Difference

Diversity

Variety

Assessing Diversity Metrics and Women's Advancement

BENTLEY
UNIVERSITY

Gloria Cordes Larson
**Center for Women
and Business**

About the Gloria Cordes Larson Center for Women and Business (CWB)

Advancing women and workplace diversity, equity, and inclusion.

The CWB provides thought leadership and training on critical diversity, equity, and inclusion issues. CWB facilitators lead hundreds of sessions with businesses worldwide, providing knowledge and tools to foster inclusive organizations.

Our dynamic programs focusing on workplace inclusion range from strategic sessions for senior leaders to hands-on workshops for emerging professionals. Topics include:

- Corporate Culture, Unconscious Bias, and Inclusive Leadership
- Allyship, including Men in Partnership to Advance Women
- Building Confidence and Overcoming Unseen Barriers
- The Role of Courageous Conversations
- Mentorship, Sponsorship, and Networks
- Talent Pipeline Issues from Entry Level to the Boardroom

- The Impact of Intersectionality
- Authentic Leadership and Team Development
- Effective Negotiations
- Workplace Flex and Parental Leave
- Taking Employee Resource Groups to the Next Level
- Developing Diversity and Inclusion Metrics
- The Multigenerational Workforce—Issues and Impacts

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About This Report

The Gloria Cordes Larson Center for Women and Business (CWB) at Bentley University has compiled this report based on a literature review and synthesis of current practical research and media coverage on the definition, value, and challenges of diversity metrics, specifically metrics that measure the impact on women's advancement. The goal is to provide a brief, accessible overview of "the state of the state" on diversity metrics and women's advancement.

A LOOK AT WORKPLACE DIVERSITY

There is now broad agreement that increasing diversity at all levels of an organization produces measurable financial benefits. Research from multiple reputable sources, including McKinsey, Mercer, Catalyst, and Credit Suisse, has shown conclusively that greater diversity creates a healthier, more supportive work environment, which in turn attracts top talent, enhances employee engagement, reduces attrition, and improves customer relations.

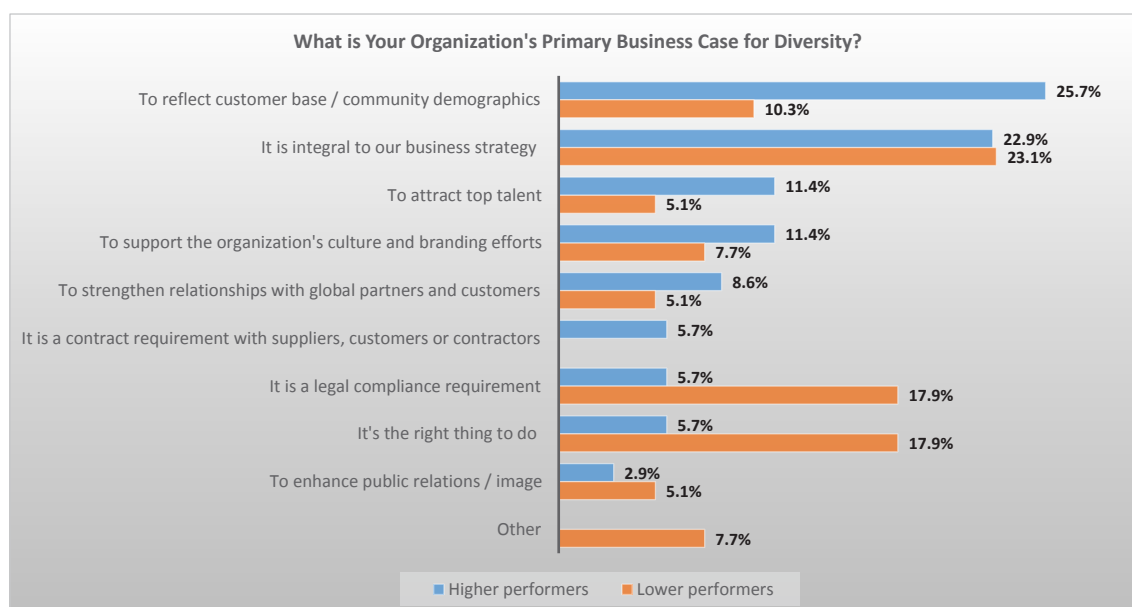■ Happier employees are more productive, and a healthier, more dynamic corporate culture fosters innovation.

■ More diverse teams make better decisions, identify new market opportunities, and market more effectively to customers in minority communities and foreign markets.

■ Creating a robust diversity and inclusion (D&I) program can help an organization become an employer of choice and burnish the company's brand in the marketplace.

All of these factors translate into better bottom-line results. "Companies no longer view diversity and inclusion efforts as separate from their other business practices and recognize that a diverse workforce can differentiate them from their competitors and can help capture new clients," concludes a Forbes/Insights report.[1]

"What gets measured gets done. Therefore, if we want our organizations to accomplish our inclusivity goals, it is imperative to measure the efficacy, impact, and ROI of diversity initiatives to demonstrate how D&I initiatives contribute to overall organizational performance."[2]

–Michael Bach, Founder and CEO, Canadian Institute of Diversity and Inclusion

What is Your Organization's Primary Business Case for Diversity?

Category	Higher performers	Lower performers
To reflect customer base / community demographics	25.7%	10.3%
It is integral to our business strategy	22.9%	23.1%
To attract top talent	11.4%	5.1%
To support the organization's culture and branding efforts	11.4%	7.7%
To strengthen relationships with global partners and customers	8.6%	5.1%
It is a contract requirement with suppliers, customers or contractors	5.7%	
It is a legal compliance requirement	5.7%	17.9%
It's the right thing to do	5.7%	17.9%
To enhance public relations / image	2.9%	5.1%
Other		7.7%

Source: Oakes, Kevin. "Metrics and Success." Institute for Corporate Productivity, 2011. Presentation. Page 14.

