Inclusion Measurement:
Lessons Learned
White Paper Brief
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- Revealing what high-performance organizations are doing differently
- Identifying best and next practices for all levels of management
- Providing the resources to show how workforce improvements have bottom-line impact

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Inclusion Measurement: Lessons Learned

The following is a discussion with Mary Ann Downey, i4cp’s Human Capital Practice Leader, and Eric Davis, i4cp’s Associate Editor, on the findings of i4cp’s new Inclusion Measurement Survey 2010.

The Inclusion Measurement Survey was conducted on behalf of i4cp’s member-only Diversity Accelerator group. The purpose of the study was to examine the concept of inclusion and the measurements used to determine success in creating a more inclusive workplace. As the thread that ties diverse employee groups into a unified and productive whole, inclusion can be elusive to define and measure. Results from this study show that inclusion success that promotes higher market performance may be the result of having a definition that is more concrete than aspirational and in having business-critical drivers that are aligned with the overall organizational strategy and goals. A starting point that is grounded in measurable outcomes is key to developing metrics for success and showing organizational commitment.

The survey was conducted in May and June 2010. A total of 396 respondents participated.

Why was inclusion a focus for the Diversity Accelerator?

M.D. We started with three proposed research topics and asked the group to select one for a focus for this year. Inclusion measurement was the one that the group really zeroed in on. It seems there’s been a bit of ebb and flow in the diversity field that’s connected to the economic recession. For a while there was less emphasis on diversity as companies tried to adjust to new market realities, but as the economy improves there’s been both increased awareness of changing workplace demographics and increased emphasis on measurement and demonstrating value. A lot of diversity professionals have goals for the year of solidifying metrics and proving value.

E.D. Most feel they have a handle on diversity metrics, which are tricky but relatively clear-cut measurements and groupings around identifiable or discoverable traits. It doesn’t matter whether those traits are race and gender or education and experience, they are things that can be quantified. Inclusion measurement, on the other hand, can be harder to pin down. I mean, how can you report to your CEO or BOD that your organization is now more inclusive? Since their aren’t direct measures, you have to rely on indirect observation to see if your achieving your goal. Things like engagement scores, retention rates, productivity measures and diversity representation at various tiers all have to be combined to make a bigger picture of inclusion.

M.D. Also, during our discussions about inclusion measurement as a survey topic, it became clear that part of the focus would have to turn towards the definition of inclusion being used. The fact that the definition influences how it should be measured turned out to be a major finding.
What did you hope to find out with this survey?

**M.D.** Primarily we wanted to know if organizations recognize inclusion as a priority, how they measure it, and whether or not their initiatives have the support/infrastructure to show organizational commitment. We were also looking for clear practices that were more prominent among higher market performers – companies that have outperformed their competitors over the last five years – so we could determine best practices for inclusion success.

**E.D.** Some of the things we needed to help establish all of that included gathering information on the maturity of organizations’ diversity initiatives - defined as the perceived level of development, integration and acceptance within the company. We also asked whether respondents thought their inclusion practices were effective so we could see how organizations that thought they were doing well varied from those that didn’t. The majority of questions centered on what definition of inclusion is used, what factors drive inclusion practices, what metrics are used to determine success and what infrastructure elements are there for support.

What surprised you about the survey results?

**M.D.** The biggest surprise so far – and we’re continuing to analyze the data - was that while two-thirds of our respondents cite inclusion as part of their people strategy, only 21% of that group says they attempt to quantify inclusion success. We’ve seen this before, though, where an organization accepts that something is worthwhile without having to necessarily quantify it. Even without having to make a business case or determine ROI, though, higher performers will almost always do more to measure their efforts and to have a business-critical, strategically aligned rationale for what they are doing.

We were also surprised that 19% of overall respondents reported that their organizations consider inclusion a talent management function that is separate from diversity. We had assumed that in corporations, there would be a focus on diversity that didn’t necessarily include inclusion and that it was much less likely that we’d see inclusion as a focus outside of diversity initiatives. Although 47% combine the two, well over a third keep it separate.

