Building Inclusive Workplaces: Leveraging the Power of Metrics

Exponential Talent LLC

Raising Your Talent to a Higher Power

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Accountability is a critical change mechanism

A series of academic studies have found that accountability is a critical element necessary to improve diversity .

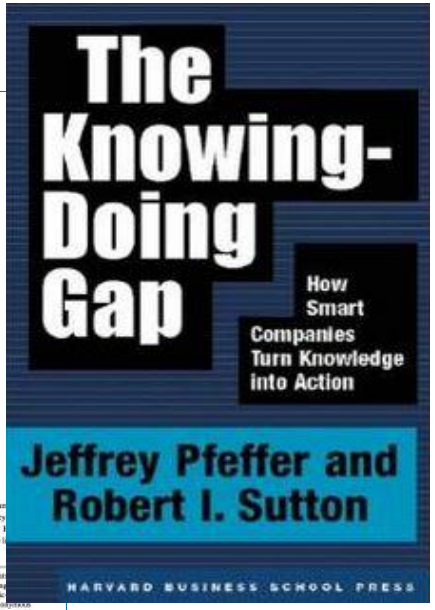
(Examples: Kalev et al., 2006; Gorman, 2005)

Best Practices or Best Guesses?
Assessing the Efficacy of Corporate
Affirmative Action and Diversity Policies

Alexandra Kalev
University of California, Berkeley

Frank Dobbin
Harvard University

Erin Kelly
University of Minnesota



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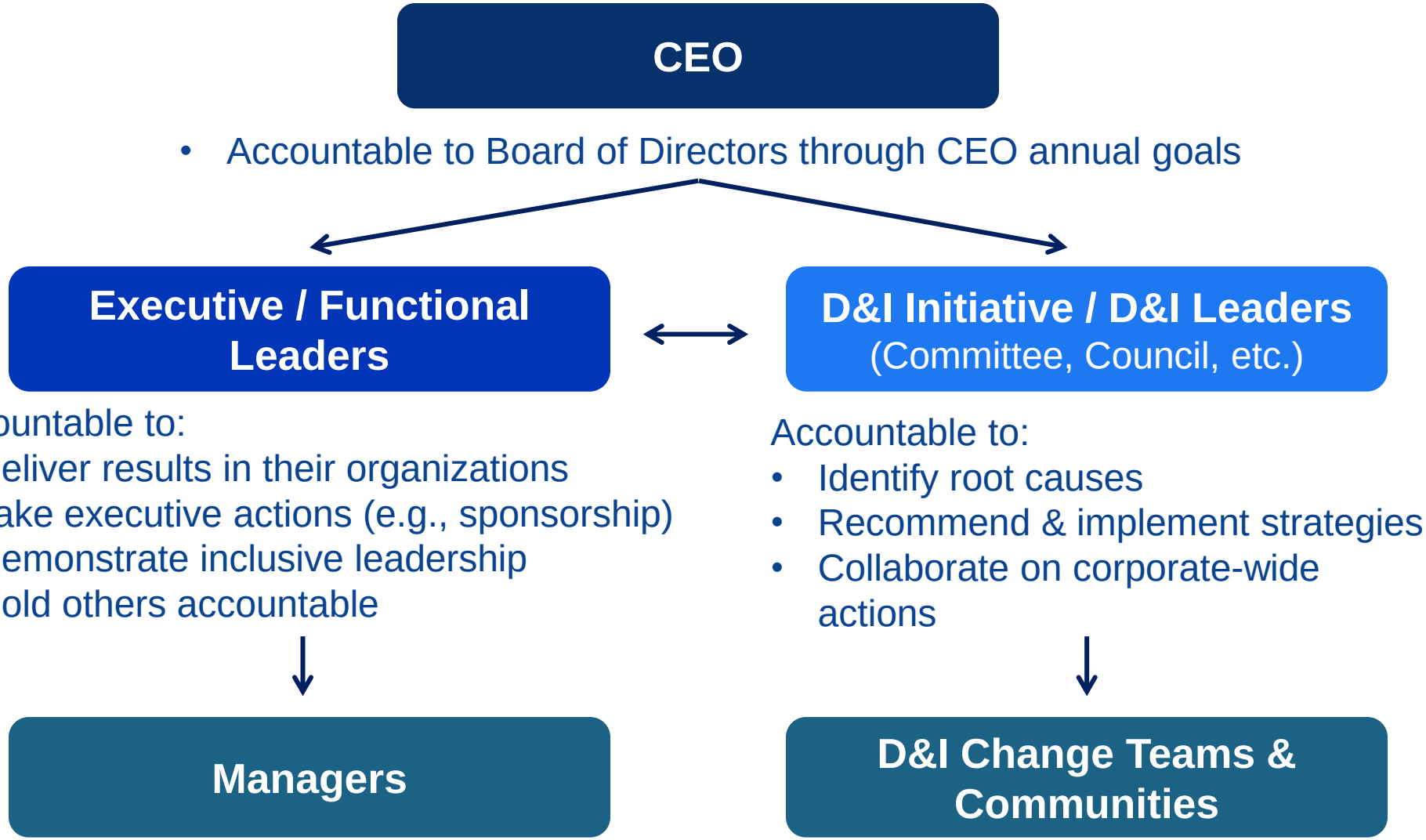
Example of accountability structure



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How do metrics help progress diversity, equity and inclusion?

MEASURE ACCOUNTABILITY

Align leaders.
Measure progress.
Celebrate small wins.

FOCUS ON HIGH IMPACT ACTIONS

Target “root cause” issues to accelerate progress.

MOTIVATE CHANGE

Motivate action by benchmarking to other organizations.

LEARN AND IMPROVE

Continuously refine practices to increase effectiveness.

