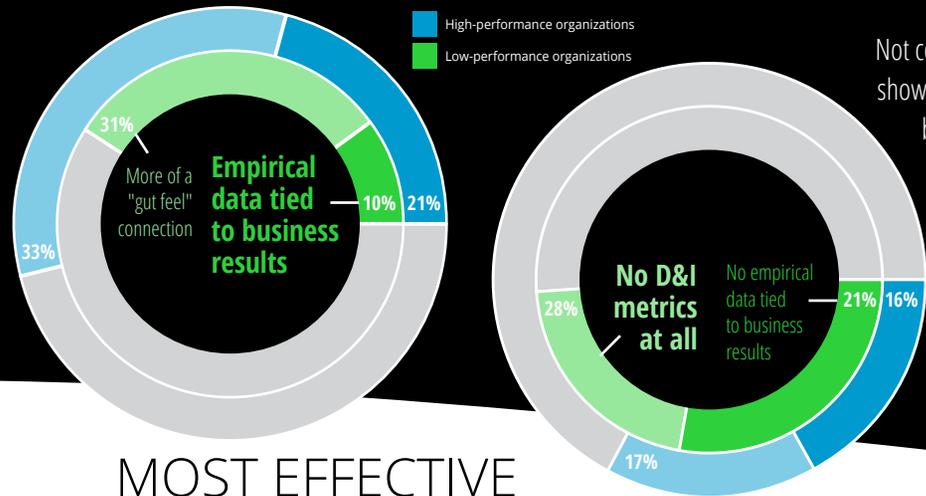


HOW HIGH-PERFORMANCE ORGANIZATIONS MEASURE

D&I PROGRAM EFFORTS

MEASURE D&I WITH EMPIRICAL DATA TIED TO RELEVANT BUSINESS OUTCOMES

High-performance organizations are **2x** more likely to use empirical data to connect D&I efforts to business outcomes



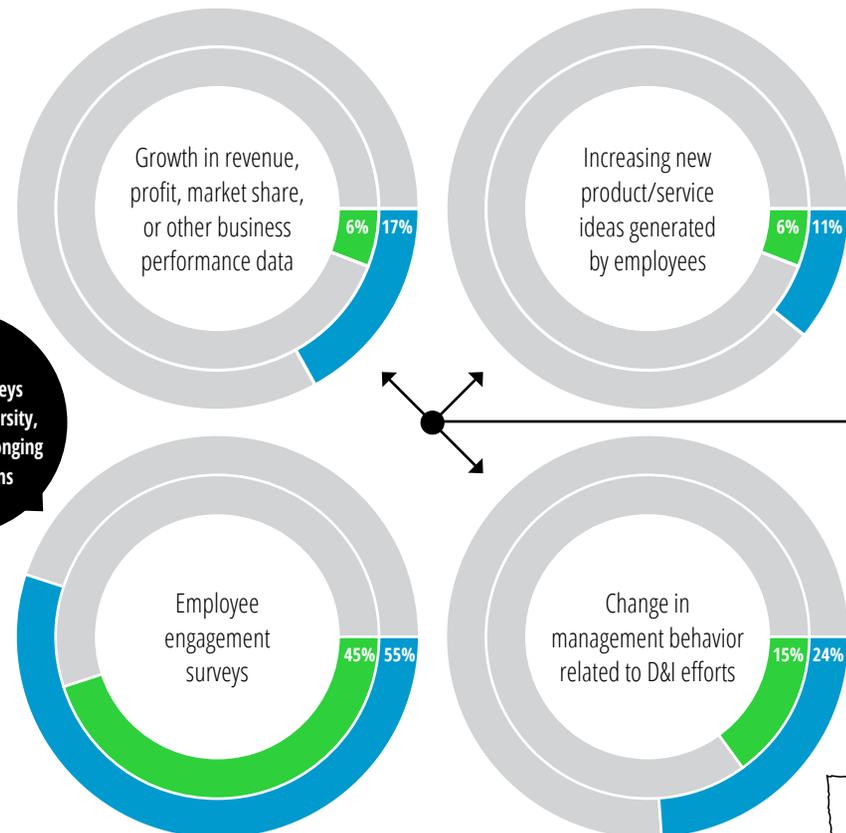
Not collecting empirical data showing D&I's impact on the business has a negative relationship to market performance and D&I effectiveness —worse is not measuring D&I efforts at all.

