

Executive Summary

Can inclusion be measured in a quantitative way, just qualitative, or a combination?

Introduction

Deloitte's 2017 Global Human Capital Trends study revealing that the number of executives who cited inclusion as a top priority rose 32% since 2014.² For this study inclusion is defined as the degree to which an employee perceives that he or she is a valued member of the work group. It's important to discern that inclusion is not autonomous from belonging, but that both are key elements in company initiatives. Belonging from the employee point of view is, "I can be authentic, I matter, and am essential to my team."¹ Workgroup diversity is a well-researched topic, but diversity is taken a step further with inclusion. Companies have are starting to reconsider their practices to measure it. Forbes names 2016 as the year of *Diversity and Inclusion*. Deloitte Australia research shows that inclusive teams outperform peers by 80% in team-based assessments.³ Deloitte also confirms that companies that embrace diversity and inclusion in all aspects of their business outperform their peers. However, companies acknowledge that, inclusion and belonging are complex constructs to define and measure.¹ With increasing investments, measuring inclusion is vital to understanding if employees feel a sense of inclusion and belonging within their company.

Measurements

Given the benefits of inclusion, it is imperative that organizations have methodologies in place to measure the success or failure of efforts. In analyzing methodologies, they've fallen into two categories qualitative and quantitative.

Qualitative Measures

- *Attitudes*: Impact of inclusion training can be measured by witnessing changes in the organization, such as employee attitudes.
- *Community involvement*: Inclusive organizations have representation and involvement from different aspects of the community. This is reflected in *community presence through community participation*.
- *Engagement and satisfaction*: Employee engagement surveys prove to be a critical resource for measuring inclusion, with three different core functions such as: diagnostic tool, climate of inclusiveness through facilitating transparent communication.
- *Transparency/disclosed feelings*: By gathering *exit interview data* inclusion is measured through the transparency of answers reflecting employees' comfort to disclose feelings.

Quantitative Measures

- *Diversity of leadership board*: An important measurable differentiator for an inclusive organization.
- *Grievances, complaints, and labor relations issues*: Inclusivity should result in a more transparent culture and better employee relations resulting in a reduction of grievances.
- *Performance*: Deloitte's Human Capital trends report showed inclusive organizations are 3.6 times more able to deal with personnel performance problems and 2.9 times more likely to identify and build leaders. 3

- *Social distance and retention:* With better development, fewer grievances, and reduced social distance a key measurement impacted is increased retention.
 - *Innovation, creativity and agility:* Inclusive organizations are 1.8 times more likely to be change-ready and 1.7 times more likely to be innovation leaders in their market and also promotes increased productivity leading to increased cash flows for the organization.³
- It is critical to measure any initiative for continuous development, to gather feedback, to make the process objective, and for leadership buy-in. (Exhibit 1 shows a comprehensive list of qualitative and quantitative measures)

Prevailing Practices

LinkedIn:

- **Practice:** A *Diversity, Inclusion and Belonging Index (DIBs)* is in place to track progress. Questions were tailored to DIBs and asked through their annual Employee Voice Survey. The questions aim to obtain a comprehensive measure of experiences of diversity, inclusion and belonging.⁵
- **Result:** LinkedIn integrates key measures of belonging across the employee life cycle, and educates employees on creating moments of belonging for themselves and others.

Procter & Gamble (P&G):

- **Practice:** An initiative focused on accountability, P&G instituted a compensation system that reinforces commitment to diversity and inclusion. Evaluated during performance reviews, ten percent of executive compensation is linked to diversity and inclusion goals.²
- **Result:** The driver of P&G's Diversity and Inclusion will continue to start at the top while holding everyone accountable.⁶

BMO Financial Group:

- **Practice:** Impact on employees' perceptions of inclusion and their voice at work is a key measure BMO Financial Group employs to track progress of their diversity and inclusion initiatives.²
- **Result:** Measures discern a year-over-year increase, with a 2-percentage point increase on perceptions of inclusion and a 2-percentage point increase on employees' perception of their voice at work.²

Global Considerations

Sodexo, a leading D&I exemplar, ranked number one in the DiversityInc's Top 50 Companies, for the second time in four years. Sodexo says that D&I, "helps identify us as an employer of choice and promotes and increases our brand reputation globally." At Sodexo, employee resource groups, are shifting to have business emphasis, around three key themes: Awareness, Networking and Opportunity.⁷ Organizations grow global influence by partnering with non-profits, suppliers and others to expand the reach of D&I efforts.

Conclusion

The best practices in place to measure inclusion revolve around a combination of quantitative and qualitative measures. Managers should be held accountable for creating an inclusive culture, and key metrics should be employed to track progress. Measures should also consider belonging, as this is a key component of inclusive cultures, and companies should proactively work to create a sense of belonging. Inclusion is not just an opportunity to be better at HR, but can lead to a better performing company measured by business, financial, and talent outcomes.

