



Moving the Needle

With a Data-Driven DEIB Strategy



DEIB makes a difference

Countless studies from top analysts demonstrate the correlation between a company's Diversity, Equity, Inclusion and Belonging (DEIB) programs and its performance, creativity, and health. Simply put, the most successful companies are those that weave DEIB into the fabric of their organization.

Deloitte reports that companies with solid DE&I cultures "are twice as likely to meet or exceed financial targets as those without, three times as likely to be high-performing, six times more likely to be innovative and agile, and eight times more likely to achieve better business outcomes." ¹

Deloitte.

All data shows that companies derive tremendous strength from engaging and nurturing a diverse workforce.

Think more creatively. Diverse teams often identify new business opportunities and innovate in ways that homogenous teams simply aren't equipped to do. People with different backgrounds are likely to approach problem solving in various ways.

Eliminate blind spots. Diverse teams harness their understanding of nuanced situations to make more informed decisions. For example, the revenue from a new product is likely to be higher if team members who mirror the target market contributed to the go-to-market strategy.

Fire on all cylinders. When employees feel valued and a sense of belonging, they are often willing to go the extra mile for the team, the project, the company. When all staff are firing on all cylinders, the results are game changing.

Enhance retention. Happier and more fulfilled employees have better mental health – leading to fewer absences, less churn, and increased efficiency, momentum, and continuity of work. Ultimately, these forces result in lower operating costs.



According to the **Harvard Business Review**, "Google reportedly spent \$114 million on DE&I in 2014, but this year [2020] reported that African Americans make up only 3.7% of its workforce, and 2.6% of leadership roles."² This staggering statistic shows that DE&I requires much more than a financial investment. Moving the needle requires time, patience, perseverance, and a purposeful recalibration of programs, policies, and the composition of people at all levels of the organization.

Are you moving the needle?

If you are like most talent teams, you probably don't have the data to know whether you are moving the needle. Despite being one of the most discussed topics in business today, the majority of companies struggle to meet their diversity and inclusion goals.

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Why programs fall short

Insufficient resources and time. Many companies approach DEIB as a one-and-done campaign rather than accepting that it is a complex, perpetual, and intrinsic aspect of the enterprise.

Talking the talk but not walking the walk. If a company's leadership team lacks diversity, their DEIB efforts are likely to ring hollow to employees. Several studies, including a 2020 Gallup poll, show a correlation between the diversity on the leadership team and employees' positive attitudes towards the company and its DEIB efforts.

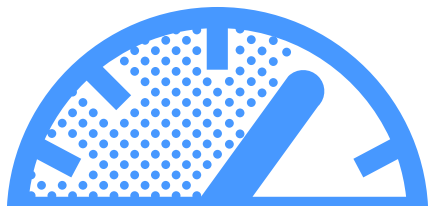
Lacking evidence of progress. Measurable performance indicators are key to ensuring that every facet of DEIB is moving the needle towards goals.

Having a narrow view of DEIB. Diversity programs usually fall short due to a narrow definition of DEIB. Independent Sector, the national membership organization devoted to strengthening civil society, summarizes these initiatives much more broadly*:

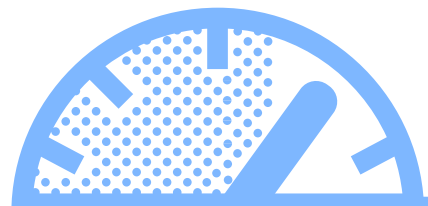


DIVERSITY includes a range of characteristics that make one individual or group different from another. This includes but is not limited to: race, ethnicity, gender, age, national origin, religion, persons with disability, sexual orientation, socioeconomic status, education, marital status, language, and physical appearance. The definition also includes diversity of thought: ideas, perspectives, and values, and it recognizes that individuals affiliate with multiple identities.

**Portions of these three sourced definitions have been updated for use in this report. Other sources also cite veteran status and political views as categories of diversity.*



EQUITY is the fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups or limited access to or distribution of resources.



INCLUSION is the act of creating environments in which any individual or group can be and feel welcomed, respected, supported, and valued to fully participate. An inclusive and welcoming climate embraces differences and offers respect in words and actions for all people.³

“Diversity is a given, inclusion is a choice, equity is a goal. BELONGING is our ultimate end point.”