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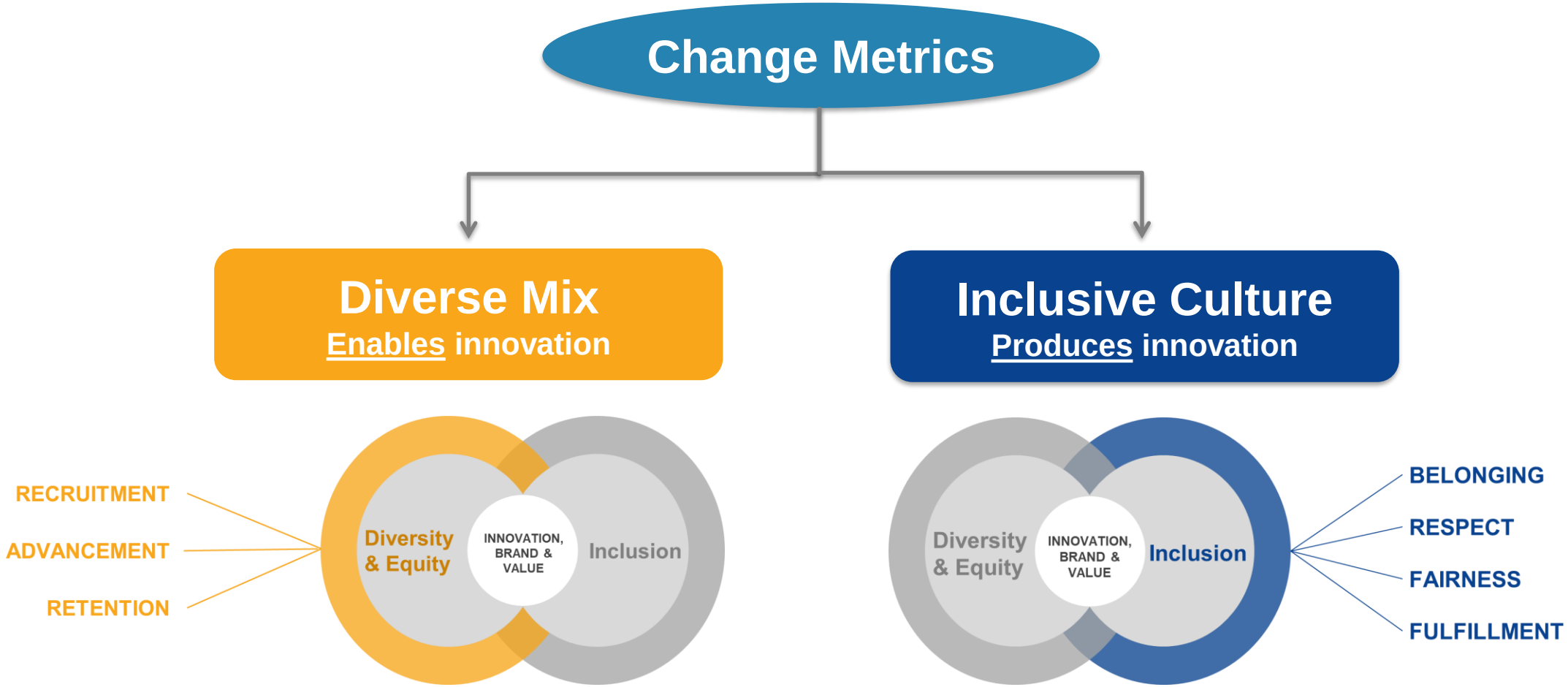
Principle #1: Measure both Diversity and Inclusivity to fully capture the ability to produce innovation



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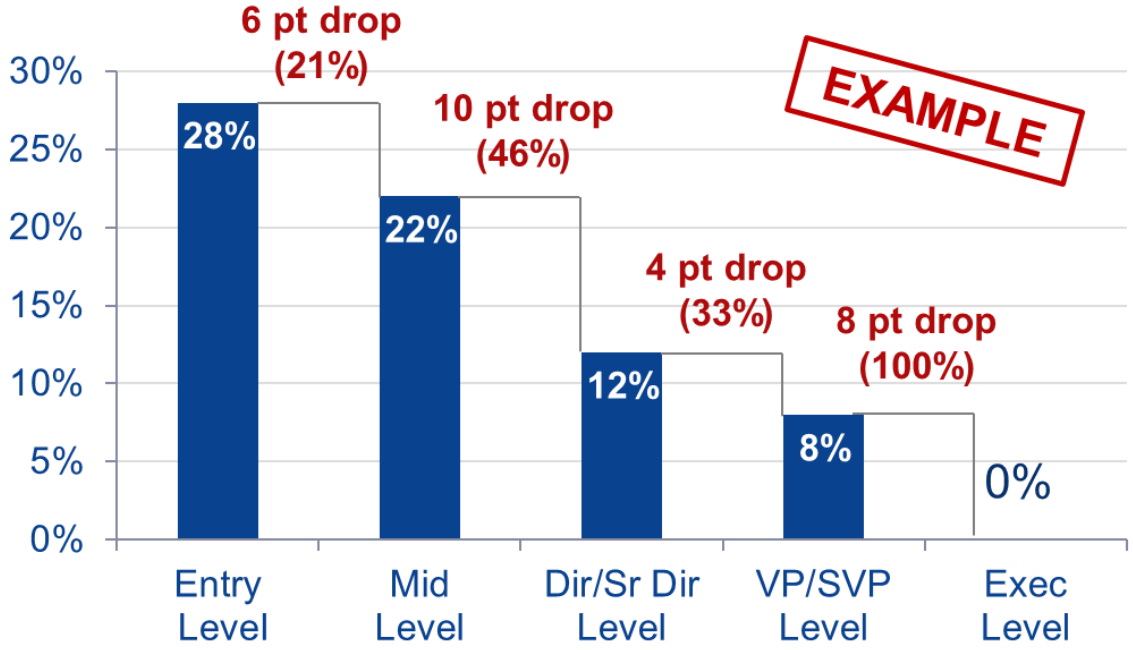
Principle #2: Assess the full internal talent pipeline to see critical gaps

Organization-wide diversity representation percentages do not provide enough insight. Analyze each level to diagnose the right intervention points.



Blue bars show the % of employees in a given demographic at each level

Tip: When analyzing the drop between levels, consider both the change in percentage points and the percentage change. In this example, the mid-level fell 10 points, however, this was a drop of 46% - meaning nearly half the pipeline was lost between mid-level and Dir/Sr Dir level. Until this steep decline is remedied, it will be difficult to grow representation at any of the top levels.

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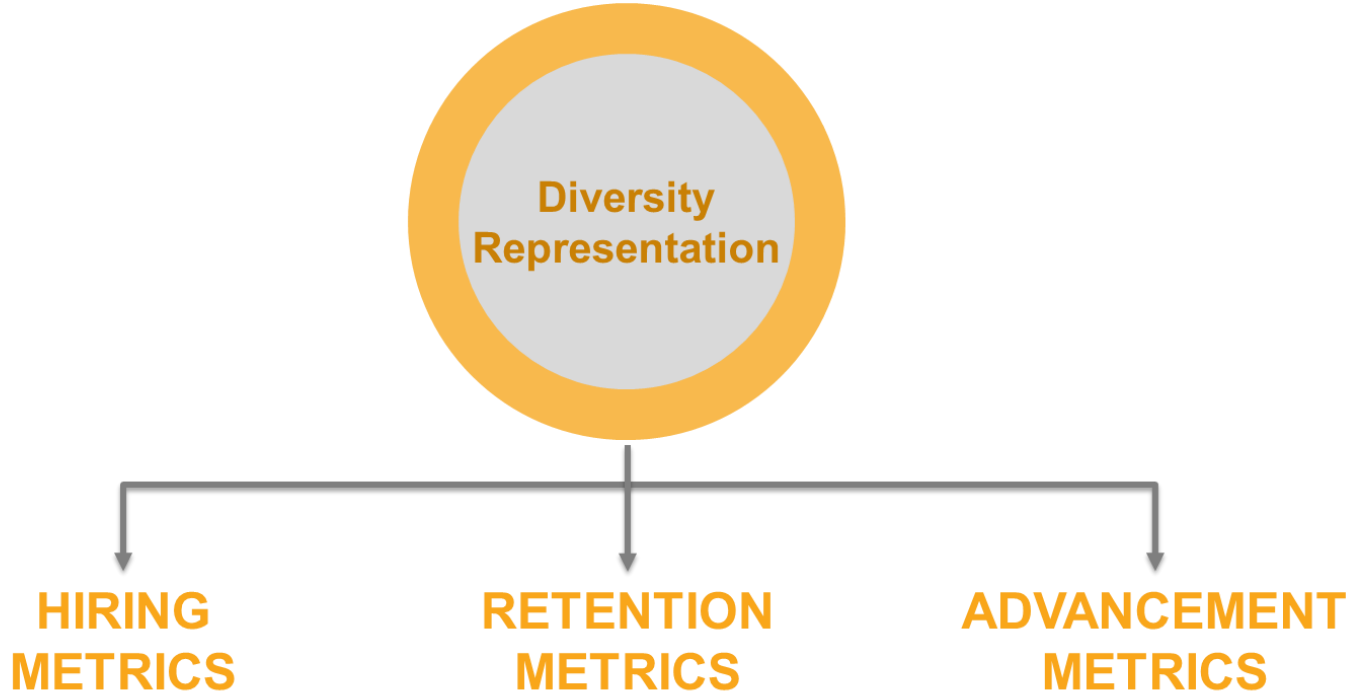
Principle #3: Focus on actionable insights