MOST USED

High-performance organizations
Low-performance organizations



MOST EFFECTIVE



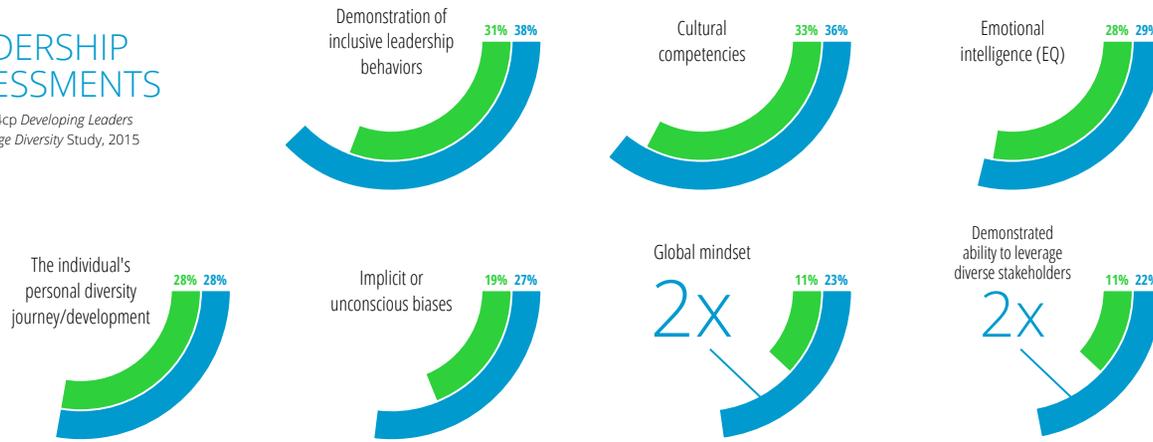
Bolster sentiment surveys with specific diversity, inclusion and belonging index questions

Significant market performance gaps plus low adoption rates indicate an i4cp **NEXT PRACTICE**