— Camille Chang Gilmore, Boston Scientific's global chief diversity officer

Make the case for a successful DEIB strategy

The first step is to fully understand the upside to successful DEIB. The following data points and others may help you gain executive buy-in.



800%

increase in job postings for dedicated diversity recruiters

DEIB helps companies remain competitive and relevant.

Gartner shows that the number of HR leaders identifying DEIB efforts as a top priority nearly doubled in a 12-month period. Additionally, their analysis shows close to an **800% increase in job postings for dedicated diversity recruiters.**⁷

As of June 2021, nearly 2,000 CEOs of household name brands have signed onto the CEO Action for Diversity & Inclusion Pledge – an initiative collaboratively led by corporate leaders at Accenture, Boston Consulting Group (BCG), Deloitte US, EY, KPMG, New York Life, P&G and PwC. Those are clear indications that companies failing to embrace DEIB are getting left behind – and quickly.

DEIB drives innovation and future growth.

BCG reports that companies with above-average diversity on their management teams excel with product/service development, innovation, and the resulting incremental revenue. Specifically, **45% of total revenue from these more diverse companies comes from their recent innovations**, compared to just 26% of revenue for companies with below-average leadership diversity.⁸

This data suggests that companies succeeding with their DEIB efforts are likely to thrive and grow at a much higher rate than their less diverse peers.

45%

of total revenue from more diverse companies comes from their recent innovations in diversity on management teams

DEIB yields higher retention.

Employee engagement, motivation, and happiness are byproducts of DEIB. Those forces increase retention, boost productivity, and reduce costs related to recruiting, hiring, and onboarding. In a Deloitte study, **39% of respondents reported that they would leave their current organization for a more inclusive one.**⁵

And Gartner research shows that organizations with sustainable DEIB initiatives demonstrate a 20% increase in inclusion, which corresponds to greater on-the-job effort and intent to stay, as well as high employee performance.⁶

39%

would leave their current organization for a more inclusive one

DEIB is shown to drive higher profitability.

McKinsey & Company, a global consulting firm, has studied DEIB dynamics and outcomes for several years. Their analysis shows that companies in the top quartile for gender diversity on executive teams were **25% more likely to have above-average profitability** than companies in the fourth quartile – a trend that has steadily climbed over 5 years. McKinsey also finds that “the greater the representation [of ethnic diversity], the higher the likelihood of outperformance.”

25%

more likely to have above average profitability for companies in the top quartile for gender diversity



Use internal metrics to understand where you are today

If you are already using the latest people intelligence technology like Findem, running baseline reports on the diversity makeup of your organization, talent pool, and pipeline can be quick work. Identify the conversion points in your talent funnel and, if diversity is dropping off, identify where that's happening and why.

It's also important to involve other department leaders in a whiteboard session about the internal systems and programs that may hold benchmarking data. Hunt for metrics pertaining to sourcing, hiring, promotions, awards, compensation, staff surveys, training opportunities, exit interviews, and attrition. When possible, evaluate data points company-wide, but also within relevant subsets of employees, such as by seniority or by department. Continue to slice and dice the data points and calculate tenure based on characteristics like age, race, and gender. Next, research the diversity and staff retention among your competitors and your industry to draw a relative comparison, if possible.

Align the executive team with the DEIB mission

Present your business case and internal metrics to the C-suite to gain their executive sponsorship and leadership around DEIB. The most successful DEIB programs are likely to be those that are not only driven by the highest levels of the organization, but those that are truly embodied by the executive team. This means dedicating a C-level role to DEIB, ensuring diverse representation at the highest levels, aligning with like-minded partners and suppliers, and updating corporate documents to reflect the commitment to DEIB – such as the mission, core values, codes of conduct, HR policies, pay scales, career pages, etc. This is the chance to “walk the walk.”

Define how you will measure progress

A data-driven DEIB strategy is founded upon a framework of Key Performance Indicators (KPIs). These KPIs may span talent acquisition, human resources, team building, staff engagement and culture, and more. Some KPIs may overlap with the data points from your internal assessment, or you might take this opportunity to deploy new technologies with analytics baked in. Various third parties like Gartner and The Diversity Movement also recommend metrics to track. Take the time to articulate why the chosen KPIs are important to your company and then leverage them to establish your programs, action items, strategies, and reporting goals. Once the framework is built, empower department heads to have their own goals and accountability tools that all roll up to support the overall goals.