While companies once looked more narrowly at the challenges of achieving gender equity, most organizations today see gender as one variable among many in their approach to promoting diversity. The concept of diversity has changed, too. Where achieving greater diversity used to mean increasing the gross numbers of women and minorities at an organization, most firms now go beyond "checking the box"—hiring a certain percentage of employees from designated backgrounds—to trying to improve the overall inclusiveness of their corporate culture.

To make the most of the talents and potential of every hire, organizations have expanded their definition of diversity to mean being as fully inclusive as possible.

Ford Motor Company, for example, takes the approach that diversity "shouldn't be seen as a separate program for minority groups but as an assurance of equal treatment for all." Ford includes 18 aspects of identity in its D&I definition, ranging from differences in physical abilities and race/ethnicity to age and generational differences, differences in beliefs, education, and marital status, and differences in opinions and thinking styles (see Table 1).[3]

Table 1: Diversity and Inclusion at Ford: Aspects of Identity		
Physical Abilities	Religion	Nationality
Race/Ethnicity	Culture	Education
Gender	Experiences	Family
Age/Generations	Opinions	Marital Status
Sexual Orientation	World View	Thinking Styles
Gender Identity	Beliefs	Background

Source: Trawick, Allison. "Taking Your Diversity & Inclusion Strategy to the Next Level." Office of Diversity & Inclusion, Ford Motor Company, 2016. Presentation. Page 7.

The Diversity Continuum

When it comes to measurement, organizations fall at different spots along the continuum, from simple compliance to full investment in a robust D&I program.

■ **Undeveloped**

The movement toward maturity typically starts from a compliance-driven, reactive baseline, in which the organization is focused on meeting government equal employment opportunity (EEO) and affirmative action (AA) requirements. These programs are designed to respond to local and national legislation and are often basic.

■ **Beginning**

Organizations that have taken the first steps beyond this baseline tend to focus on defining diversity and inclusion for their own workplaces. They begin developing programs, raising awareness, and incorporating diversity goals into their recruiting and talent management systems.

Many also start using their diversity commitment to build community goodwill and improve customer relations.

■ **Intermediate**

The third step toward cultivating a powerful D&I program accelerates and codifies this process: creating new internal policies to drive cultural change across the organization and ramping up the external focus on relationships with their communities, customers, suppliers, and shareholders.

■ **Advanced**

The fourth and final stage on this continuum involves a purposeful alignment of the organization's diversity program goals with its global business goals and strategy.[4]

Organizations define this continuum in a variety of ways. For instance, APT*Metrics* describes these phases as **Compliance, Recognition, Inclusion, and Activation,**[5] (see Table 2) while Ford identifies them as **Reactive, Proactive, Aligned, and Institutionalized.**[6]

Table 2: APTMetrics Stages of D&I Evolution				
Indicator	Compliance	Recognition	Inclusion	Activation
Focus of Objectives & Actions	▪ EEO, AA and harassment policies ▪ Monitoring complaints	▪ Problem resolution systems ▪ Accepting and respecting differences	▪ Commitment ▪ Engaging employees in activities (training, ERGs) ▪ Outreach ▪ Mentoring/ sponsorship	▪ Culture change ▪ D&I embedded in systems and processes ▪ Business case put into practice ▪ Integration of efforts (e.g. ERGs, support marketing)
How Progress is Measured	▪ Tracking of charges, audits and lawsuits ▪ Adverse impact analyses ▪ Employee demographics ▪ Harassment training completion	▪ Problem resolution data ▪ Baseline perception data ▪ Completion of awareness training ▪ Validity & fairness of HR processes	▪ Communications issued ▪ Enhanced survey questions and analysis ▪ Focus group input ▪ Root cause analysis ▪ Diversity supplier spending ▪ Middle management skill enhancement	▪ Customer and business team perception data ▪ Customer demographics ▪ Philanthropic spending ▪ Integrated accountability goals

Source: Source: Martinéz, Mary L. "Demystifying D&I Metrics." SHRM Diversity & Inclusion Conference & Exposition. 2013. Presentation. Page 11.

With organizations scrambling to create more and better programs to move the diversity needle, they often struggle to keep track of which initiatives actually work and why they're effective, if they do. Although many try to measure the benefits of their initiatives, they often worry that the data they're collecting isn't telling them what they need to know. The question of what to measure and how to interpret the data collected can be especially hard to answer for international companies, which must consider wide variations in cultural attitudes as well as region-specific market pressures in different parts of the globe.

Defining and Measuring Gender

When it comes to measuring the impact of programs focused on women's advancement, the challenges become exponentially more complex. To begin with, women as a group are diverse. An individual woman may also be a member of other minority groups, and these overlapping aspects of her identity (called intersectionality) can present additional obstacles to her advancement. Compounding the problem, our ideas about gender have changed. Social media provides a useful guide to this transformation:

■ Facebook has expanded the number of ways in which users can identify themselves to include over 50 identities, including agender, cis, gender nonconforming, genderqueer, intersex, pangender, transgender, two-spirit, and an option to write in a custom identity.[7]

■ Google has taken a different, simpler route, offering four choices: male, female, decline to state, and custom, which allows users to describe their gender in their own words.[8]

This movement toward a more open and inclusive attitude about gender parallels international trends, with countries as different as Germany and Nepal legally establishing the right for their citizens to identify as a third gender.[9]

Little research has been done on the best ways to isolate and measure the impact of women-focused programs or programs focused on gender equity. For this reason, some of the research cited here draws on studies that look at diversity more broadly, although the pressure to learn more about gender issues continues to mount. With women around the globe earning more post-graduate and advanced degrees than men, a trend that's expected to continue, employers know they must figure out how to attract, promote, and retain the best members of this expanding pool of potential hires. McKinsey notes in *Unlocking the Full Potential of Women at Work*, "Leaders make gender diversity a priority because they see the prize: a talent advantage that's hard to replicate."[10] Gaining this advantage requires solid data.