At each level, there are three areas of action to evaluate in order to increase diversity:

- Additions – who is hired
- Departures – who leaves
- Promotions – who moves levels

It is critical to examine all three actions areas across all levels to determine which actions will be the most productive to take. The next page illustrates this approach.

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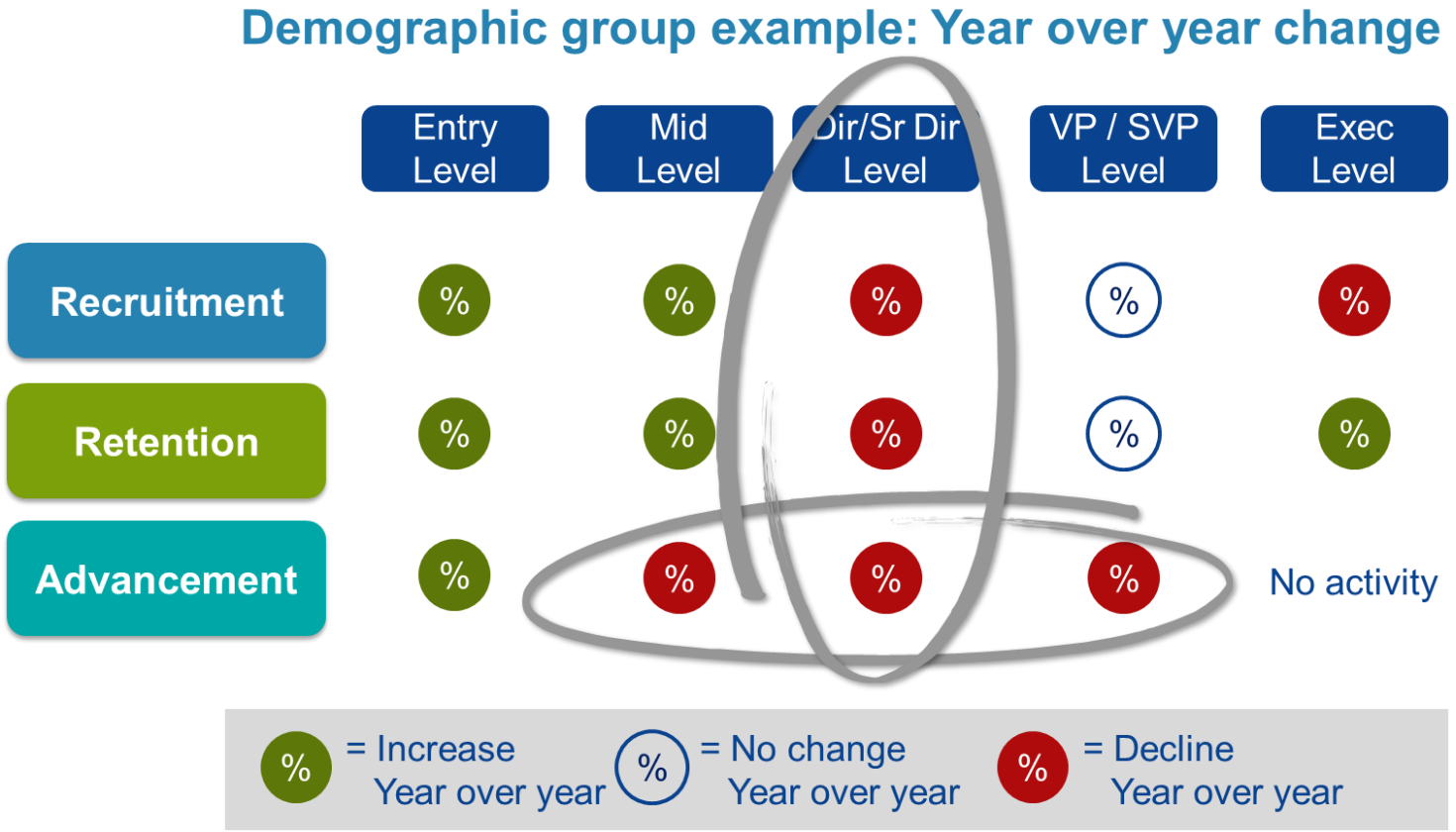
Example: Drilling down by action type and level



In this example, the entry level emerges as an area of strength. The Dir/Sr Dir level and the advancement process emerge as key areas to take action. Many organizations guess at their strengths and challenges and end up working on the wrong things. By investing in analytics at the start of the DE&I strategy process, organizations increase their effectiveness.

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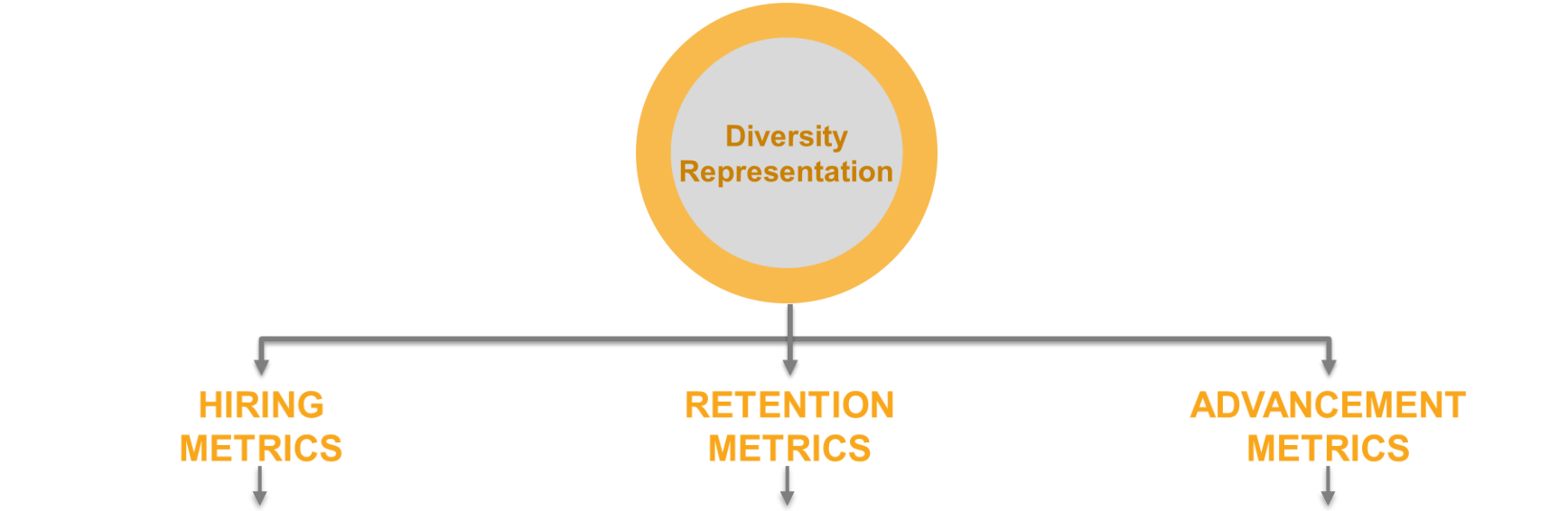
Finding the root causes of challenges may require additional one-time analysis