MEASURING INCLUSIVE LEADERSHIP

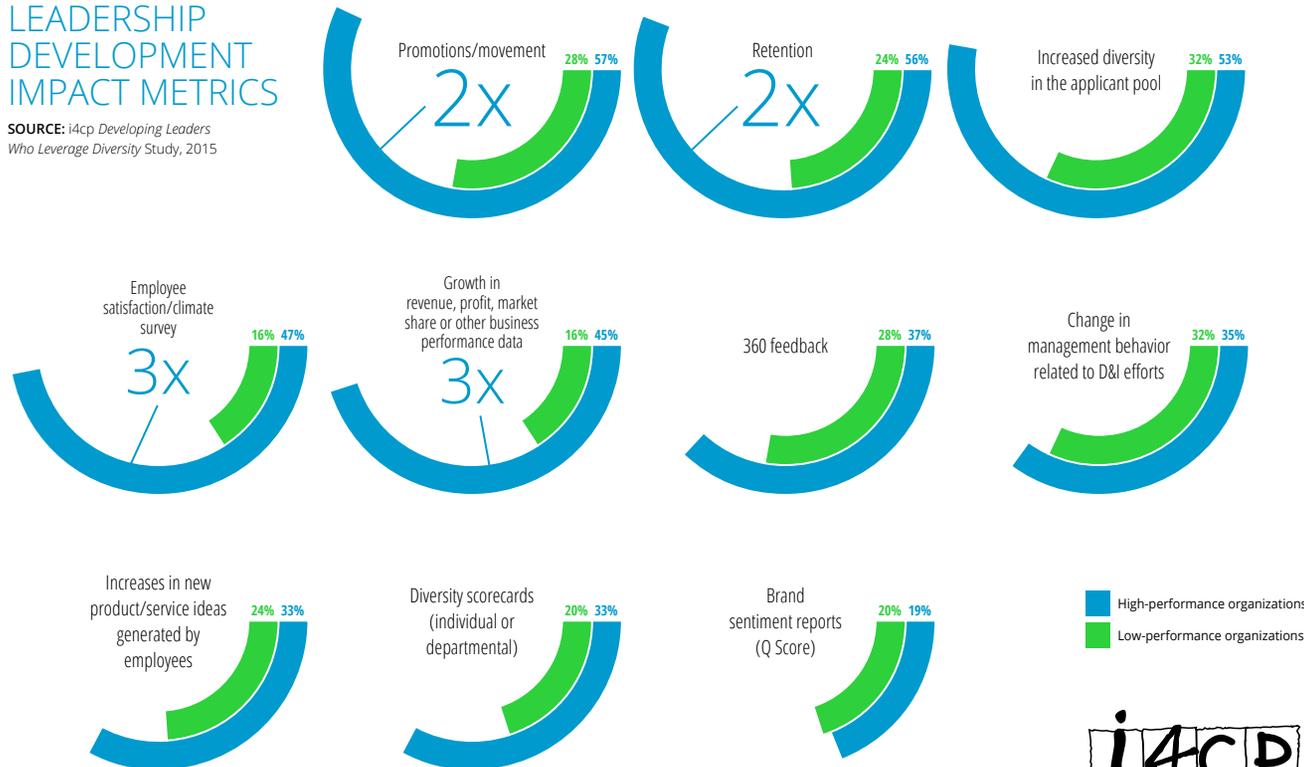
LEADERSHIP ASSESSMENTS

SOURCE: i4cp Developing Leaders Who Leverage Diversity Study, 2015



LEADERSHIP DEVELOPMENT IMPACT METRICS

SOURCE: i4cp Developing Leaders Who Leverage Diversity Study, 2015

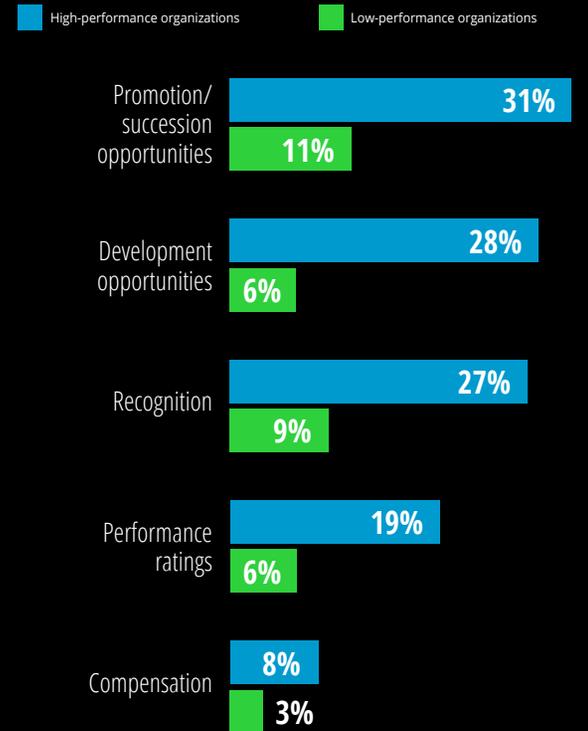


High-performance organizations
Low-performance organizations

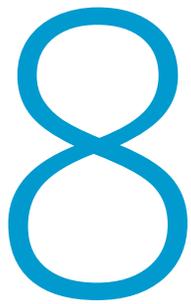
i4cp
i4cp.com

CREATE LEADERSHIP ACCOUNTABILITY FOR D&I WITH MEANINGFUL REWARDS

USE MECHANISMS THAT ENSURE ACCOUNTABILITY



Organizations with 1,000 or more employees indicating high/very high extent. Source: i4cp