WHY METRICS MATTER

An effective measurement system enables an organization's leadership to track progress toward greater gender equity in numerical terms while also helping them understand in human terms what might push those numbers in the right direction. This involves both quantitative and qualitative measurement.

Quantitative Measurement

Quantitative measurement relies on data that can be graphed and plotted, and it produces "information expressed as numbers, percentages, or ratios…a statistical snapshot of a situation by providing a measure of 'how much,' 'how many,' 'to what extent,' or 'what size.'"[11] More than a snapshot (stationary metrics), quantitative measurement systems can track movement (flow metrics), including improvement from a baseline and the rate of improvement. They can also illuminate rates of improvement across different variables. In technology companies, for example, many executives rise up through non-technical departments such as sales and marketing, which means that looking only at the numbers of women at certain levels of the organization might miss the absence of women technologists and obscure the need to recruit, promote and support more women in those roles.[12]

Recording the numbers of women who participate in programs designed to promote gender equity, as well as the rate at which they advance toward senior roles, can reveal a correlation between the programs and the acceleration of progress. It can also help answer related questions. Controlling for other factors, did the women who participated in a particular type of program advance more rapidly than women who didn't? Were business groups that launched certain kinds of diversity initiatives more productive than those that didn't? Did offices that linked women's progress to the performance bonuses of their managers move women up the corporate ladder more rapidly?

Typical quantitative metrics don't merely measure the number or percentage of employees who identify with a designated diversity metric—in this case, gender. Going further, they record the numbers or percentages of these employees at different levels of the organization, ranging from the executive team to mid-level managers, new hires and recruits. They measure turnover and retention of members of this demographic compared to the organization as a whole, average performance review scores, the rate at which they advance, and other significant indices of success at a particular company (see Table 3).

"The better the quality of data, the more accurate the overall analysis of the business case will be," explains the International Finance Corporation (IFC) in its report *Investing in Women's Employment: Good for Business, Good for Development*. And, the report continues, "Capturing data on costs and benefits over time will enable a return on investment calculation" for programs focused on achieving gender equity.[13]

Table 3: Sample Diversity Metrics			
Performance Category	**Metric**	**Formula**	**Purpose**
Career Development	Diversity Promotion Rate	Number of Culturally Different Employees Promoted/Total Number of Promotions	Tells you how effective you are at advancing the careers of culturally different employees.
Coaching and Mentoring	Diversity Mentoring Rate	Number of Culturally Different Employees with a Mentor/Total Number of Employees with a Mentor	Tells you how effective you are at getting culturally different employees into formal mentoring relationships.
Employee Recruitment	Candidate Pool Diversity Percentage	Number of Culturally Different Candidates/Total Number of Candidates	Tells you how effective you are at increasing the diversity of candidate pools.
Employee Retention	Turnover Rate	Number of Terminated Employees/Average Employee Population	Tells you how effective you are at retaining employees.
Employee Selection	Diversity Hire Percentage	Number of Culturally Different Hires/Total Number of Hires	Tells you how effective you are at hiring culturally different candidates.
Human Resource Development	Performance Change Rate	Performance Appraisal Score After Training/ Performance Appraisal Score Before Training	Allows you to measure the impact of training and education on job performance.
Supplier Diversity	Multicultural Vendor Index	Number of Minority and/ or Women Vendors/Total Number of Vendors	Tells you how effective you are at utilizing underrepresented group members as vendors.
Customer Service	Multicultural Customer Satisfaction Index	Percentage of Surveyed Customers Reporting Satisfied or Highly Satisfied	Tells you how effective you are at serving your multicultural market niche.

Qualitative Measurement

Qualitative metrics help leaders look at the more intangible benefits of certain programs—such as building employee loyalty, burnishing the company's reputation, or solving internal problems that have not yielded to a numbers-only analysis. "The importance of the long-term, less tangible 'value-drivers' of an organization…should not be understated, as research suggests that companies often consider these as the most important business benefits, even though they are often very difficult to quantify,"[14] the IFC report concludes.

Qualitative research relies on opinions, points-of-view, personal stories, and recommendations of individual employees, customers, and the public (see Table 4). It is collected through surveys, focus groups, press reports, and one-on-one interviews. Because quantitative data can be interpreted differently by different people, qualitative findings help fill in the blanks.

Table 4: Typical Intangible Variables Linked with Diversity	
Attitude Survey Data	Employee Transfers
Organizational Commitment	Customer Satisfaction Survey Data
Climate Survey Data	Customer Complaints
Employee Complaints	Customer Response Time
Grievances	Teamwork
Discrimination Complaints	Cooperation
Stress Reduction	Conflict
Employee Turnover	Decisiveness
Employee Tardiness	Communication

Source: Hubbard, Edward E. The Diversity Scorecard: Evaluating the Impact of Diversity on Organizational Performance. Elsevier Academic Press, 2004.