Examples of Data Reviews to Drill Down to Root Cause

- Sourcing diversity
- Screened candidate diversity
- Interview outcomes by diversity
- Offers by diversity
- Offer acceptance by diversity
- Candidate experience by diversity

- Engagement survey
- Exit interviews
- Focus groups
- Compensation review
- Benefits review (e.g., parental leave, flex work)

- Performance evaluation
- Assignments
- Networks
- Career advancing relationships
- Succession planning

Tip: Root cause analysis is a tremendous help to target actions to the area in which they will have the most impact. However, most organizations only need to perform this depth of analysis at specific points in time.

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Principle #4: Overweight leadership gains

- Greater under-representation in top roles intensifies diversity dynamics, making gains more difficult
- Increasing diversity representation at the top produces a “cascading effect” over time, increasing diversity at all levels.

Tip: Be sure leadership metrics are clearly visible. Overall representation percentages for underrepresented groups are heavily driven by headcount at the lowest levels of the organization, as this headcount is typically the largest group numerically. Be sure to make leadership representation visible and important in the design of your organization’s metrics.

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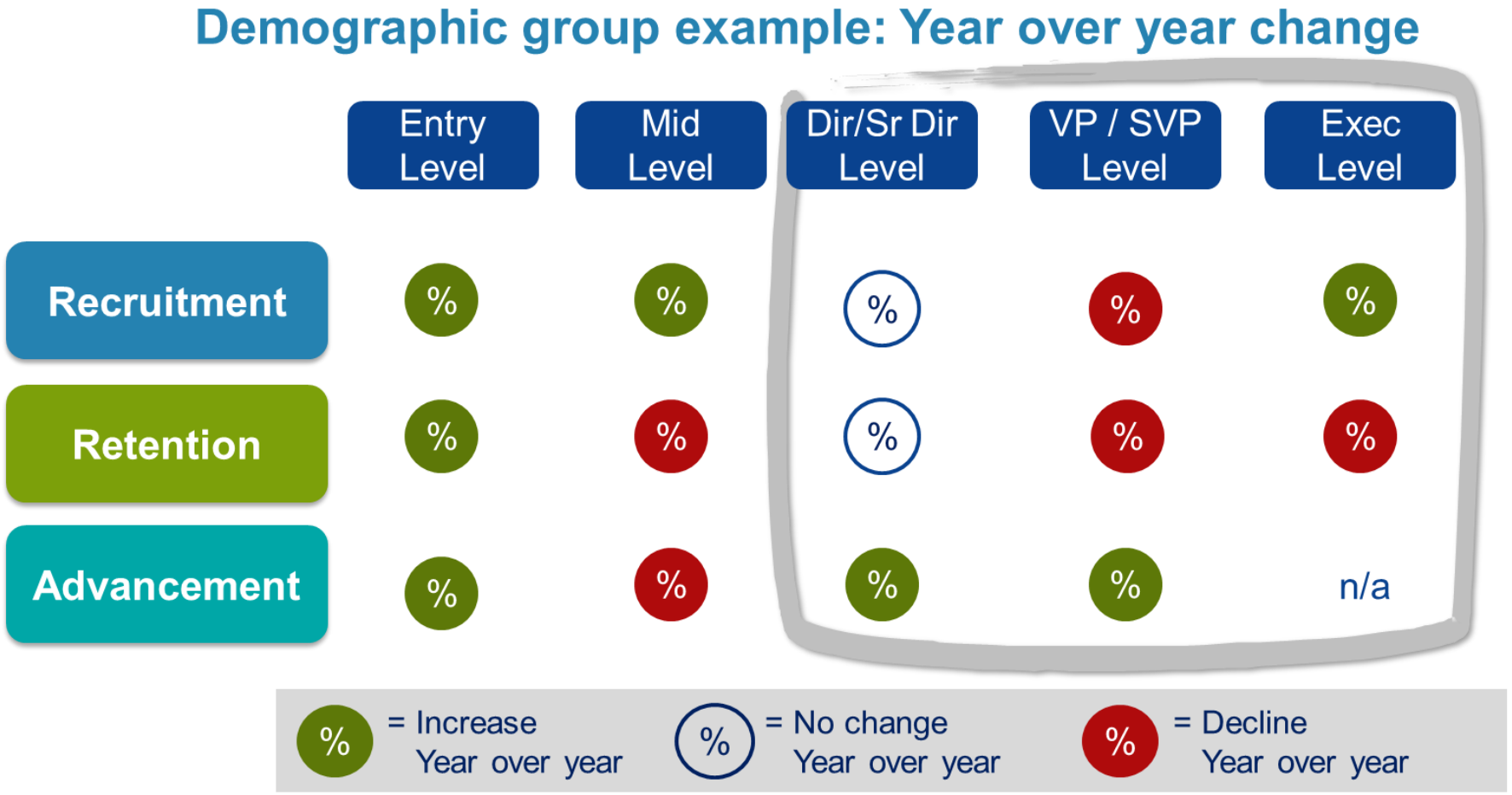
Example: 8 of 14 red/green values are for leadership levels, creating more weight on these roles



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Principle #5: Benchmark your organization

	Representation for Geographic Area							
Organization Area	Women Benchmark	Org %	Asian Benchmark*	Org %	Black Benchmark*	Org %	Hispanic Benchmark*	Org %
Product Mngt	% - %	%	% - %	%	% - %	%	% - %	%
Marketing	% - %	%	% - %	%	% - %	%	% - %	%
Finance	% - %	%	% - %	%	% - %	%	% - %	%
Human Resources	% - %	%	% - %	%	% - %	%	% - %	%
Technology	% - %	%	% - %	%	% - %	%	% - %	%

Legend: % = Above Benchmark Range % = Within Benchmark Range % = Below Benchmark Range

* Note: The specific races and ethnicities to benchmark vary by country. The example shown is for the U.S.

Generally, each department should be able to at least achieve representation equal to labor market availability, and as change efforts progress over time a number of organizations are able to achieve above labor market availability.