EMPLOYEE RESOURCE GROUP (AKA BUSINESS RESOURCE GROUP)

PERFORMANCE MEASURES

From i4cp's
Chief Diversity
Officer Board



i4cp.com

- 1 ERG PARTICIPATION**
The percentage of total available membership that shows up at meetings, events, etc. Too low and you are not reaching enough people.
- 2 ACTIVE ENGAGEMENT**
The percentage of ERG members actively involved in projects and events. Too low and you have a passive network.
- 3 LEADERSHIP PARTICIPATION**
The number of ERG members that are part of the ERG leadership body. Too thin and it overburdens a few, too thick and it's management by committee.

4 ROI FOR ERG EFFORTS
Return on investment. Calculated as:
$$\frac{(\text{Value produced or saved} - \text{Investment})}{\text{Investment}} \times 100$$

Success is dependent on comparison to target.

5 ACTIVITY MIX
Measures how the ERGs split their efforts and resources between workforce/workplace, community, and marketplace efforts (or whatever categories you use).

6 MULTIPLIER
Measures how many of the ERG's efforts satisfy two or more of their goal categories (e.g., workplace and marketplace). This shows efficiency and optimizes investments.

7 ERG LEADER MOVEMENT
Track all movement (e.g., lateral, promotions, across business units). Greater movement shows increased visibility and the ERG/BRGs value as a leadership training ground.

8 ERG MEMBER RETENTION
ERG member retention in relationship to both non-member affinity-identified employees and the full workforce. To add weight, segment by quality of attrition to identify regrettable loss.

Track ERG/BRG impact on overall D&I goals and objectives, but don't feel limited by them. Adopt any metric that empirically illustrates a group's impact on a business goal.

MEASURING D&I PROGRAM EFFORTS COMMON METRICS

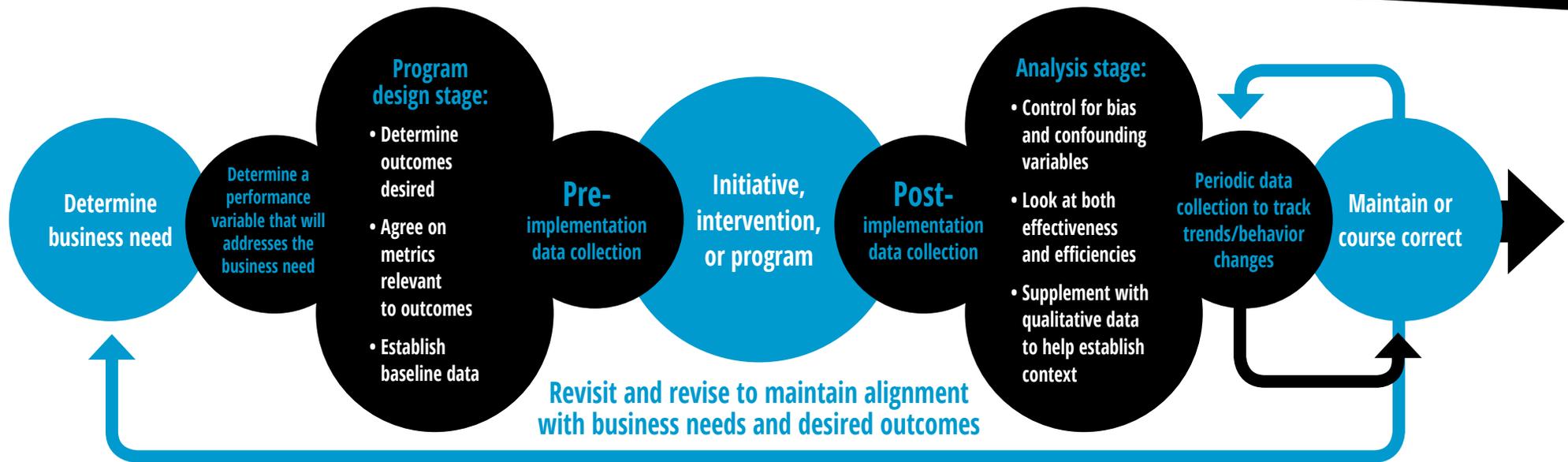
■ Correlated to market performance ■ Correlated to D&I effectiveness

