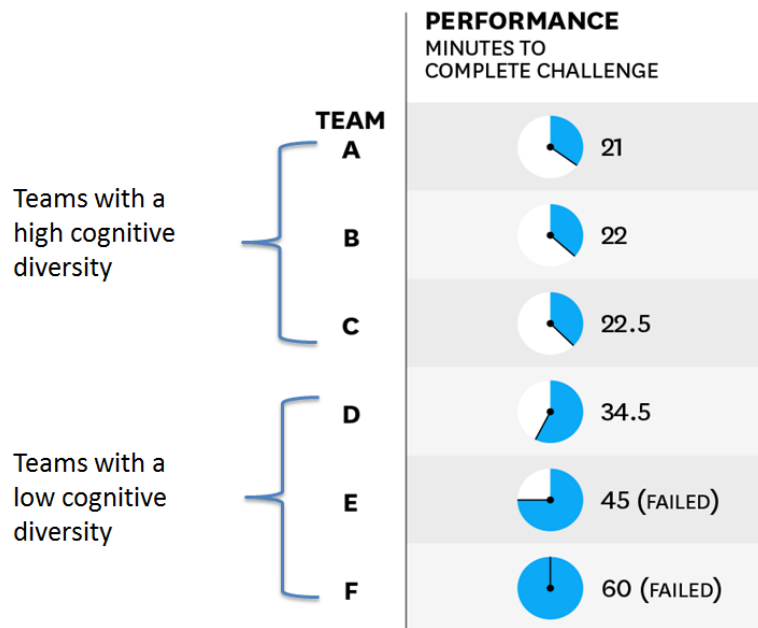
Issues note - Plenary II:
**What is the economic impact of diversity
and how can we make a stronger business case?**

Diversity is integral to a strong economy and inclusive growth. A diverse and inclusive economy is an economy that does not discriminate and treats all its groups on an equal footing. Equal opportunities with respect to education and jobs can generate a wide range of economic benefits. First, it allows all groups to reach their full potential. As an illustration, the [French government computed in 2015¹](#) that France would gain some 150 billion Euros, or 6.9% of the 2015 GDP, over 20 years (i.e. a 0.35% increase in GDP per year) by increasing access to skilled jobs and the overall employment rate for women and minorities. Better inclusion also benefits the economy by reframing incentives: the previously disfavoured groups see a point to becoming more engaged, while the previously favoured groups can no longer take their position for granted and also have to engage more actively. What is more, equal opportunities tend to increase workers' well-being, a key driver of their performance. . [A recent study performed in the UK²](#) provides evidence on the impact of happiness on productivity. It finds that happier people are around 12% more productive.

But the benefits of higher diversity are not limited to those of reduced discrimination. Enhanced diversity increases the prospect for complementarities between different skills, experiences and ideas, especially among teams involved in collective problem-solving. [Research³](#) finds that teams higher in cognitive diversity, defined as differences in perspective or information processing style, solve problems faster than teams where everyone has the same thinking style. Higher diversity also makes firms attractive to a wide range of stakeholders who matter for their profitability. It allows companies to stay connected with an increasingly diverse consumer base, in particular when they work globally, and to entice consumers and investors who care about corporate social responsibility. According to [a survey conducted in 2015⁴](#) among 300,000 consumers in 60 countries, 66% of them are prepared to pay more for socially-responsible brands – an 11 percentage points increase compared to the previous year. This upward trend is particularly strong among the Millennials (born between 1980-2000) where the proportion of consumers who notably care about the social value created by a company reaches 73% - up from 50% in 2014. Finally, employing migrants may also be economically beneficial by expanding a firm's export sales. . [A study in Denmark⁵](#) suggests that hiring foreign employees allows firms to benefit from personal and business networks abroad that can contribute to decrease their trade costs.

Of course, diversity also entails challenges by potentially increasing coordination costs and conflict. Inclusion is a key prerequisite in order to reap the full benefits of diversity. Some evidence suggests that ethnically diverse work teams can outperform more homogeneous ones [in a diversity-inclusive environment⁶](#), while the reverse is true [in environments characterized by inter-ethnic tensions⁷](#). These observations imply that all stakeholders – government, social partners and civil society - should intensify their efforts to create an environment in which all groups feel valued and respected and have access to the same opportunities.

Higher cognitive diversity within team correlates with better performance



Note: Cognitive diversity is calculated as differences in thinking styles present on each team

Source: Alison Reynolds and David Lewis, 2017, "Teams solve problems faster when they are more cognitively diverse," *Harvard Business Review*.