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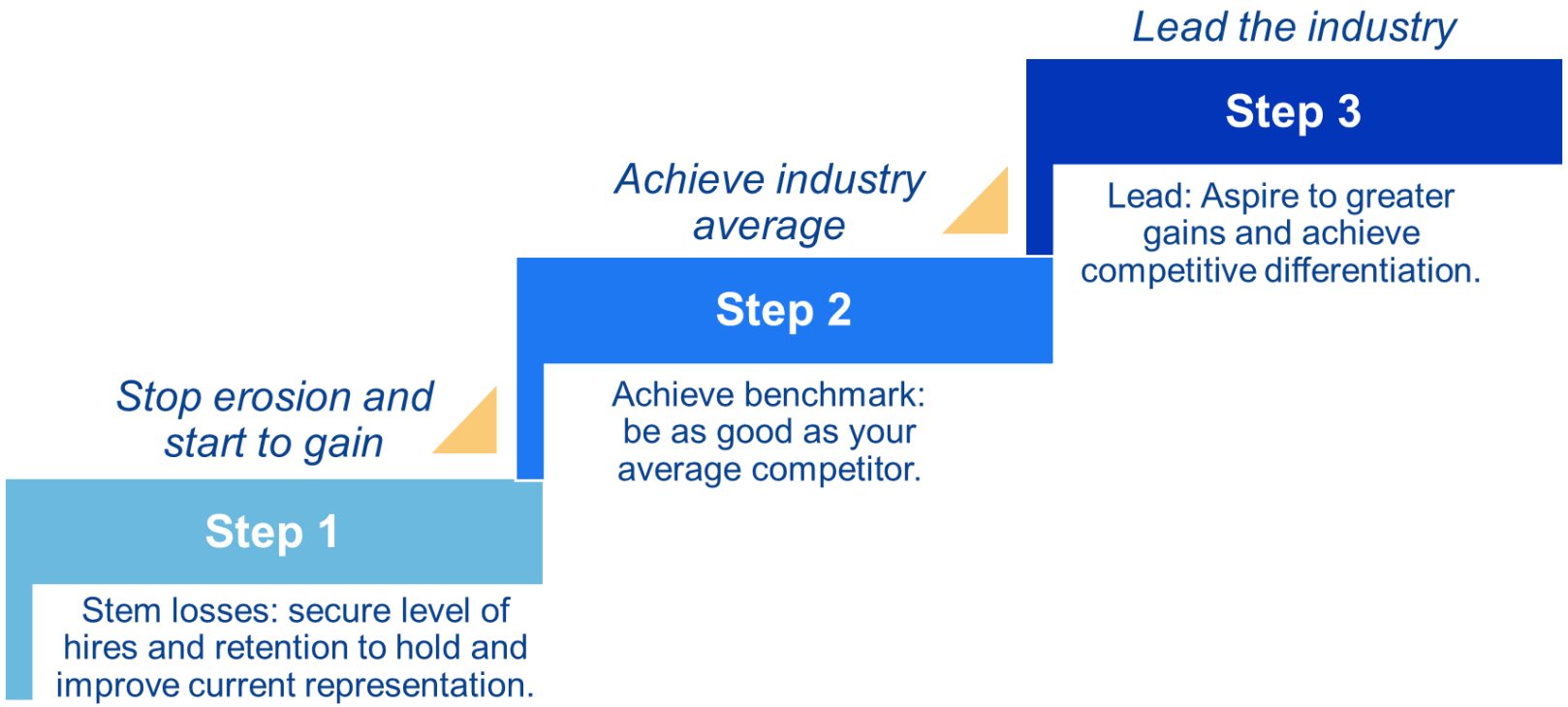
Principle #6: Create a journey of sustainable change



Tip: Each organization has its own unique starting point in its journey to become more diverse, equitable and inclusive. Design your strategy to fit your organization's current reality.

Also, recognize that each area of your organization may have a unique starting point, with some organization areas farther ahead in their journey. By tailoring the strategy for each group, an organization can let groups with leading edge efforts soar, while also creating support for those groups just starting their efforts.

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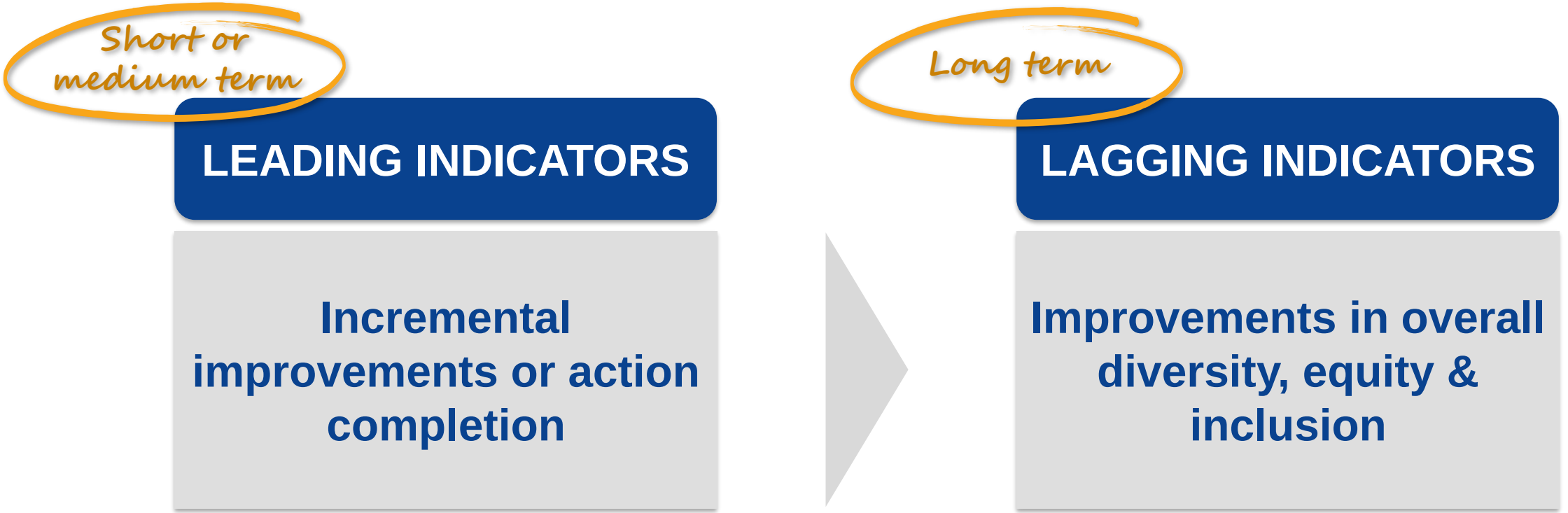
Principle #7: Develop both “leading” and “lagging” indicators.



Tip: The overall metrics for an organization’s diversity and inclusion effort tend to be lagging indicators of progress. It is important to supplement lagging indicators with some leading indicators that give the organization immediate feedback on how its efforts are working.