Re-engineer your sourcing strategy



COVID and the surge in working remotely provided a catalyst to change how sourcing is conducted. The removal of geography as a barrier has greased the wheels for diverse sourcing.

If you want to adjust the composition of your pipeline, talent acquisition and diversity, pros advise against reusing the same tired Boolean searches and returning to the same pools of candidates. Take this opportunity to lean on the latest sourcing technologies that help you mine untapped pools of quality and diverse talent. Previously invisible talent pools are teeming with the exact attributes you're looking for.

Expand your network

Location mapping enables you to hone in on pockets of diverse talent you knew existed but could never access for recruiting. Widening the education parameters of your search to include regional technical colleges or institutions that promote an inclusive environment, for example, will result in far more diverse talent than one would find by exclusively searching well-known private universities. The same can be said of companies. Repeatedly limiting a search to Fortune 100 corporations will further homogenize staff and deprive the team of resources who have survived the pace of startups, the scrutiny of venture capital, and the pressure of IPOs.

Define the ideal candidates

Sourcing software like Findem enables recruiters to customize a wish list of attributes representing their ideal candidate. For example, perhaps the hiring manager wants a software engineer who holds a patent, has B2B hypergrowth startup experience, and has been repeatedly hired by unicorn companies. This unique sourcing technology will scour every public database of people information – removing the bias that can otherwise easily enter the sourcing process – to fill the top of the funnel with candidates who bring those exact qualities to the table.

Curate a diverse pipeline

Perhaps best of all, modern solutions provide absolute transparency into the composition of your candidate pipeline – helping to ensure alignment with KPIs. Recruiters can analyze any aspect of the talent pool or pipeline data in real time, such as the quantity of candidates in California or the probable proportion of underrepresented groups. If the pool isn't diverse enough, the search parameters can be adjusted and the talent pool rebuilds itself in seconds. As a result, recruiters are assured the funnel mirrors the company's diversity goals prior to launching the first outreach campaign.



Update your hiring practices

It is critical that the diversity of your talent pipeline is maintained throughout the recruiting and hiring process. As Harvard University found in another study, “if there’s only one woman in your candidate pool, there’s statistically no chance she’ll be hired.”

Rooting out systemic bias is a difficult task and one that needs to be addressed on a continual basis. According to BCG research, US companies spend approximately \$8 billion a year on DEIB training, yet only half of their diverse employees feel there are mechanisms in place to ensure decisions are free from bias. The use of automation technology can prevent implicit bias from influencing how the candidate pool is filtered and narrowed.



Automate shortlisting

Use software to hide identifiers or diversity traits early in the selection process. Some software tools automatically shortlist candidates that match a specific profile – without the influence of humans. If the top of the funnel for a particular role is too vast, the team can require harder to find, must-have attributes to make it onto the candidate shortlist. Snapshot reports will reveal whether the same levels of diversity were maintained after that change.



Identify where bias exists

Using your sourcing software to analyze pipeline data can reveal trends and anomalies that may be creating unacceptable drops in diversity as the recruiting process progresses. This macro information can illustrate the need for bias training or demonstrate incremental improvements subsequent to bias training. On a micro, private, and personal level, hiring managers can participate in confidential assessments of their own attitudes that they might not realize are influencing their hiring decisions. Harvard’s “Project Implicit” is an example of such an anonymous look at one’s own bias. Like all aspects of DEIB, bias training and bias interruption is an ongoing endeavor.



Analyze interviewer feedback

Experts recommend standardizing interview questions and using diverse panels of employees to conduct all interviews. Panelists’ feedback about candidates can be aggregated and searched for recurring sentiments that are affecting the company’s overall DEIB program. For example, if some interviewers repeatedly dismiss candidates for reasons like “not a good fit,” you will know to intervene.



Use objective scoring tools

More objective interview rubrics can help to remove certain qualitative measurements that are hindering your DEIB progress. Hiring managers and diversity managers can identify the experiences, skills, and attributes that will be scored during the interviews and their relative values. The candidates with the highest scores will progress to the next phase. As in previous steps, the scores can be cross-referenced with metrics pertaining to gender, ethnicity, etc.