Questions for discussion

What is your personal experience of the economic impact of diversity?

What is the business case for investing and promoting diversity in the workplace?

What is the role of public policy in making diversity inclusive at the firm level?

In which business contexts, and for which groups, is the promotion of diversity particularly challenging?

Speakers

Olivier Hérout

Denise Hottmann

Seija Ilmakunnas

Stefano Scarpetta

William Spriggs

HR Director in charge of HR Strategy and Social Affairs at Engie
Representative of the German Diversity Charter and Head of Diversity and Inclusion at Boehringer Ingelheim Deutschland
Director of the Labour Institute for Economic Research, Finland
Director for Employment, Labour and Social Affairs, OECD
Senior Economist to the AFL-CIO (umbrella organisations of US trade unions)

Issues note - Plenary III:

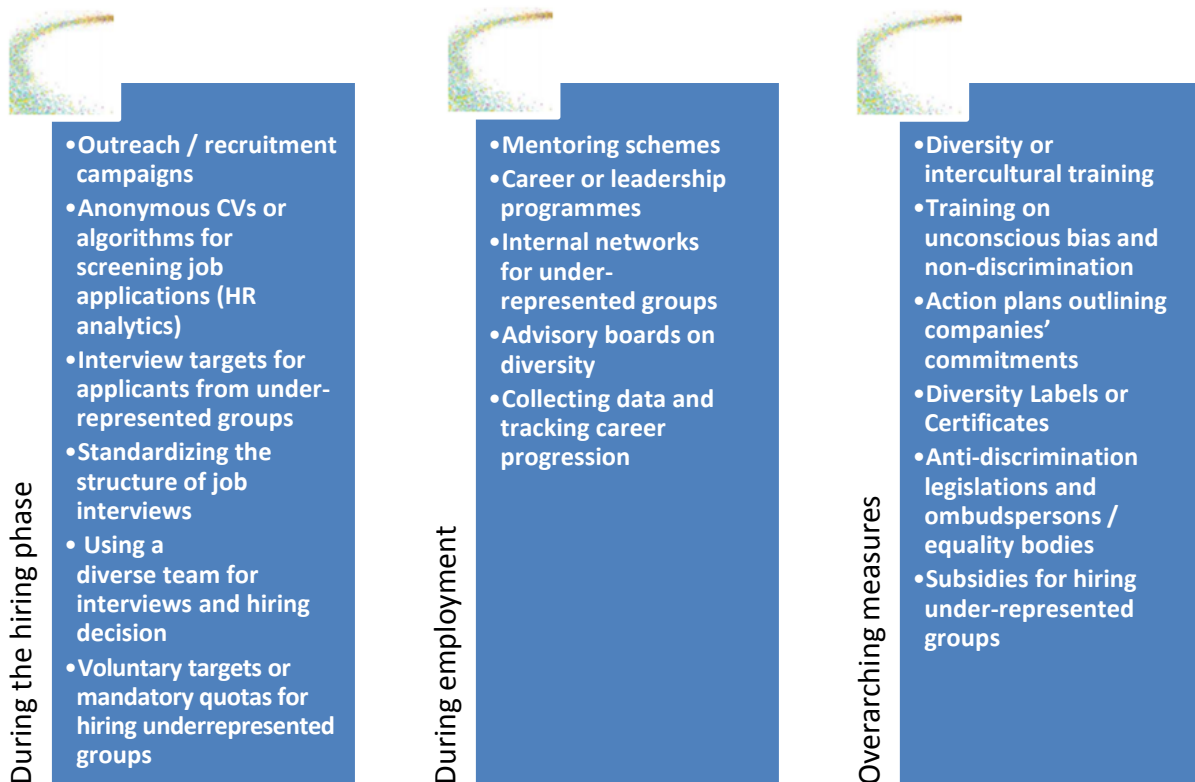
What strategies and policies work to promote diversity?

Businesses and governments across OECD countries have adopted a range of strategies and policies to provide equal opportunities and get the most out of diversity, yet often it is not clear how effective these approaches are.

