



# **A Guide to Diversity, Equity and Inclusion Analytics**

# Intro

In today's business climate, you'd be hard pressed to find an organization that does not talk about diversity, equity and inclusion (DE&I) as a business priority, a goal, a value, a differentiator, a part of organizational culture, and, at the same time, a focused area for improvement.

On the one hand, a focus on diversity, equity and inclusion is important for companies looking to build workplaces that are representative of the world in which we live.

On the other hand, investments in diversity, equity and inclusion have a well-documented relationship to business performance and increased profits.

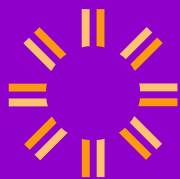
Organizations need a comprehensive approach that looks at diversity, equity and inclusion across the organization (and society) as a whole. HR may lead the effort, but this is an organization-wide undertaking.

Data and analytics should play a key role in this endeavor, providing the ability to identify where there are gaps, prioritize areas for action, and enable ongoing measurement of progress.

**Let's face it - there isn't an area of your business that diversity, equity, inclusion - and ultimately belonging - does not affect. A focus here is essential to business success.**

# What the **Research Says**

There has been much research on the business outcomes that a focus on diversity, equity and inclusion can yield.



In fact, **Bersin by Deloitte** has found that companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.



**Another study** focused on gender diversity found that companies with women board members outperform companies with all-male boards.



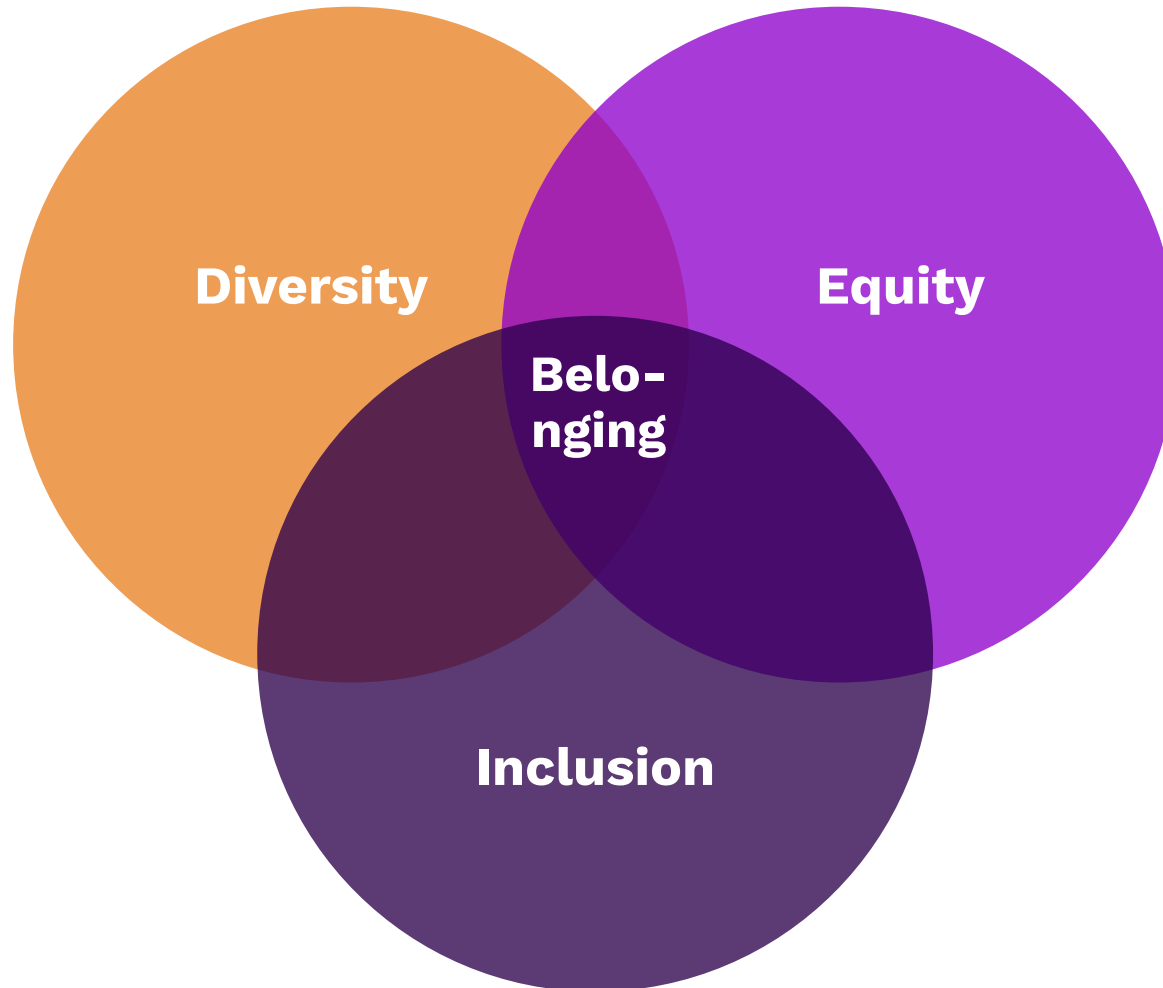
And **this study** found that teams that are diverse and inclusive make decisions faster, with fewer meetings, and make better business decisions 87% of the time.