References

1. McQueen, Nina. (2016) *Diversity, Inclusion and Belonging: Measuring How Employees Experience Our Culture at LinkedIn - Part 9*. Retrieved September 28, 2017 from <https://www.linkedin.com/pulse/diversity-inclusion-belonging-measuring-how-employees-nina-mcqueen/>
2. Bourke, Juliet; Garr, Stacia; van Berkel, Ardie; Wong, Jungle. (2017) *Diversity and Inclusion: The reality gap, 2017 Global Human Capital Trends*. Retrieved September 27, 2017 from <https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2017/diversity-and-inclusion-at-the-workplace.html>
3. Work in Culture (n.d.), Inclusive HR toolkit – Part 5 measuring, Retrieved September 28, 2017 from <http://www.workinculture.ca/Resources/Inclusion-in-the-Creative-Workplace/Inclusive-HR-Toolkit/Part-6-Measuring-Success/Tools>
4. Why Diversity and Inclusion will be a top priority for 2016 (December 2015) , Retrieved September 27, 2017 from <https://www.forbes.com/sites/joshbersin/2015/12/06/why-diversity-and-inclusion-will-be-a-top-priority-for-2016/#298828d82ed5>
5. Reilly, Kate. (2017). *How LinkedIn's HR Chief is Changing the Diversity Conversations with "Belonging."* Retrieved September 28, 2017 from <https://business.linkedin.com/talent-solutions/blog/diversity/2017/how-linkedins-hr-chief-is-changing-the-diversity-conversation-with-belonging>
6. P&G (2015) *Sustainability Report*, Retrieved September 28, 2017 from <http://news.pg.com/press-release/pg-corporate-announcements/pg-releases-2015-sustainability-report-detailing-progress-a>
7. Marjorie Derven, (2014) "Diversity and inclusion by design: best practices from six global companies", *Industrial and Commercial Training*, Vol. 46 Issue: 2, pp.84-91.

Additional Readings

1. M. Christie Smith and Stephanie Turner, *The radical transformation of diversity and inclusion: The Millennial influence*, Deloitte, 2015, Retrieved September 27 from <http://www2.deloitte.com/us/en/pages/about-deloitte/articles/radical-transformation-of-diversity-and-inclusion.html>
2. Lynn M. Shore, et al (2010). "Inclusion and diversity in work groups: a review and model for future research" , *Journal of Management* (In Press)

Appendix

Exhibit 1

Measurements	
Qualitative	Quantitative
<ul style="list-style-type: none"> Employee satisfaction Community engagement Relationships among staff members Transparency on exit interviews Impact of inclusion training 	<ul style="list-style-type: none"> Rank as employer of choice Retention Productivity Board diversity Cultural competency skills Social distancing scale Discrimination grievances/complaints Labor relations Innovation and creativity Career development

Exhibit 2

Figure 2. Diversity and inclusion: Old rules vs. new rules

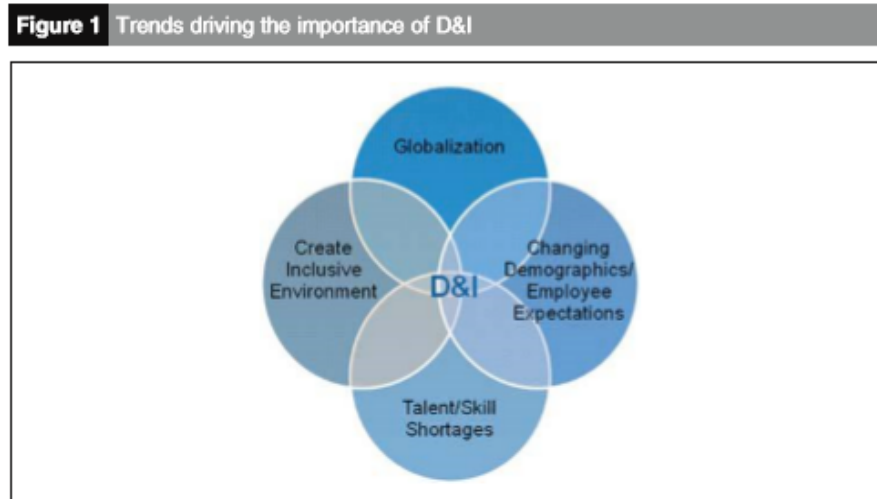
Old rules	New rules
Diversity is considered a reporting goal driven by compliance and brand priorities	Diversity and inclusion is a CEO-level priority and considered important throughout all levels of management
Work-life balance is considered a challenge for employees to manage, with some support from the organization	Work-life balance, family, and individual wellness are all considered part of the total employee experience
Companies measure diversity through the demographic profile of designated groups defined by attributes such as gender, race, nationality, or age	Companies measure inclusion, diversity, and lack of bias in all recruitment, promotion, pay, and other talent practices
Diversity is defined by gender, race, and demographic differences	Diversity is defined in a broader context, including concepts of “diversity of thought,” also addressing people with autism and other cognitive differences
Leaders are promoted on “merit” and experience	“Merit” is unpacked to identify built-in biases; leaders are promoted on their ability to lead inclusively
Diversity and inclusion is a program of education, training, and discussion	Diversity and inclusion goes beyond education to focus on debiasing business processes and holding leaders accountable for inclusive behavior
Companies regularly report progress on diversity measures	Companies hold managers accountable for creating an inclusive culture, using metrics to compare them against each other