A large set of tools has been developed to strengthen diversity in the workforce, ranging from voluntary commitments, such as Diversity Charters, to mandatory quotas for certain positions or sectors. Diversity Charters have been signed in 20 EU countries, representing around 10,000 businesses across the EU and approximately 15 million employees. And nine OECD countries have introduced gender quotas for the boards of publicly listed and/or state-owned enterprises. On average in the OECD, only 20% of board members in publicly listed companies are female. Measures may apply to one group specifically, for example reaching out to ethnic minority candidates during recruitment, or target employees more generally, such as providing courses on intercultural competencies or unconscious bias for all staff. Diversity management is important throughout the staff management process, including initial outreach measures, diversity-sensitive approaches in the recruitment phase or initiatives at the workplace regarding promotions. However, there is still relatively little evidence on what works. This is a key issue for effective policy-making, but also makes it difficult to get companies on board who may not be convinced that having more diverse staff adds value. Partly, the lack of evidence reflects a lack of data, as the impact of diversity measures is often not evaluated. It also reflects the challenge of defining what constitutes a 'successful' diversity policy and how this should be measured.

But strategies and policies to promote diversity should not be confined to the workplace. They must involve a multifaceted, whole-of-government approach to ensure that disadvantaged groups have full access to social and economic prosperity. This includes: (i) ensuring equality of opportunity through high-quality early childhood education; (ii) gathering good data on the size of minority populations and developing social, educational and economic indicators; (iii) providing adequate support throughout the life cycle to promote everyone's integration into the economy and society at large; (iv) enacting and enforcing anti-discrimination or minority-inclusive legislation; (v) combating prejudice and stereotypes at home, at school, at work, and in society at large to guarantee that all individuals can succeed regardless of their background. Despite knowledge gaps, evidence on the impact of these approaches confirms their effectiveness. This is for instance the case of the Perry Preschool intervention, an early childhood education program that targeted low-income 3-year old black children in the US. [Impact evaluation](#)⁸ of this programme reveals substantially better educational attainment and improved labour market outcomes at adult age for children who benefited from this intervention. Evidence on the impact of prejudice-reducing interventions is scarcer but similarly promising. [A recent study published in Science](#)⁹ shows that a mere 10-minute conversations between canvassers and voters about transgender rights substantially and durably reduce transphobia, with effects still visible three months after the intervention.

Different types of diversity policies and strategies in the workplace



Questions for discussion

Which policy tools help promote diversity in society at large?

When is it best to mainstream diversity policies? In what areas may targeted approaches be preferable?

How to define and measure the success of diversity strategies and policies?

How can unconscious bias and discrimination be avoided in the hiring stage and beyond?

Speakers

Alexandra Kalev

Associate Professor of Sociology and Anthropology, Tel Aviv University

Edwin Lau

Head of the Reform of the Public Sector Division, OECD

Isabelle Michel-Magyar

Program Leader for the HeForShe movement

Michael Wardlow

Chief Commissioner of the Equality Commission for Northern Ireland

Mansour Zoberi

President of the French Association of Diversity Managers

Issues note -Plenary IV: The future of diversity

New technologies are having a profound impact on labour markets and social interactions. This digital transformation constitutes an opportunity for more diversity but also poses challenges.

Technological change is creating major new opportunities for making societies more inclusive of their increasingly diverse social groups. More flexible ways of working make it easier for parents to combine paid work with caring responsibilities: OECD countries with the highest shares of women working from home also tend to have high maternal employment rates, while no such relationship emerges for men. Additionally, new survey technologies such as computer-assisted self-interviewing can improve respondents' sense of anonymity and privacy thereby increasing chances that sexual and gender minorities come out to surveys; this in turn makes it possible to measure the penalty they may suffer due to their LGBT status. US data collected between 2005 and 2010 show that the proportion of individuals who self-identify as gay, lesbian or bisexual is twice as high when information on sexual orientation is collected through computer-assisted self-interviewing as when it is filled out by the interviewer in the context of a face-to-face or telephone interview.