# The Importance of **Diversity, Equity and Inclusion**

This is a useful model when thinking about diversity, equity, and inclusion in the workplace.

## **The Presence of Difference**

- Combine
- Analyze
- Segment
- Quantify



## **Delivering Equitable Workforce Programs**

- Gaps
- Inconsistencies
- Imbalances

## **The Lived Experience**

- Fact & Opinion

# Diversity

Diversity can be described as the “presence of difference”. This can be across demographics, cultural origins, skills and abilities, attitudes, ideas and philosophies, beliefs, experiences, and perspectives.

In an organization, this information is often embedded in your HR and talent data and can refer to gender, race, ethnicity, sexual orientation, education, socio-economic situation, experience, skills, certifications, geographical location and more.

Above is the model we find useful when thinking about diversity, equity, and inclusion in the workplace. This data is sometimes found in your core systems, like your HRIS or your learning management system. Other times it’s found in surveys or qualitative data. Pulling this information together into one, unified data set provides you with informative and actionable resources for strategic decisions about your workforce.

Once you have access to the data, and it is being constantly fed and updated, you can develop a better understanding of how you are delivering on your diversity, equity, and inclusion goals.



# Equity



Equity involves looking at programs, initiatives, and individual cases where opportunities may or may not be consistent and fair. This can be characterized by inequities or gaps in pay, promotions, opportunities for development, opportunities to lead, and more.

It also includes an articulation of who holds the decision-making power - and whether that's representative of your cultural values, your community, your customers, and who you want to be.

Equity involves looking at all processes in your business - from hiring, firing, promotions, task assignment, team creation, recognition to other less obvious aspects like how meetings are run, how groups interact, etc. It looks at these processes for bias or inequity - either conscious or unconscious.

# Inclusion

While diversity is about differences, inclusion is about embracing those differences. Inclusion is the deliberate action aimed at creating a workplace culture where all differences are welcomed, accepted, and appreciated.

You can spend hundreds of thousands or even millions on building a diverse workforce, but if you don't invest in the inclusion piece, you're missing out. Information about inclusiveness tends to be driven by experience data and surveys which can be purely qualitative in nature but can also be hybrid in which qualitative and quantitative data are combined. While diversity tends to be objectively assessed (how many, where), inclusion is more qualitative in nature.

It's about experience, perceptions, and feelings, and it's necessary in order to create the right environment.



## The Result = Belonging

When diversity, equity, and inclusion are combined it creates a workforce with a sense of belonging. Belonging is the human emotional need to be an accepted member of a group. Belonging is part of our inherent desire to be part of something greater than ourselves. Employees who feel they belong are happier, more engaged with their work, and more productive.

# Business Benefits of Belonging Derived from Workplace Diversity, Equity, and Inclusion

When diversity, equity, and inclusion come together there are numerous benefits to employees and the business. Some of these include:



## Belonging

A sense of belonging creates a positive culture that yields results for the individual employees, teams, and the overall organization. This can be quantified by a commitment to the organization, increasing net promoter score and total lifetime value of an employee.



## Representation & Reputation

Building a company where equity is a core value and whose diversity is representative of the communities we live in is a logical, moral decision and can help with your organization's reputation at-large.