In addition, the easiest way to identify what's blocking progress often turns out to be asking the people most directly involved. Social distancing scales, which measure people's willingness to engage in social contacts with people of other groups, can be especially useful qualitative tools. Where quantitative metrics can reveal the big picture; qualitative findings capture stories and experiences, convey truths that the numbers don't reveal, and reveal ideas that might not occur to people who only have access to the hard numbers. As the IFC report acknowledges, it can be "tricky to establish cause and effect relationships for less tangible benefits," but "they should always be documented and presented as part of the business case."[15]

Metrics Demonstrate Value

Good measurement systems can demonstrate the value of women-focused initiatives to skeptical managers, who may not realize how these programs can positively impact growth, revenues, innovation, and other corporate goals. Data that draws a causal link between programs for women and the advancement of corporate strategy can be a powerful tool for convincing them otherwise—and justifying further investment.

A Mattel diversity executive notes, "If we couldn't measure the impact of our diversity and inclusion efforts and programs, it would be a hard sell among company executives."[16] Without this kind of proof, D&I executives may struggle to win buy-in from the most influential stakeholders in their organizations.

Metrics Ensure Objectivity, Transparency and Action

Effective use of D&I data removes emotion from the equation. Metrics allow for objectivity and a practical, problem-solving approach to D&I challenges. "The focus is on the problem, instead of specific behaviors or people," explains Rich Goldberg, Vice President of Corporate Quality at Cisco.[17] A Vice President for Workforce Development, Diversity, and Work-Life Strategies at Texas Instruments put it another way, "Most managers have good intentions. The metrics data help them see what they have to do."[18]

Measuring the impact of women-focused programs also increases transparency, providing an incentive for managers at all levels to take these programs seriously. It is not only true that "what gets measured gets done," but what gets measured gets seen. When a manager's active commitment to company-wide programs can be shown to support an initiative championed by top leadership, this sets up healthy competition among managers (as in, "my women are doing better than your women.")[19]

In addition, publicizing the quantifiable returns produced by women's initiatives may prevent the kinds of subjective decision-making ("she's not seasoned enough," "she comes on too strong," "she's not management material") that subtly and often inadvertently disadvantage women.

With good data, company leaders can also demonstrate the benefits of women-focused programs to boards, investors, the press, clients, customers, and potential hires. This appeals to activist investors persuaded by research showing that companies with more women in leadership roles have better ROI than those without these programs. Specifically, companies can use the data to:

- Respond to stock exchange listing requirements, which are becoming common in many countries;

- Show a commitment to ethical leadership, and become an employer of choice, by aligning with the values codified in ESG (Environmental, Social, and Governance) disclosure programs, such as: Global Reporting Initiative; Women's Empowerment Principles; UN Global Compact; and Sustainable Development Goals.

- Qualify for awards that recognize firms with a strong commitment to women's success, enhancing the company brand and helping to attract the most talented women in the industry.

The time it takes to reap the rewards of gender-diversity initiatives will vary by industry, region, business unit, and type of company, but assessing the costs and benefits of those initiatives—and identifying the changes required, whether that means a complete overhaul or a series of small tweaks—will be impossible without a good measurement system.

THE METRICS LANDSCAPE –
WHAT'S HAPPENING?

Although most mid-size to large U.S. companies collect the raw data needed for regulatory compliance, a significant percentage resist doing so out of fear this could make them vulnerable to lawsuits. This is particularly true of organizations in the early stages of developing their D&I function. The organizations that manage this concern effectively do so by framing D&I data collection as a positive tool for talent development rather than as a record of where the company has fallen short. A Gallup report explains that inclusiveness programs can "leap-frog discrimination by making that next step and mental leap…to talk about talent, strengths, and engagement."[20]

Organizations that have been slow to launch high-functioning D&I programs often don't know where their programs stand on the continuum toward maturity. To gain clarity, some companies utilize consultants or talent management software. This can provide a needed boost, although most commercially available talent management software does not focus exclusively on gender, making it hard to assess the efficacy of programs designed to promote gender parity. In addition, organizations that have experienced rapid growth or expanded through a series of acquisitions may not institute company-wide systems, meaning that their research methodology may vary from one office, division, or business group to the next.
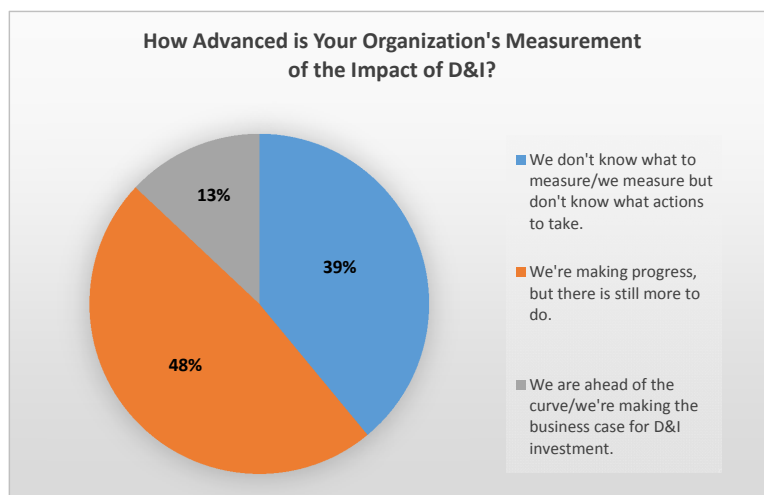
Source: PeopleFluent. Measuring Diversity for Success: How and Why Organizations Use Strategic Diversity Measurement. 2015. Page 8.
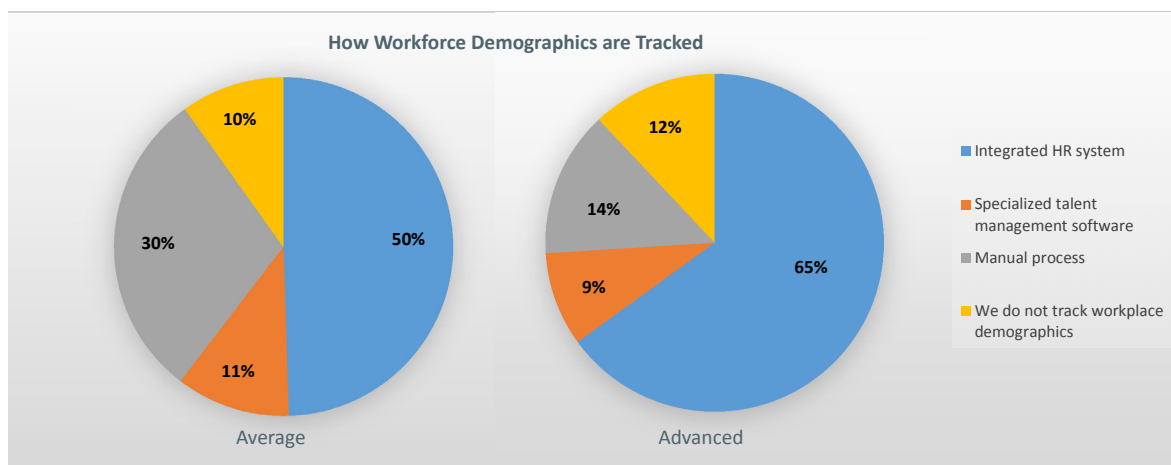
Source: PeopleFluent. Measuring Diversity for Success: How and Why Organizations Use Strategic Diversity Measurement. 2015. Page 8.