- 54% New hires
- 50% Employee engagement surveys
- 47% Promotions/movements
- 46% Retention

- 32% Increasing the quality and /or quantity of a diverse applicant pool
- 28% Affinity group/employee resource group/business resource group participation
- 28% Receiving industry awards or recognition
- 23% Terminations
- 22% Change in management behavior related to D&I efforts
- 22% External benchmark data
- 19% Customer satisfaction scores

- 17% Decrease in legal compliance issues/complaints
- 15% Internal survey of diverse employee group
- 10% Growth in revenue, profit, market share or other business performance data
- 8% Increasing new product/service ideas generated by employees
- 19% Don't Know / None
- 5% Other

BUILD METRICS INTO D&I PROGRAMS AT THE DESIGN STAGE —NOT AS AN AFTERTHOUGHT



SAMPLE 1 REPRESENTATION RATES

BUSINESS NEED: Products do not appeal to women.

PERFORMANCE NEED: Increase female representation in product engineering positions.

OBJECTIVE: Drive more female applicants to apply for open positions.

PROGRAM: Use a social media platform for targeted outreach—specifically aimed at forums and Internet communities for women in engineering.

POTENTIAL METRICS:

- Social media click-through rates or likes
- Redirects to application page
- Women's application rates - historic and trend
- Interview conversions
- Hire conversions
- Application experience survey

SAMPLE 2 PRODUCT INNOVATION

BUSINESS NEED: Growth driven by new offerings.

PERFORMANCE NEED: Increase innovation in products and solutions from the R&D department.

OBJECTIVE: Promote more inclusive leadership practices to foster ideation and communication.

PROGRAM: Leadership training on unconscious bias in the ideation process, encouraging participation, and creating safe/inclusive environments.

POTENTIAL METRICS:

- Assessments for inclusive leadership traits
- Increase in ideas generated (segmented)
- Increase in ideas that go to market (segmented)
- Grants received or patents filed
- Growth in sales or market share
- Employee sentiment surveys
- 360 or other qualitative feedback

SAMPLE 3 CUSTOMER OUTREACH

BUSINESS NEED: Low market share among Hispanics.

PERFORMANCE NEED: Greater insight for market outreach to grow awareness.

OBJECTIVE: Increase product awareness to grow market share by 10% in Hispanic communities.

PROGRAM: Partner the Hispanic ERG/BRG (or other representative group) with the advertising function to review current campaigns and make them more appealing to Hispanic customers' market concerns.

POTENTIAL METRICS:

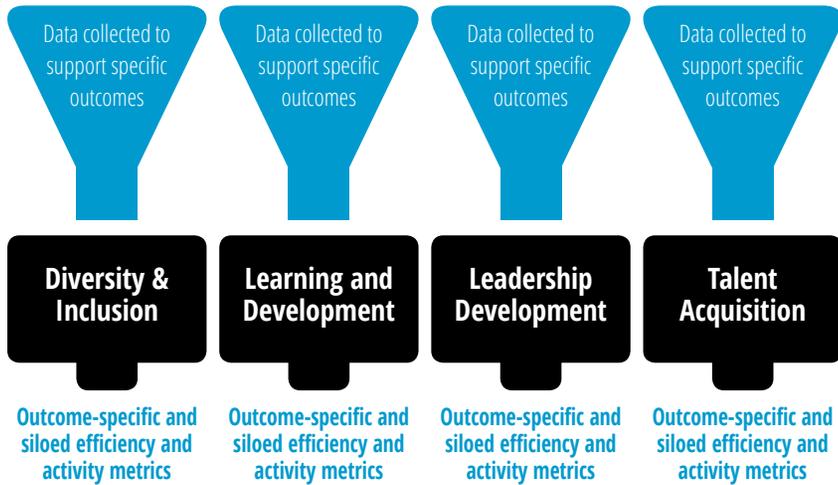
- Market share
- Sales revenue
- Customer satisfaction data
- Brand awareness
- Brand sentiment