**E.D.** Other surprises included the dominance of one of our definitions over the others by a sizeable margin and the number who said that manager’s goals and objectives were tied to inclusion specific goals; 59% of higher performers and only 45% of low performers. We also assumed that inclusion would have greater acceptance among multinational and global firms, as it’s more PC and less U.S. centric than diversity. That assumption didn’t play out.

How is inclusion different and similar to diversity, and how do the two interrelate?

**E.D.** As we’ve said, diversity is about varied traits. Diversity can focus on EEO protected groups or on a broader range of traits that are seen to enrich the talent pipeline, but at its core it’s about
variations. Diversity can be a goal for reasons of compliance, to broaden the available talent pool, to better relate to new markets, to reach representative parity with existing markets, to support an employer brand or a company's reputation, etc. But diversity alone isn't sufficient to achieve any of those goals.

Inclusion is what makes diverse individuals come together as a cohesive and productive whole, and it's something that needs to permeate the culture in order to make that coming together happen. We queried our survey respondents on three specific definitions of inclusion and have gathered more through follow-up interviews. If I were to combine the common themes of those definitions, it would be about creating an atmosphere where employees feel valued and respected in an accepting environment where they feel confident to do their best work. Of course, what's missing from that definition is what we saw missing in the majority of definitions chosen by organizations – a measureable component.

What recommendations do you have for organizations?

M.D. Of course, a first recommendation is, if you don't have diversity and inclusion initiatives, consider making them a part of your people strategy. And if you don't measure your existing initiatives, put metrics in place to determine their effectiveness. Higher market performers invariably have more bottom-line focused drivers for initiatives and more measures in place for anything they consider important.

The following are i4cp recommendations that we included in our new TrendWatcher on these survey results.

1. Review your organizations definition of inclusion – if it has one – to determine whether it lends itself to measurement. A definition that is more utilitarian, that is more prescriptive rather than aspirational, is more practical in guiding measurement and goal setting. Debate the content of your definition. A definition that lacks debatable content probably lacks the significance or concreteness that will make it measureable.

2. Ensure a common understanding of what inclusion means to your organization and make certain it aligns to the organization's mission. A good definition will go beyond employees to include suppliers, customers and the community at large.

3. To measure inclusion, start by identifying the business area where you expect to see movement. For many, that metric is engagement. For other organizations it may be profit per store, better customer ratings, reduction in shrinkage (theft), improved company reputation or brand, etc. Again, the measurement should align with the organization mission.

4. Create accountability at the executive, manager and employee level. Creating an inclusive work environment starts at the top of the organization, but it must be practiced at every level to permeate a culture. Accountability at the employee level means articulating expected behavior and rewarding employees that exemplify the conduct. It also means working to change behaviors of employees who do not. At the manager level, accountability should be part of the performance management process and is most effective when linked to performance appraisal competencies and promotional opportunities.
We’ll save some of our more detailed case studies and strategies for the analysis we’ll be publishing in October but, for now, we can add these recommendations to the mix as well:

5. **Consider participation in various employer-of-choice awards.** They can provide insights on what other organizations are doing while supplying a wealth of internally and externally focused benchmarking data. Simply looking at the criteria for these awards can provide guidance on selecting metrics that could be appropriate for your organization.

6. **Make inclusion a part of internal and external messaging,** not only for employment and PR branding, but in other corporate communications as well. Continuous messaging is important for keeping momentum and focus.

7. **Designate an internal champion for inclusion at the executive level.** Organizational commitment to any initiative takes top-down dedication, backing and follow-through.

8. **Use productivity data as a metric.** Analysis of productivity data, though a less frequently used metric overall, was a measurement method that showed one of the biggest gaps between higher-performance organizations (22%) and lower-performance organizations (8%).

**Is there a next step in the research?**

**E.D.** For this study, which is ongoing, we’ll conduct additional interviews, including talking with international companies, so we can find out more from their perspectives. We’ll combine those interviews with a more detailed look at the survey data for an in-depth analysis piece scheduled for publication sometime in October 2010.

**M.D.** Every survey tends to create as many new questions as answers. What do inclusion specific goals and objectives look like for managers? What kind of numbers can individual managers affect and be objectively evaluated on that relate to inclusion? We’ll be working with our Diversity Accelerator group to see where they’d like to focus more attention.
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