Leading the Way

Forward-looking corporations, seeking to maximize their competitive talent advantages for the long-term, are leading the way in developing highly effective, strategically-aligned measurement systems. Once again, there's relatively little research on gender-specific programs, so the examples and insights are drawn from reports that look at broad-based D&I initiatives and measurement systems. Such companies see achieving greater diversity as an integrated business goal and craft their policies to drive the organization toward carefully conceived targets rather than meeting quotas or regulatory requirements.[21]

Most of these leaders have developed standardized measurement systems to collect and share data across business units on a regular basis. Often called impact assessment tools, global or D&I scorecards, or diversity indexes, these systems use quantitative tools to measure the success of recruitment efforts and qualitative tools to elicit employees' perceptions about the inclusiveness of the culture. Another leading practice involves frequent data collection schedules and consistent distribution of results to leadership.

■ Ford has moved beyond looking at the programs and activities D&I has designed to measuring the impact of those programs and activities on its organizational goals.[22] The data guarantee that they keep up with demographic changes in the workforce as well as the evolution of ideas about individual identity, and Ford regularly reviews its definitions of diverse populations to make sure the company remains inclusive going forward.

■ Georgia Power, which draws its workforce from a notably diverse regional population, uses workplace environment surveys to evaluate the inclusiveness of its culture. The company's scorecard also looks at minority representation from three different angles: Company as a whole, mid-level managers and above, and the "feeder pool" into supervisory roles.[23]

■ Sodexo senior executives receive updates on the firm's Diversity Scorecard every month, and the Scorecard includes analysis of the current status of D&I initiatives as well as information about intended next steps. Indeed, the company recognizes its scorecard—which measures quantitative and qualitative results—as a significant reason it has made DiversityInc's list of Top 50 Companies for Diversity.[24]

■ Hewlett-Packard Austria analyzes and distributes diversity data on a quarterly basis, broken down by region and sub-region as well as business unit and function; the firm "has one of the highest rate of females within the local IT industry."[25]

The companies who have achieved the greatest success identifying a solid ROI for D&I initiatives take an aggressive approach to ensuring management commitment.

■ Sodexo's leaders don't just receive regular updates on the organization's progress, they're incentivized to make sure it continues and improves, with 25 percent of executive team bonuses and 10-to-15 percent of senior to mid-level managers' bonuses linked to performance on the Diversity Scorecard. Crucially, these bonuses are decoupled from the company's financial results in a given year.[26]

■ Abbott links executive compensation to diversity metrics, including everything from overall diversity targets to individual goals.[27]

Other organizations perform extensive audits of equal opportunities for men and women, or link customer service outcomes to diversity initiatives.

■ Folksam Sweden, an insurance company that commands 50 percent of the Swedish household market, provides an excellent example. As of 2015, about 20 percent of the Swedish population came from an immigrant background (these numbers continue to grow), with proportions reaching as high as 35 percent in the major urban centers. Recognizing a huge potential market, Folksam built greater diversity into its recruitment strategies for the product development and service functions, with a particular focus on a multi-lingual customer salesforce.

The results were speedy and dramatic, persuading Folksam to make maintaining, growing, and monitoring workforce diversity central to its business strategy. The company now counts 18 nationalities in its workforce, trains customer service associates to bring both the right language and cultural competency to their sales interactions, and monitors the result of customer service interactions as a way of tracking and showing the impact of its diversity initiatives.[28]

"A number without reference or context is just a number....The real trick is to get at the measurements that are going to provide meaningful insights and uncover issues and opportunities that leaders can get behind. "[29]

–Cisco D&I leaders in *Cisco Global Diversity Primer*

WHAT ARE THE CHALLENGES?

Creating and managing an effective, well-understood measurement system that can be refined as an organization matures can present multiple challenges.

Benchmarks and Best Practices. The lack of reliable external benchmarks and industry best practices tops the list of potential challenges to success. Although many firms publicly report the number of women on their boards, and some disclose the numbers on their senior leadership teams, many do not regard other gender diversity data as an "external metric" that would be of interest to investors. Consequently, the majority do not share this information publicly. The absence of data makes it hard for businesses to compare themselves to the rest of the market and for outside analysts to assess the quality of the information.