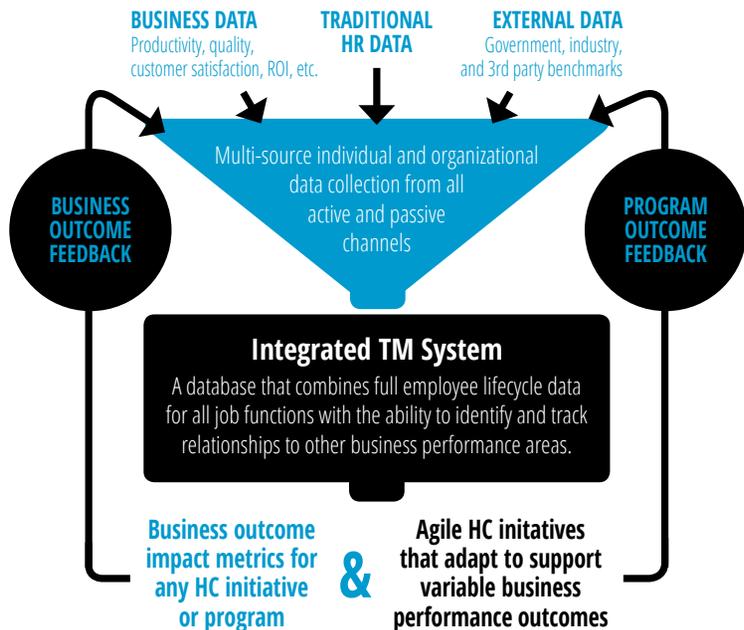
INTEGRATE AND ADAPT YOUR D&I PROGRAM METRICS

All business productivity and TM metrics can be D&I metrics when cut by demographics or inclusion sentiment scores. It is not enough to simply observe change or to benchmark; work to establish corollary or causal links between your goal or outcome success metric and the program or intervention.