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Example of leading and lagging indicators

Example: Measuring the impact of a sponsorship program for managers

Short term: INITIATE ACTION (Action Scorecard)	Medium term: INTERMEDIATE IMPACTS (One-time Survey)	Long term: METRICS CHANGE (Metrics Scorecard)
Measure action completion: - Executives sponsor managers from underrepresented identities toward a director position - Measure: % sponsorship relationships initiated	**Measure increases for diverse sponsorees in:** - Leader advocacy - Visibility to senior leaders - Access to stretch assignments	**Measure change in top level diversity metrics:** - Higher diversity representation in Director+ levels

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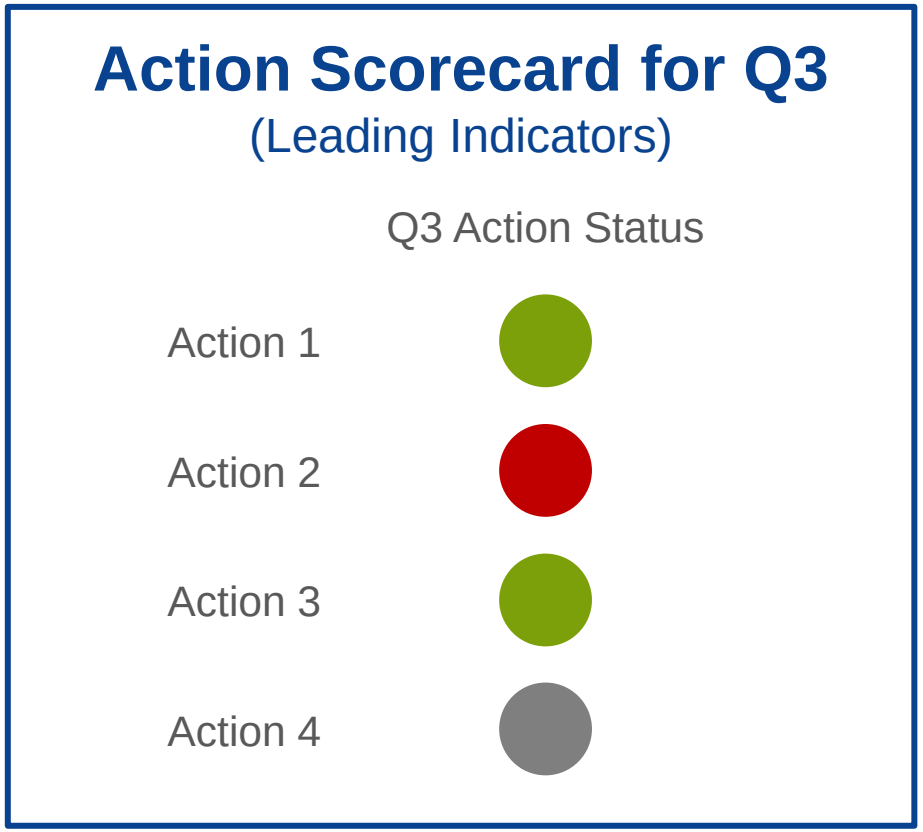
Example of leading indicators: Action completion score

Failure to follow through on change commitments is a key reason employees develop distrust of diversity, equity and inclusion initiatives. Without action, nothing will change.



Tip: Use a format that is similar to how business initiative progress is typically reported in your company.

This example is illustrative only. Formats vary widely by company. Create an action scorecard that resonates with your stakeholders.

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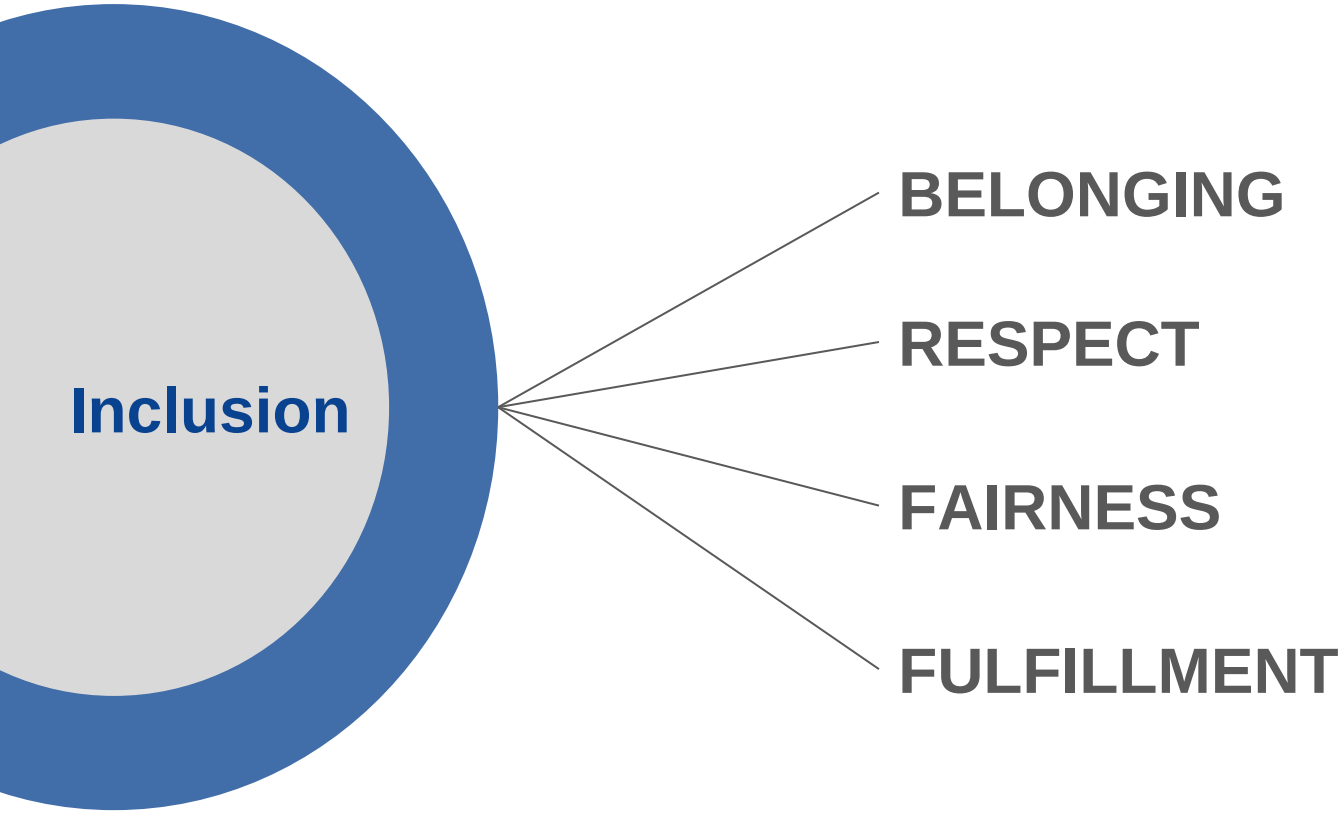
Principle #8: Leverage employee surveys to gauge inclusive culture



Inclusion lives in the everyday interactions of employees with each other. Interactions include how meetings are conducted, how decisions are made and how informal socializing occurs. To diagnose inclusive culture and measure progress over time, an employee survey is an effective approach. Many companies conduct a comprehensive inclusion survey using Exponential Talent's tool every 18 months to 2 years to identify key targets for change. Then a few pulse survey questions can be administered to gauge progress in the focus areas.

Another good way to get started with measurement is to review the results of your annual employee survey by demographic group to learn what insights into inclusive culture already exist.