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Reference: Juliet Bourke, Stacia Garr, Ardie van Berkel, Jungle Wong (2017) Diversity and inclusion: The reality gap-2017 Global Human Capital Trends Retrieved September 28, 2017 from

<https://dupress.deloitte.com/dup-us-en/focus/human-capital-trends/2017/diversity-and-inclusion-at-the-workplace.html>

Exhibit 3



Marjorie Derven, (2014) "Diversity and inclusion by design: best practices from six global companies", Industrial and Commercial Training, Vol. 46 Issue: 2, pp.84-91

Exhibit 4

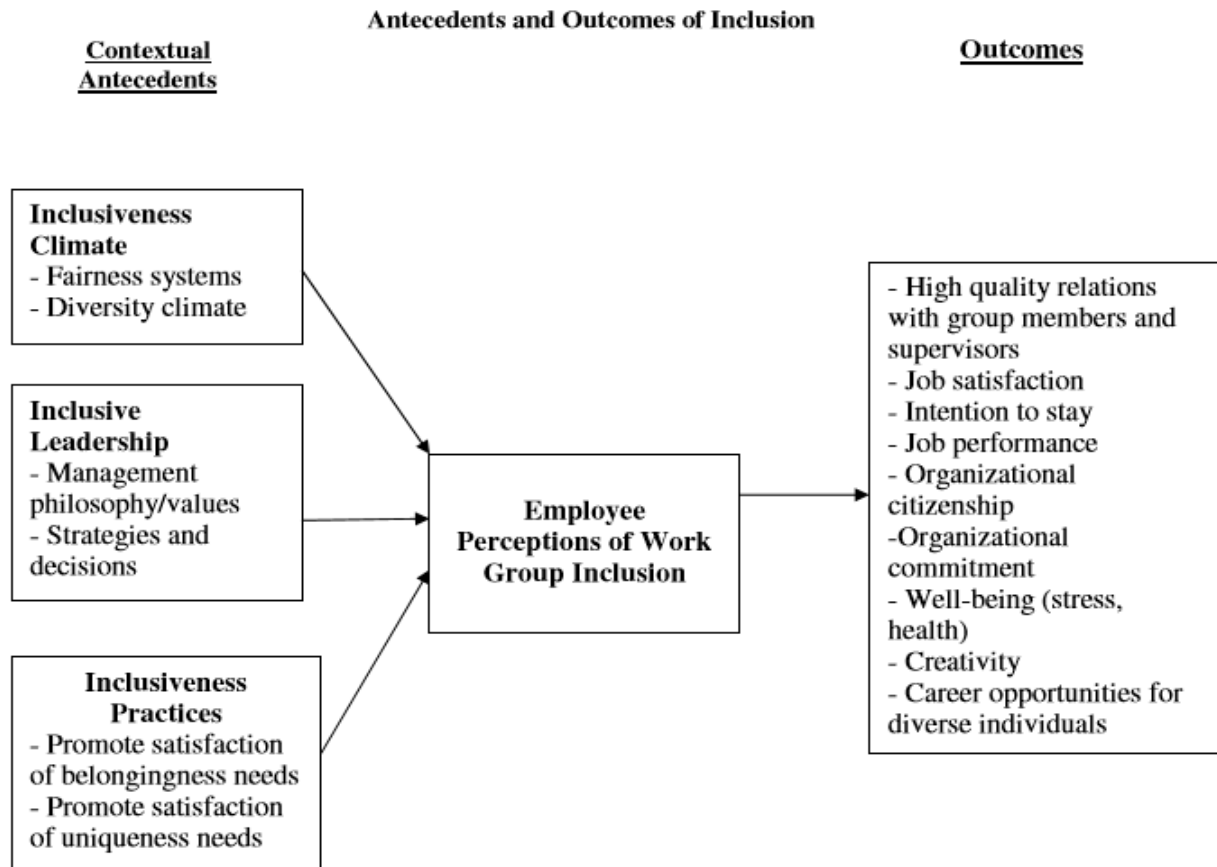
Inclusion and diversity in work groups:

Inclusion Framework

		Low Belongingness	High Belongingness
Value in Uniqueness	Low Value in Uniqueness	<p>Exclusion</p> <p>Individual is not treated as an organizational insider with unique value in the work group but there are other employees or groups who are insiders.</p>	<p>Assimilation</p> <p>Individual is treated as an insider in the work group when they conform to organizational/dominant culture norms and downplay uniqueness.</p>
	High Value in Uniqueness	<p>Differentiation</p> <p>Individual is not treated as an organizational insider in the work group but their unique characteristics are seen as valuable and required for group/ organization success.</p>	<p>Inclusion</p> <p>Individual is treated as an insider and also allowed/ encouraged to retain uniqueness within the work group.</p>

Lynn M. Shore, et al (2010). "Inclusion and diversity in work groups: a review and model for future research", Journal of Management (In Press)

Exhibit 5



Lynn M. Shore, et al (2010). "Inclusion and diversity in work groups: a review and model for future research", Journal of Management (In Press)