Even if employers were open to disclosing more data, assembling a useful set of comparable metrics would be almost impossible since to date most organizations use scorecards or metrics that they have developed internally.[30]

Getting the Right Data. A common mistake is focusing on the easy or obvious metrics—recruitment and retention—and not on measurements that can reveal the impact of greater diversity on innovation and other business goals. One company complained that their system does not allow "year-over-year comparison, to … help them understand if certain results are exceptional one-time incidents or ongoing trends."[31]
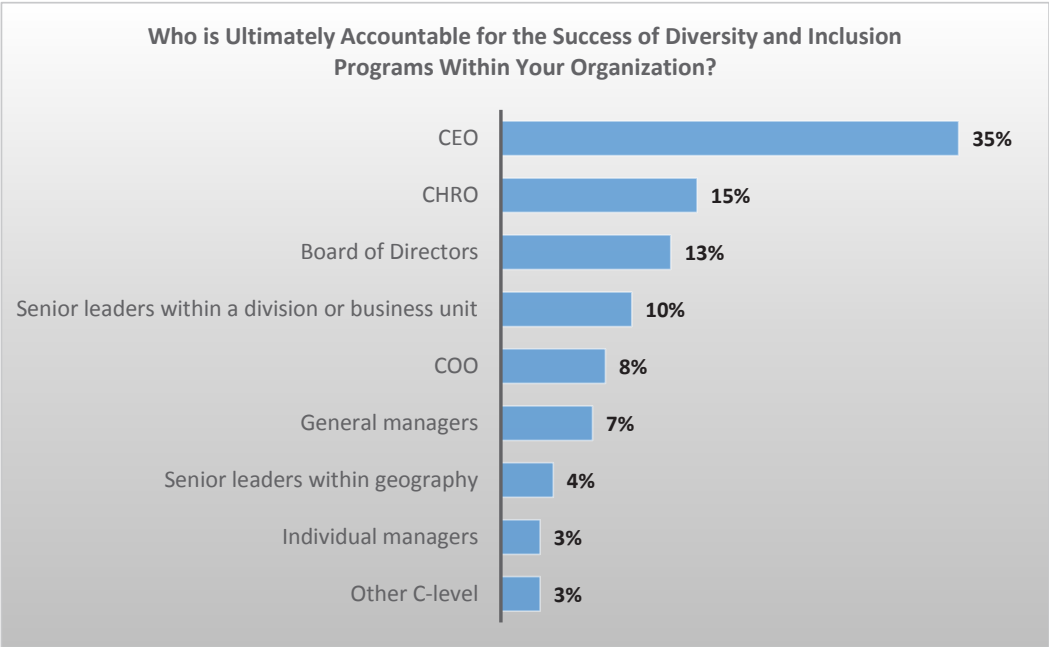
Similarly, too much data or the wrong data produces findings that are hard to understand and harder to explain. Failing to attach metrics to competencies, link them to desired business outcomes, and figure out why or if they are meaningful creates an unwieldy system with very little practical utility. Duncan Jackson, who teaches in the Department of Management and International Business at Massey University Albany (New Zealand), points out, "… different measures are often added together to create an overall measure of a competency." And, "piecing together aspects of different measures in this way [will] most often fail—and fail miserably."[32]
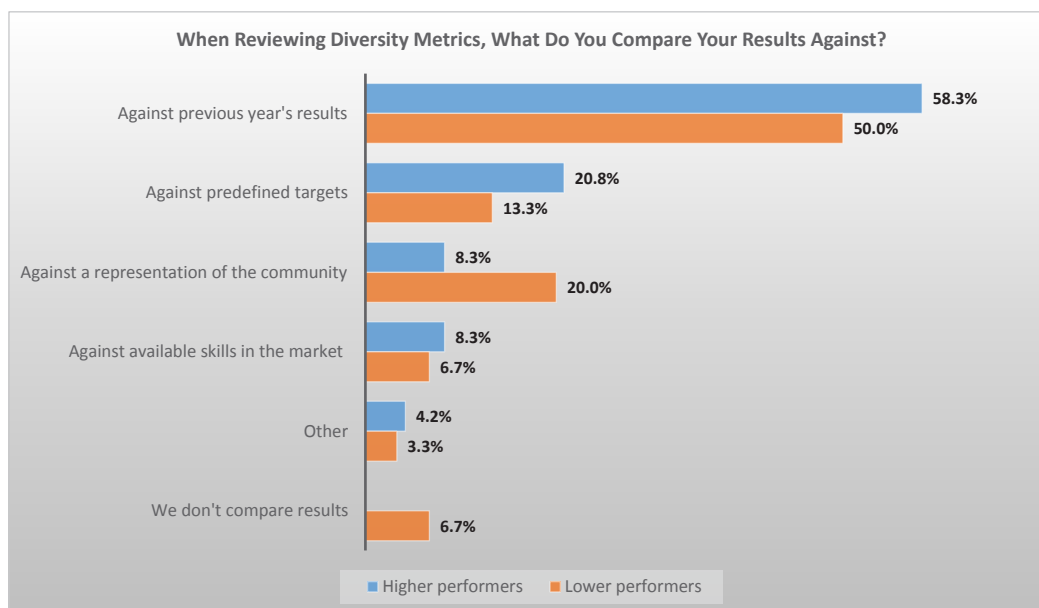
Source: Oakes, Kevin. "Metrics and Success." Institute for Corporate Productivity, 2011. Presentation. Page 47.