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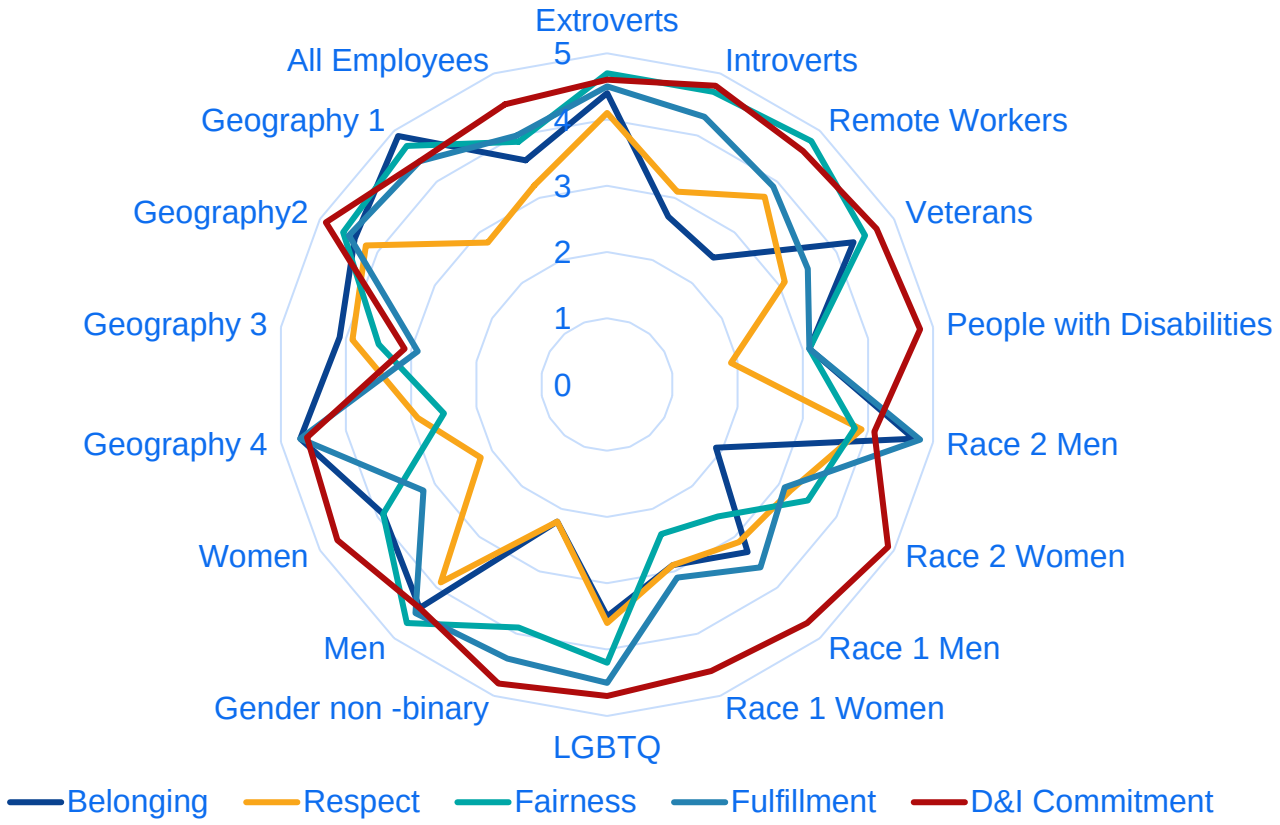
Exponential Talent's inclusive culture assessment

Exponential Talent's inclusive culture survey is designed to assess how different demographic groups in the organization experience inclusion, highlighting both strengths and improvement opportunities. In addition, the tool includes a D&I commitment dimension to assess key change management items.

All Employees	
Belonging	3.6
Respect	3.2
Fairness	3.9
Fulfillment	4.0
D&I Commitment	4.5



Notes:

- Answers to survey questions are from 5=Strongly Agree to 1=Strongly Disagree.
- The data shown are sample data.
- The demographics shown are example demographics. Exponential Talent works with each organization to define the demographics relevant to their organization.

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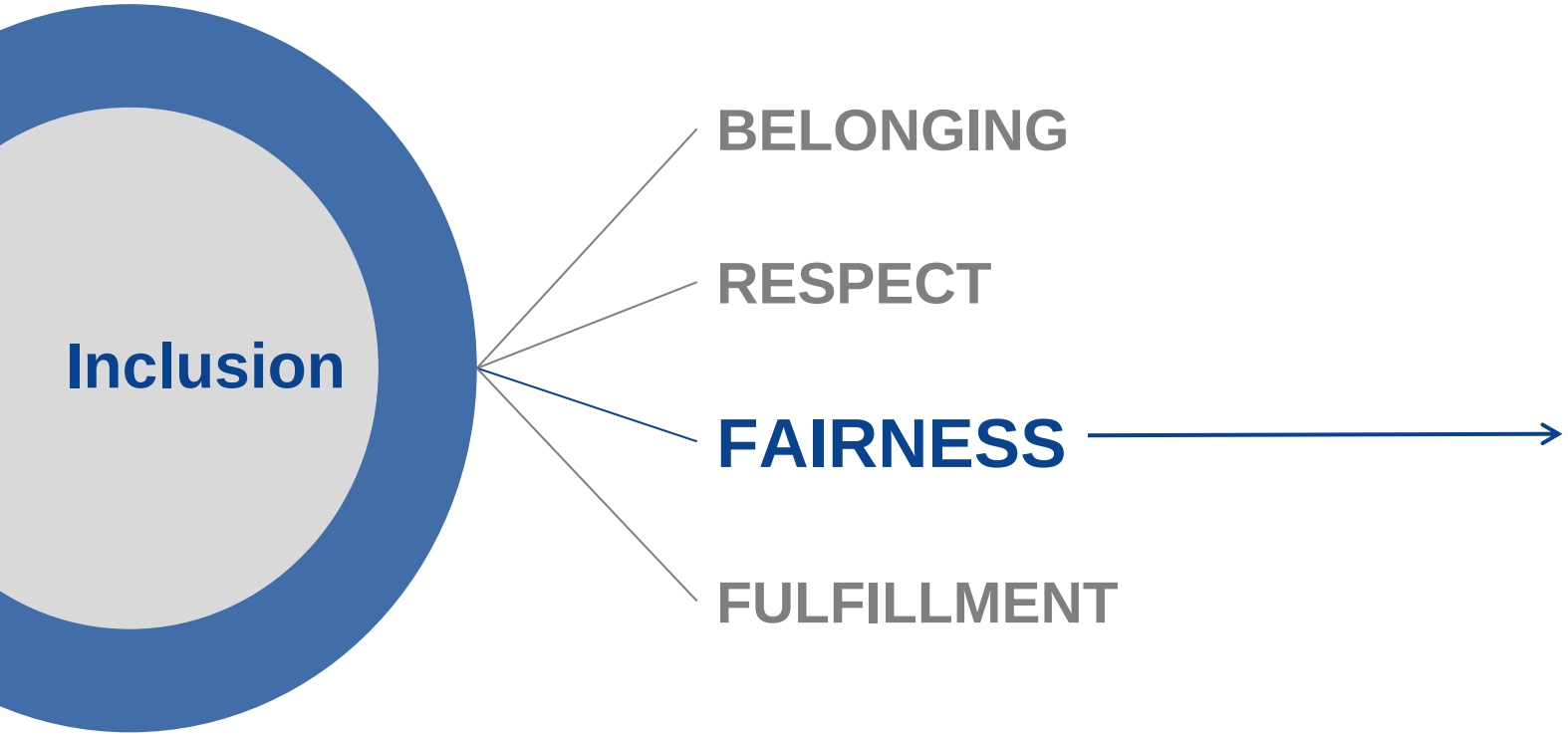
Assessing fairness through equity review