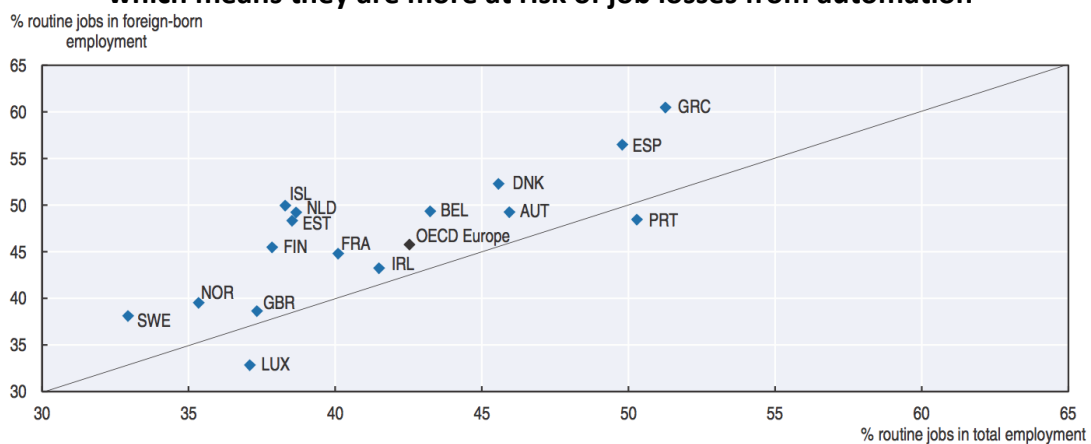
Access to the digital world also has the potential to improve the lives and promote the labour market and social inclusion of people with disabilities. A wide range of new technologies improve accessibility for blind or visually impaired people: braille keyboards, speakers (that transform text into a computer generated voice) and microphones (that convert speech into text or other actions by specialised softwares), Project-Ray smartphone (a vision-free smartphone that is controlled via touch, voice and sound controls), OrCam (a device that recognizes text and objects and describes them to its wearer via a bone-conduction earpiece and creates artificial vision) or Nano Retina (artificial retina that can return a person's sight). New technologies can also facilitate language learning for newly-arrived immigrants and provide the means for a better assessment of their skills. What is more, the spread of digitally-enabled independent work with the development of online platforms offer job prospects to young NEETs (not in employment, education or training), among which young immigrants and native-born youth with immigrant parents are largely overrepresented.

HR analytics, the use of big data for human resources, may be the next frontier for cutting unconscious bias and discrimination, although this approach needs to be complemented by prejudice- and stereotype-reducing interventions among managers and coworkers to be fully effective. [A recent study](#)¹⁰ provides the first experimental evidence about the impact of algorithms on the probability of atypical job candidates to be hired. It reveals that the machine and human screeners disagree on about 30% of candidates with the machine being better at identifying the “right” candidates: the marginal candidate picked by the machine (but not by the human) is +17% more likely to pass a double-blind face-to-face interview with co-workers and receive a job offer, while the marginal candidate picked by a human (but not the machine) is less likely to pass the double-blind interview. Put differently, the algorithm benefits candidates who would otherwise have been discriminated against, such as individuals who lack job referrals, those without prior experience, or those with atypical credentials. . [Another recent study](#)¹¹ on the use of job-testing recruitment technologies further confirms that firms that rely less on human judgement when making hiring decisions end up with better hires.

But digital transformation also comes with potential threats. Access to information and communication technologies has dramatically improved. The share of internet users in OECD countries grew by an average of 30 percentage points over the last ten years. While this has brought benefits for many, some groups are at higher risk of exclusion, such as older people who lack the full set of skills to thrive in a digital

working environment. Data from OECD countries confirm that younger people are better prepared for the digital working environment than older people: some 42% of adults aged 25 to 34 can complete tasks involving multiple steps and requiring the use of specific technology applications, such as an online form, but in the age group 55-65, only one in ten can do so. Computers and robots are being increasingly used as substitutes for routine activities performed by low- and middle-skilled workers, thereby contributing to a polarization of jobs. The loss of upward social mobility prospects for a substantial fraction of the workforce has contributed to the growing dissatisfaction about the effects of globalisation, technological changes and migration flows. This anxiety can in turn fuel a tendency to turn inward and question the benefits of diversity. Automation also hits diversity more directly, with migrant workers being over-represented in jobs involving routine tasks. Making sure that digital gains are accessible to all is a priority to guarantee a flourishing future for diversity.

In European OECD countries, 47% of foreign-born workers are involved in routine jobs, which means they are more at risk of job losses from automation



Source: [OECD International Migration Outlook \(2017\)](#)

Questions for discussion

- How can we use digital technology to foster a more diverse workforce?
- Are HR analytics the next frontier for reducing unconscious bias and discrimination?
- How can policy respond to anxieties related to automation and job loss?
- What skills are needed to thrive in the digital economy?

Speakers

- Sergei Guriev* Chief Economist at the European Bank for Reconstruction and Development and Professor at Sciences Po Paris
- Barbara Levéel* Global Head of Diversity and HR CSR at BNP Paribas
- Irena Moozova* Director responsible for Equality and Union at the Directorate-General for Justice and Consumers, European Commission
- Annabelle Pinel* Big Data & Analytics Business Developer at Capgemini
- Ivan Scalfarotto* State Secretary for Economic Development

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