

“How I Did It”

Inspiration for human capital analytics

Henrik Gjesing Antvor, Senior Specialist, Analytics / People & Culture at Vestas Wind Systems A/S describes how the company researched the business case for staff diversity and, through it, learned about important traits of any leader of successful teams.

What did you need to know?

Sometime back, the question about diversity was raised. It was a hot topic and people wanted to focus on it. Much of the research on diversity compares staff diversity and company Returns on Investment at a high level. With this approach, you can get stuck in the chicken and egg conversation: Are companies more diverse because they are higher performing or higher performing because they are diverse?

We started instead by trying to describe diversity in the context of Vestas and learning about whether it matters. We asked: Is diversity a good or bad thing? Is it something that we need to promote? Is it something we should try to manage?

How did you do it?

We decided to look into two specific types of diversity: gender and nationality in management positions. We chose these two areas because they were where we thought we might have a business issue. Our hypothesis was: Vestas had too many Danes and not enough women in management roles.

First step: Descriptive Statistics

We started by learning how many women and how many non-Danes were in management roles. As we expected, we found few non-Danes and women in management roles.

We investigated each HR process (hiring through termination) and looked for differences in how we work with women and non-Danes. Among other things we discovered that, even controlling for relevant factors, there were different hiring rates of women and non-Danes among different business units. Female managers were hiring diverse teams and male managers were to a lesser extent.

Second step: Does diversity matter?

1) Connecting diversity and performance.

We took an analytical approach to investigating the link between diversity and performance. Like many companies, it is hard for us to get solid data about business performance at an individual level, so we used individuals' performance ratings.

Female managers, and females in general, were rated higher than their male counterparts. Female managers had diverse hiring patterns and higher performance, so we thought, maybe there is something to it.

2) Connecting diversity and engagement

We next looked at engagement survey results to see if we could observe any differences in satisfaction between teams with male and female managers respectively. We found that female managers outperformed men in all areas, regardless of whether there were men or women on their team.

Explaining Why

We wanted to know what it is that female managers were doing differently? So we did a diversity and inclusion survey on a sample of the organization. We found female managers had a more inclusive leadership style.

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We next looked at different teams and how diverse they were. We found that very diverse teams, in terms of gender and nationality, had high satisfaction scores but cooperated less. We did not expect this since cooperation is a part of the satisfaction score.



However, there were some teams that were very diverse and had high cooperation, so we profiled managers for those teams. We learned that 45% of female managers and 27% of male managers were leading these diverse and cooperative teams. Female managers were better at coping with differences on their teams and making diversity into a strength. The results were consistent across different types of units e.g., operations, R&D, etc.

What we found

In sum, we learned female managers were more inclusive leaders and that inclusiveness resulted in higher satisfaction and better cooperation on their teams.

What was the impact on the business?

Management appreciated our analysis, especially that it was done on our own staff and identified what was happening within Vestas. As a company that is becoming more diverse due to increasing international operations and female graduates, management will use this knowledge to help us handle increasing diversity of our team.

The results were communicated to different parts of organization to encourage inclusive management practices. We started external reporting on how many women and non-Danes are in management. Over time we have seen that especially the rate of non-Danes has grown substantially.

What advice do you have for others seeking to use analytics in their HR work?

My suggestion is to start basic, can we see any difference in performance, engagement, hiring, onboarding and exit patterns. Then build your hypothesis based on that. Use performance and survey data to go deeper. Then eventually, you can estimate an effect of your findings. For us, the impact of increasing employees' feeling of inclusion on satisfaction was almost 1:1.

We could have reviewed a lot of literature, but didn't have time to do this. Instead, we said, what data do we have, and then figured out what can we could investigate. We made sure to explain this was our process and that we were aware that there were other things we could have looked at if we had access to additional relevant data.

In conclusion: If you need more data, start with an initial assessment using the data you have and create the case for gathering more data.