Check people process outcomes for fairness by reviewing areas such as:

- Performance rating equity
- Compensation equity
- Promotion rating equity

Some companies also have the data to review areas like:

- Critical assignment equity
- Succession pool representation

Note: Exponential Talent LLC cannot provide legal advice regarding fairness reviews. It is recommended to consult with legal counsel on legal matters. We can work with your counsel to perform the work under your counsel's direction including following the protocol provided by counsel for attorney-client privilege. Contact us to learn more.

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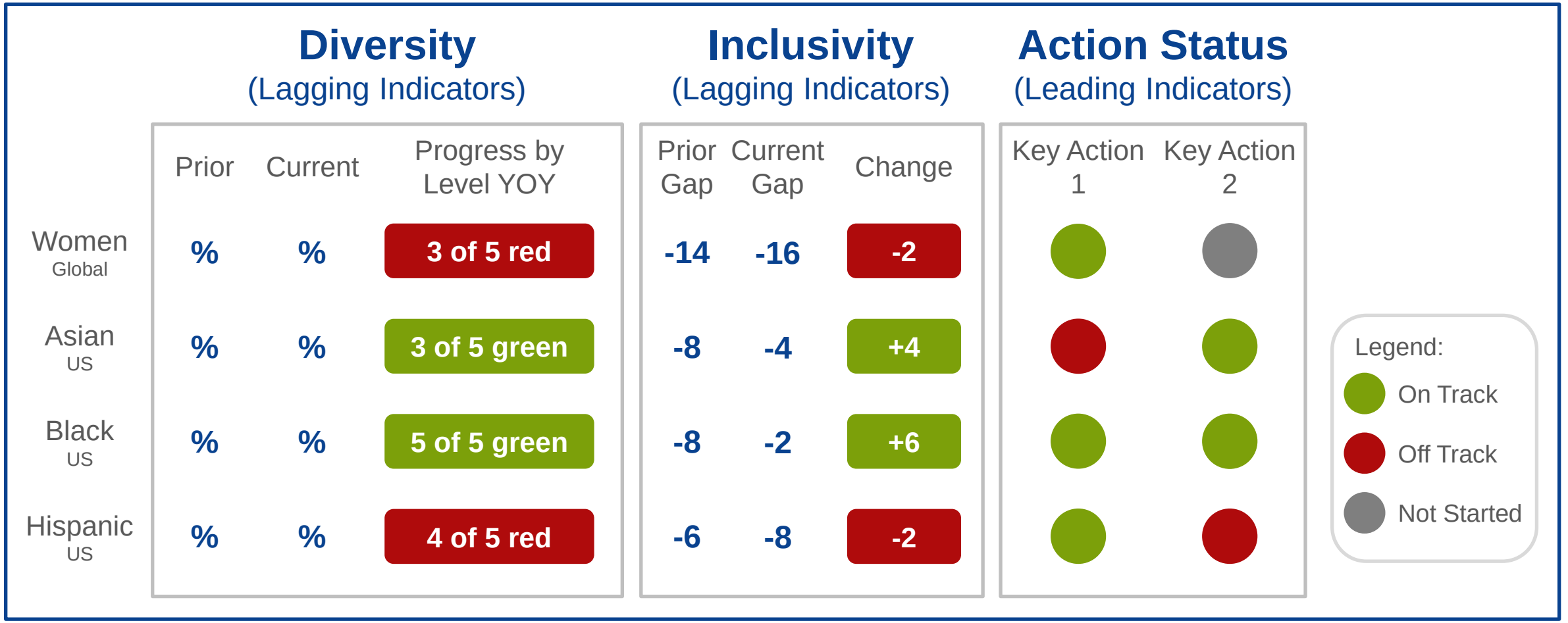
Putting it all together: Example of a dashboard



Note: This example is illustrative only. The key is to provide executives "at-a-glance" summary information with the ability to drill down to lower levels of data as needed.

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Emerging metrics

Organizations are experimenting with a number of new ways to measure progress in diversity, equity and inclusion or analyze root cause challenges. For example:

Language Analysis

Language codifies bias so reviewing language can detect bias and measure change over time. For example, by analyzing language in performance reviews or job descriptions, organizations are working to measure progress in reducing bias over time.

Organizational Network Analysis

Individuals from underrepresented demographics can be left out of mainstream networks, undermining their performance, growth and advancement. Networking analysis can help measure progress in breaking down this barrier.

Resource Analysis

Individuals from underrepresented demographics may be given fewer resources than majority group members are. By analyzing the budgets or staff managers are assigned, it is possible to diagnose and disrupt this bias.

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Summary of design principles

MEASURE ACCOUNTABILITY

Align leaders. Measure progress. Celebrate small wins.

- Measure both diversity & inclusivity.
- Assess each level of the pipeline.
- Overweight leadership gains.

FOCUS ON HIGH IMPACT ACTIONS

Target “root cause” issues to accelerate progress.

- Drill down to actionable insights.
- Leverage employee surveys to gauge inclusive culture.

MOTIVATE CHANGE

Motivate action by benchmarking to other organizations.

- Benchmark your organization.
- Create a journey of sustainable change.

LEARN AND IMPROVE

Continuously refine practices to increase effectiveness.

- Create “leading” as well as “lagging” indicators.
- Assess effectiveness of changes to identify what works and what does not.

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Key takeaways

- *Tailor* D&I metrics to your business
- Avoid “paralysis through analysis” -keep the focus on how best to drive change
- “Don’t let perfection be the enemy of the good”
- Ensure change readiness of stakeholders to use metrics effectively

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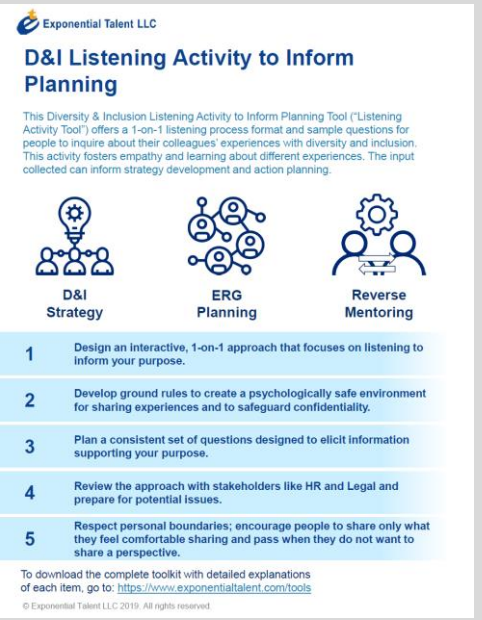
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