C-Suite Support. Lack of commitment from the CEO creates one of the toughest barriers faced by many D&I professionals and the organizations they serve. Some CEOs pay lip service to the importance of diversity and claim to be "gender blind," but their actions convey a different message. If the CEO doesn't participate in defining the organizations' values around diversity, helping to identify targets and timetables, agreeing on management incentives, and personally modeling the type of commitment expected—by participating in mentoring or sponsorship programs, attending internal conferences, and holding direct reports accountable to the metrics—the initiative will struggle. The absence of top-down advocacy makes it especially challenging to produce measurable results that clearly demonstrate the value of the diversity and inclusion mandate.
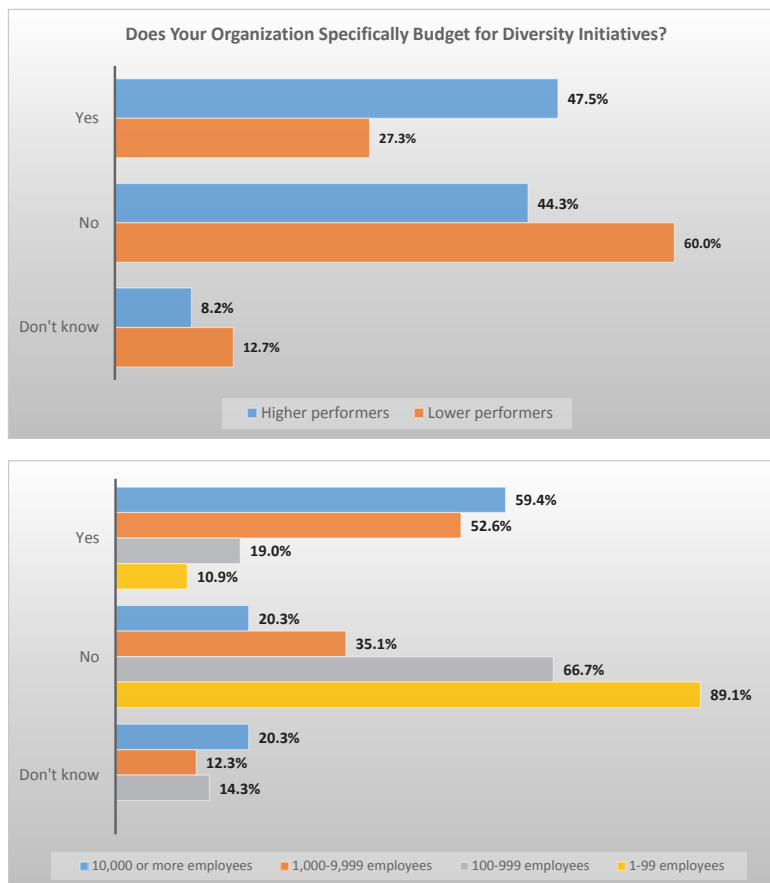
The CEO's strong commitment to D&I, combined with metrics showing the benefits to business goals, can be especially useful in convincing middle managers, who often serve as gatekeepers to women's progress, to get on board. A recent McKinsey report, *Unlocking the Full Potential of Women at Work*, emphasizes the "importance of focusing on middle management, where interventions can make the greatest difference."[33]

Who is Ultimately Accountable for the Success of Diversity and Inclusion Programs Within Your Organization?

CEO	35%
CHRO	15%
Board of Directors	13%
Senior leaders within a division or business unit	10%
COO	8%
General managers	7%
Senior leaders within geography	4%
Individual managers	3%
Other C-level	3%

Source: Forbes/Insights. Global Diversity and Inclusion: Fostering Innovation Through a Diverse Workforce. 2011. Page 15.

Inadequate Funding. D&I officers also report struggling to fund high quality survey design and data analysis, as well as ongoing monitoring, revision, and support with inadequate budgets. The International Finance Corporation report, *Investing in Women's Employment: Good for Business, Good for Development*, puts it this way: "Monitoring systems need not be resource-intensive and can be based on existing systems. However, it is important to recognize that some level of extra effort and resources will be needed to establish a monitoring system that is relevant and credible."[34] The costs of under-funding a high-quality monitoring system can be hard to identify at first but may undercut the entire effort in the long-term.

International Differences. Failing to recognize that what works in the U.S. might not work internationally can be a stumbling point. International organizations frequently need to set modified goals and collect different data in different regions, recognizing that women's progress may lag more or less among countries. Companies must also develop the cultural competency to understand social, religious, or political factors inhibiting certain kinds of progress overseas in ways we don't see in the U.S. "The gender story shows up in different stages of evolution in different parts of the world, so the most powerful metrics in one part of the globe may be not very relevant in others…. There must be room for completely localizing what is being measured by country or region."[35]

Does Your Organization Specifically Budget for Diversity Initiatives?

	Higher performers	Lower performers
Yes	47.5%	27.3%
No	44.3%	60.0%
Don't know	8.2%	12.7%

	10,000 or more employees	1,000-9,999 employees	100-999 employees	1-99 employees
Yes	59.4%	52.6%	19.0%	10.9%
No	20.3%	35.1%	66.7%	89.1%
Don't know	20.3%	12.3%	14.3%	

Source: Oakes, Kevin. "Metrics and Success." Institute for Corporate Productivity, 2011. Presentation. Page 33.

Attribution. The most difficult challenge in designing a measurement system to track the impact of D&I programs on women's progress may be the attribution conundrum. A large body of research has established a correlation between the existence of high quality initiatives to help women advance and better business results. But correlation is not causation, and controlling for all the factors that might be contributing to those positive financials has so far eluded most practitioners. As the International Finance Corporation acknowledges in its report *Investing in Women's Employment: Good for Business, Good for Development*, "Although it may be possible to establish a strong correlation between the change in women's employment and certain business benefits, it is unlikely that it will be possible to definitively assert cause and effect."[36]

Communicating the right findings, to the right people, in the right ways. Organizations not only need to have good metrics, they need to share those findings with the right people if they're going to be acted on.