OLD ANALYTICS AND TM MODEL

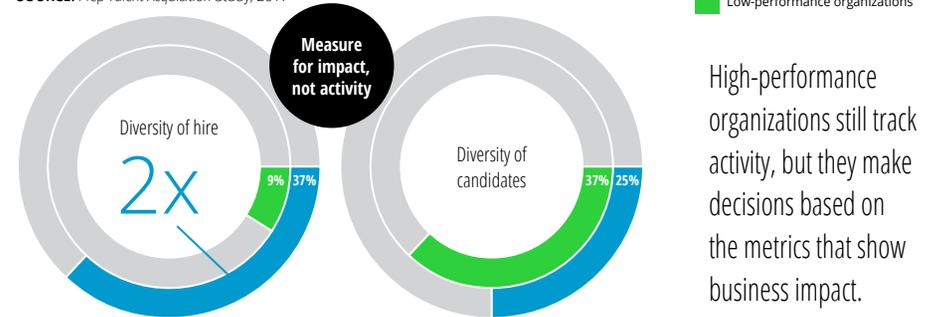


NEW ADAPTIVE ANALYTICS AND INTEGRATED TM MODEL



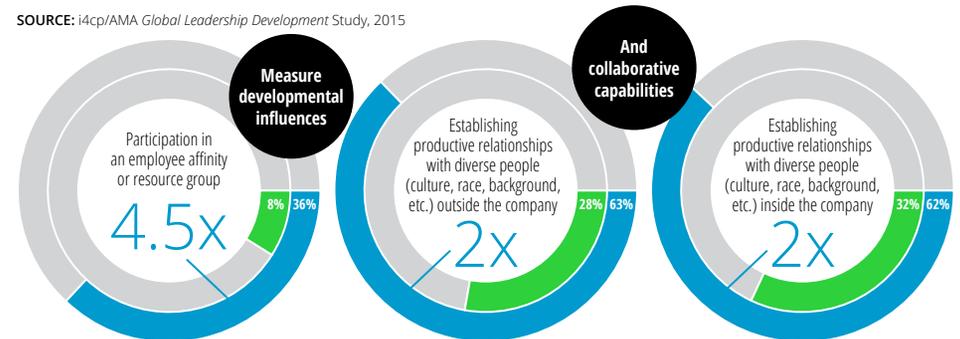
TALENT ACQUISITION

SOURCE: i4cp Talent Acquisition Study, 2017



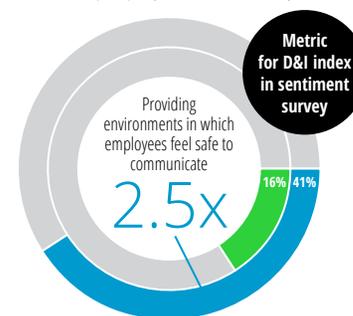
DEVELOPING GLOBAL LEADERS

SOURCE: i4cp/AMA Global Leadership Development Study, 2015



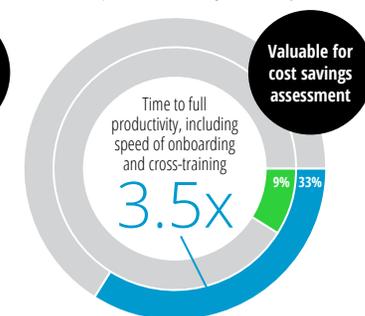
COLLABORATION

SOURCE: i4cp Purposeful Collaboration Study, 2017



TALENT RISK

SOURCE: i4cp Talent Risk Management Study, 2016



BUILD D&I METRICS INTO EXECUTIVE PROFILES —AND MONITOR FOR BIAS IN LEADER SELECTION

Growth through innovation requires leaders with diversity of thought, experiences, and backgrounds.

Track the progress of diverse candidates to identify where and why barriers occur.



BUILDING AND SHARING D&I SCORECARDS AND DASHBOARDS

Dashboards and scorecards aggregate data for pre-determined key performance indicators (KPIs) and present that data in simple, versatile reports.

SCORECARDS:

A scorecard measures and compares performance against projections and stated objectives. It tracks movement in key performance indicators (KPIs) identified as critical to the stated outcome. These KPIs must be determined early and will help management evaluate progress or areas for further intervention.

DASHBOARDS:

Dashboards combine multiple metrics (including scorecards) in one location to allow for easy comparison between datasets. While scorecards predominately track movement against KPI goals, dashboards more commonly track KPI trends over time and alert when trends go outside of the norm. Dashboards should be customizable and will ideally pull data from a single data repository to ensure consistency.

Scorecards are better for managing strategy

Dashboards are better for managing operations



STRATEGIC OUTLOOK FOR 2018

At current hiring and retention rates, director representation will slip about .05%—making 2018 goal nearly impossible. Continued strong internal promotion rates could close the gap.

OVERALL	Average employee headcount	50,000	Overall employee engagement	70	Same position	65%
	Overall female representation	46.7%	Female employee engagement	71	Different position, same dept	12%
	Female director representation	32.4%	Male director engagement	75	Different position, different dept	8%
	Percent "different" from peer	24.1%	Female director engagement	72	Retired	3%
	Currently good when compared with availability and external benchmarks.		Inclusion engagement	65	No longer with firm	12%
	Goal is to increase to 35% over three years		Overall engagement is good compared to benchmarks. Directors' scores are higher, but less for female. Low inclusion score is a cause for concern.		-10,000 employee expected to be in a different position within a year.	
					-7,500 employee plan to leave within a year.	
RETENTION	Overall employee retention rate	87.3%	Voluntary termination rate	81%	5144 employees voluntarily left the organization	
	Female retention rate	91.4%	Involuntary termination rate	19%	989 were terminated for cause	
	Female director retention rate	84.9%	Voluntary female director rate	84%	Male director retention was almost 95%	
			Involuntary female director rate	16%	30 female directors were terminated by the firm	
HIRING	Female hiring rates	48.0%	Female promotion rate	8.1%	4830 employees were promoted in the last year—9.7% of the workforce—but overall, men are more likely to be promoted than women.	
	Male hiring rates	52.0%	Male promotion rate	11.0%	Female director hiring rates remain flat, but 78 female directors were promoted at a 6.2% rate	
	Female director hiring rates	33.6%	Female director promotion rate	6.2%		
	Male director hiring rates	66.4%	Male director promotion rate	4.4%		