Enrich your onboarding experience

Throughout the hiring cycle, you've worked hard to ensure the ideal candidate was hired. Now the focus turns to ensuring that individual is properly embraced by the company and helped to thrive. This includes a holistic view of accessibility, respect for employees' lives outside of work, and diligently bringing all staff into the fold.

Companies that are serious about DEIB need a purposeful, data-driven onboarding program instead of a sink-or-swim orientation to the company. Host and track the attendance for special interest lunch-and-learns facilitated by different department heads. Topics could span any number of themes related to your company and your industry. The idea is to continue to build bridges between staff, colleagues, departments, and the company as a whole.

Another idea is to facilitate a mentorship program that buddies up long-term employees with new hires and helps them to feel connected to the organization. The EY Belonging Barometer shows that more than 1/3 of employees value and appreciate check-ins. Mentors should be proactive in the program and held accountable for participation, which can help to identify red flags early. Quarterly onboarding surveys can be devised to align with your DEIB KPI's and keep a finger on the pulse of fostering inclusion and belonging.



Social listening across all levels of the organization is critical to successful DEIB. While town halls, offsites, performance reviews, and trainings are great for engaging with employees and seeking their input, it is important to provide systems that support anonymous feedback that can be measured. Staff surveys and polls are great for keeping an ear to the ground. Text-based responses can also be keyword-searched for sentiment analysis. Additionally, whistleblower hotlines may be a source of information pertaining to DEIB.

Foster connection and networking internally

Consider establishing a steering committee to help develop, promote, and refine DEIB-related programs internally. The committee should be comprised of individuals from all backgrounds, all departments, and all levels of the company. It is important to permit their work to be organic, authentic, and community driven.

In addition to organizing Employee Resource Group (ERG) events, they might promote gatherings deliberately organized to include people from different teams and backgrounds. They might outline a speakers panel in which members of affinity groups lead educational discussions that help to celebrate a range of cultures, perspectives, and contributions to the company. The committee could also spearhead partnerships with external associations, community groups, and business networking groups. While many aspects of this programming will be qualitative in nature, revisit your KPIs to ensure measurable attributes are woven into the program.

Drive employee engagement

Even when DEIB is a clear company priority, one of the pitfalls of DEIB is that some department heads or team leads may not champion the mission on a regular basis. One way to combat that is to use tech tools like intranets, mobile apps and learning management systems to ensure equal access to information, job opportunities, and certification programs that some managers may have forgotten to communicate. Use of these centralized tools can be tracked and leveraged as a KPI.



A Harvard Business Review article about DEIB at Jamba Juice states that a true meritocracy “holds every group to the same standards. When the whole workforce can bring its talents to the table, results are better than when only some people can.”

Implement a system to track recognition and churn

Publish clear performance standards and expectations within every job description and then establish a system to foster transparency. Use technology to audit performance evaluations and exit interviews to identify trends related to DEIB. Use your tech tools and workflows to derive metrics pertaining to things like employee awards, promotions, raises, choice assignments or projects, and coveted transfers or clients. Then cross-reference your data by departments, managers, branch offices, levels of seniority, and diversity group to ensure fairness across the organization and to identify managers that might be dropping the ball.

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Jamba

Measure. Report. Improve. Repeat.

With a solid data-driven strategy in place, you can continually monitor progress and trends. Behind the scenes, your team can identify red flags and respond to them, but it is important to share incremental results – positive and negative – with the entire enterprise on a regular basis. Use town halls to build camaraderie, confront some uncomfortable topics together, and to encourage creative problem-solving. This frequent company-wide communication will help to galvanize everyone, build organic momentum, and demonstrate that all voices and perspectives are valued. And it's this shared, collaborative experience that shapes your company culture.

Place your data-driven strategy on a continuous loop of measuring actions, reporting on progress, implementing improvements, and repeating. The right technology partner can help you do it.

Ready to get started?

Contact our team to learn how Findem helps companies to implement a data-driven DEIB strategy. Our demo will cover how our platform can help you source diverse candidates, access DEIB analytics across your talent pool and pipeline, and track your DEIB efforts internally, as well as against competitors and peers.

CREDITS

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