

The Value of Diversity and Its Impact on Compensation

*Ashton Baker and William Mackenzie
UAH College of Business*

Overview

Prior research has found women and minorities face discrimination in regards to compensation and other organizational outcomes. Legislation and social awareness over the past few decades have actively attempted to improve employment outcomes for the disadvantaged groups.

Most organizations aim to have diversity in their work place and are willing to compensate accordingly in order to fulfill their goals. Therefore, organizations often actively seek out underrepresented minority and female candidates in an attempt to improve organizational diversity. Many times institutions compete with others while hiring diverse applicants; thus, this strategy allows organizations to be more attractive to diverse individuals. However, it is unknown to what extent institutions vary on their value of diversity and what they offer.

Our goal is to investigate if certain groups benefit from a company's desire to hire diversified individuals in order increase faculty diversity. In the context of this experiment, we are focusing on the compensation of Professors in Management at private, research one universities across the US.

Hypothesis

We hypothesize the relative scarcity of these groups and their increased demand in labor markets should result in higher compensation.

Method

Participant data

- Demographic characteristics
- Publication Performance
 - Total publications
 - A journals (AMJ, SMJ, etc.)
 - B journals (JOM, HRM, etc.)
- Administrative roles if applicable
- Year hired at current institution
- Compensation available for years 2012-2016

Next Steps

Data will be compiled on all available professors and the abovementioned data. Analysis will be conducted to examine any relationships between minorities and compensation.

Impact of Research

Analysis will allow individuals the ability to compare their value among institutions and be aware of compensation benefits. It will also allow institutions to compare their compensation benefits to others and the values and needs of diverse individuals among other institutions.

Acknowledgements

Thank you to William Mackenzie for allowing me to work with him on this research project and guiding me along the way!