D&I SCORECARD SAMPLE

FEMALE REPRESENTATION RATES

Average headcount	50,000	Average direct headcount	3890
Number of terminations	6350	Number of director terminations	311
Number of hires	5872	Number of director hires	387

CURRENT TREND ▲

OVERALL SW-REGION GENDER DIVERSITY

ALL POSITIONS



LEADERSHIP



NON-TECH



TECH



Female Male

D&I DASHBOARD SAMPLE

GENDER DIVERSITY TRENDS

PROMOTION RATE



REGRETABLE TERMINATION RATE



HIGH-POTENTIAL SUCCESSOR RATE



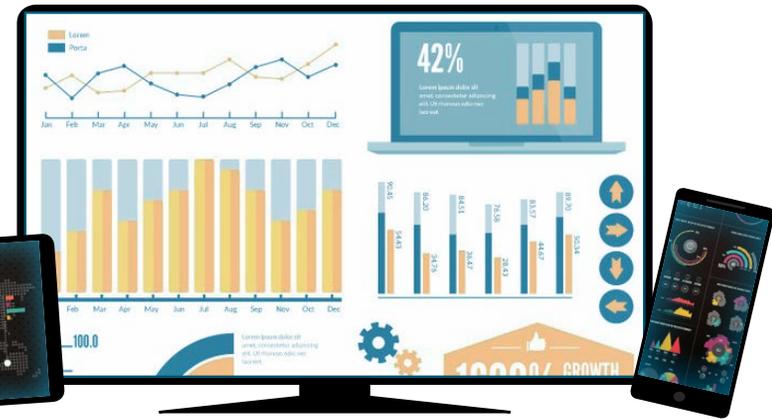
MALE TO FEMALE STAFFING RATIO



COMPA-RATIO BY GRADE AND GENDER



INTERNAL AND EXTERNAL RESOURCES TO BUILD YOUR DIVERSITY METRICS TOOLKIT



FOCUS AREAS

- Representation
- Staffing/Placement
- Workplace climate
- Recruitment
- Transaction
- Training

START WITH

- Agree on definitions and data governance
- Establish data sources and baselines
- Set targets

BASIC PRACTICES

- Tier representation
- Activity metrics

BEST PRACTICES

- Business impact metrics
- Include D&I metrics at program design stage
- Establish accountability

NEXT PRACTICES

- Social media analysis
- Predictive analytics
- Talent risk calculations
- Inclusion and belonging metrics

HR ANALYTICS TEAMS

If your organization is serious about metrics, you'll have expertise in place. If not, work with your CHRO to build a business case.

CONSULTANTS & VENDORS*

When evaluating thought leaders, look at reputation, affiliation, referrals, and results. Weight for those focused on sound methodology and business impact. Don't overlook business schools.

MARKETING DEPARTMENTS

Marketing departments often have sophisticated surveying, market segmentation, business-impact analysis, and communications experience.

EXISTING BUSINESS METRICS

Adopt metrics relevant to the function you're measuring. Flexible HRIS systems can pull from interconnected data sources and have flexible output options.

SEMINARS, COURSES, & CONFERENCES

To build internal analytics expertise, start with a good foundation in fundamentals. Begin with a self-paced MOOC and build as needed.

THOUGHT LEADERS & ONLINE FORUMS

While there's often vendor overlap, diversity professionals realize the importance of sharing best practices. Reach out on social network platforms and forums.