At PwC, Chairman Bob Moritz personally drives conversations about diversity and holds such talks with other corporate leaders.[37]

And—this may be even more crucial—companies need to share measurement findings in a clear, easily accessible format.

The best systems analyze, compile, and condense the most relevant data in consistent ways that link them to strategic objectives; they capture them in a format that's readily understood by key stakeholders; and they translate them into straightforward recommendations for next steps, tweaks to the system, and areas in need of special attention.

Avivah Wittenberg-Cox writes in *Harvard Business Review*, "When communicating…stats to your team, avoid drowning in data—don't let the trees hide the forest."[38] She adds "…we often have to rework overcomplicated mounds of Excel data in simple, powerfully visual graphs to spot the real problem… five slides can tell the story."[39]

The report, *What Gets Measured Gets Done*, puts it succinctly: "Measures are useless if no one reads them."[40]

STEM Challenges. Certainly there are companies in the STEM field who are achieving success in D&I measurement, yet many are visibly struggling and have found themselves the topics of ongoing critical media coverage.

Several prominent leaders (Facebook, Apple, Google) have been highlighted for the inadequate numbers of women and minorities they employ. At Google, for example, 71% of employees are male, and non-Asian minorities make up only tiny percentages of the workforce.[41] Although making an effort to catch up, Google has yet to initiate a top-down, CEO-driven initiative, despite a wealth of evidence showing that, when it comes to D&I, "The buck stops at the C-Level."[42]

Indeed, the diversity challenges of major players in tech could warrant its own report. Here, we will conclude by noting that the culture in tech companies is seen as the primary underlying diversity issue and one that metrics alone cannot fix.[43]

A LOOK AHEAD

It takes courage for an organization to share its metrics, challenges, goals and performance against those goals. Fortunately, there is a roadmap in corporate social responsibility ("CSR") reporting, which has existed for several decades and has become integrated into strategic management planning and corporate governance at many firms.[44] More companies are becoming willing to share internal data in order to help create industry-wide benchmarks and best practices.

Aiming for a future in which D&I and gender parity metrics can anticipate workforce needs and trends, not just track them, a few visionary organizations have provided clues to the next phase of D&I measurement. Cisco, for example, has "developed forward-looking demographic projections that allowed them to model different speeds of company growth or stasis. This allowed them to uncover potential issues that weren't necessarily apparent. While a leader or staffing department might assume hiring or retention practices are fine, and that non-ideal numbers would fix themselves with company growth alone, Cisco's projection model could conclude just the opposite."[45]

Other organizations have begun studying ways to identify leading indicators in addition to lagging indicators. Lagging indicators measure what has already happened in an organization, such as rates of attrition among certain groups, backups or clogs in the pipeline, lawsuits or complaints, and other markers; leading indicators predict what *will* happen.[46] The best measurement systems around today provide a clear picture of what's not working, what may be helping, and how quickly or slowly the organization may be progressing toward identified goals over time. As these systems mature, they will ideally allow organizations to deploy "predictive analytics"—not just recording what has happened but learning from smart data to drive future change.

Figuring out how to gauge the specific impact of gender advancement initiatives continues to be a challenge. Promoting gender diversity goes beyond recruiting more women; it requires the creation of internal programs that make it possible for women to use all their talents in service of promoting organizational excellence. But demonstrating the business benefits of these programs remains surprisingly difficult. Precise cause-and-effect can be hard to determine due to changes in financial markets, technology, the economy, resource costs and availability, and other factors that are notoriously hard to predict. No one has yet developed a reliable way to disaggregate their data to separate out a single strand—such as the impact of gender-parity programs—in order to fine-tune programs aimed at improving conditions for that demographic.

Executive Working Groups moderated by the Center for Women and Business at Bentley University will provide critical input as we continue to explore ways to create better gender metrics and achieve progress in all aspects of diversity measurement. The Center's follow-up report to Executive Working Group members will summarize the group's findings and highlight best practices.

"For a diversity and inclusion program to be successful and outcomes measurable, organizations must shift from "counting heads" to "making heads count."[47]

–Brittany Harris in "Why Diversity & Inclusion Programs Succeed"

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[4] PeopleFluent, P 1-11

[5] Martinéz, P 11

[6] Trawick, P 4

[7] Herbenick

[8] Vincent

[9] Herbenick

[10] Barsh and Yee, P1

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[12] WIT Leadership Round Table, P 1

[13] Intl Finance Corp, P 52

[14] Intl Finance Corp, P 57

[15] Intl Finance Corp, P 53

[16] Forbes/Insights, P 15

[17] Hoffman, P 129

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[19] Catalyst, P 12

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[29] Hoffman, P 132

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[34] Intl Finance Corp, P 50

[35] Hoffman, P 132

[36] Intl Finance Corp, P49

[37] DiversityInc

[38] Wittenberg-Cox, "CEOs Gender Balance"

[39] Wittenberg-Cox, "Make a Graph"

[40] Canadian Institute of D&I, P 17

[41] McGirt

[42] Forbes/Insights, P 14

[43] Marcus

[44] Canadian Institute of D&I, P 18

[45] Hoffman, P 135

[46] Diversity Collegium, P 43

[47] Harris

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CONTACT

MAIL Bentley University
The Gloria Cordes Larson Center for Women and Business
LaCava Building, Suite 298
175 Forest Street, Waltham, MA 02452 USA

WEB bentley.edu/cwb

PHONE +1 781.891.2227

EMAIL cwb@bentley.edu

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Gloria Cordes Larson
Center for Women
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