## Culture: Customer Alignment

To extend upon community alignment, building a company that is representative of your customer base is also beneficial and can help you deliver better products, branding, and pitches.



## Belonging

A sense of belonging creates a positive culture that yields results for the individual employees, teams, and the overall organization. This can be quantified by a commitment to the organization, increasing net promoter score and total lifetime value of an employee.



## Talent Attraction & Retention

Simply put, diversity begets diversity. With equitable HR programs and diverse talent attraction channels, your employer brand will be the flywheel to create the outcomes you are looking for when it comes to organizational demographics and retention.



## Financial Performance

Last on the list, but key to sustainability, well-being, employment opportunities, and community investment, diverse companies deliver positive economic impact in the form of wages to underrepresented groups and taxes to all levels of government.



# How can you find the data to make important DE&I Decisions?

When it comes to DE&I, many organizations struggle with transparency driven by a lack of access to data and the facts.

HR data lives in different formats, different languages, different technologies. There is one level of data—above the surface—that is visible, easy to access, and relatively easy to report. This is what we consider foundational HR metrics and standard reporting.

These tend to be single dimension reports focused on top-line metrics using data pulled from your independent HR and talent systems. They also tend to lack the ability to deeply segment these metrics across the many lenses that are important to you.

Below the surface is where we find the more actionable, powerful, and business-relevant analytics. It is here, below the surface, where disconnected data can be brought together - past, present, and future, and across people, talent and business sources.

This analysis is multi-dimensional and enables you to understand all aspects of your workforce demographics, HR programs, and employee experience and from the diversity, equity, and inclusion lenses.

Today, almost all companies can point to some level of activity or investment they are making in the realm of diversity, equity, and inclusion; however, few are able to accurately and consistently measure and analyze what's really going on deep inside their organizations. Most only scratch the surface in terms of being able to access, understand, and act upon diversity, equity, and inclusion within their organizations.

# Diversity, Equity, and Inclusion Analytics: The Basics

At the most basic level diversity, equity and inclusion metrics provide a baseline understanding of how the organization is performing.

These measures also tell you how you are doing in terms of compliance with regulations and against your own programs.

An analytics-based approach makes it easy to deeply segment your data, represent that data visually and share information about areas of success and areas of opportunity across the organization in a compelling way.

At this level, it's mostly about reporting aggregate rates and raw counts across larger, more generic audiences which is enabled through your separate systems.

This may involve spending time analyzing and reporting on each of your HR systems (i.e., HRIS, learning management, talent management, recruiting, etc.), independently. This is a good starting point. You can determine:

- Recruitment candidates by self-identified ethnicity
- Organizational unit demographics by age
- Organizational unit demographics by gender
- Organizational unit demographics by ethnicity
- Promotion counts and rates by age, gender or ethnicity
- Executive counts and rates across Under Represented Groups

# Diversity, Equity, and Inclusion Analytics: Beyond the Basics

To make any true strides in areas of diversity, equity, and inclusion, it's important to go beyond the foundational metrics and create actionable insight. This involves looking at the entire employee lifecycle and looking at factual data, in addition to experience and context. It involves a unified data set that brings together your disparate data sources.

DE&I analytics may involve combining demographic data with performance, learning and compensation data. It may involve combining all of this with survey data, interviews, and/or program outcomes. It may involve a deep dive into hiring and recruitment data alongside turnover to uncover biases or gaps in process.

**At this level, questions that can be addressed span the employee lifecycle and include:**

## 01 Are we attracting and hiring diverse talent?

- Applicant counts and stage-by-stage (funnel) conversion rates by underrepresented group (URG)
- New hires by URG segmented across each job level, each job category, etc.
- Recruitment source success by URG
- URG hire rate (or possibly a customized Hiring Bias Index) by Hiring Manager gender, ethnicity, sexual orientation/identity, age, etc.

# 02

## Are our compensation and promoting processes equitable?

- Compa-ratio (current pay rates as a percentage of range midpoints) by URG, then analyzed by department, role, etc.
- Promotion rate by URG, then analyzed by performance (i.e., 9 box, quota attainment, etc.) and compa-ratio
- What is your Equal Pay Day for URGs?

# 03

## Are we developing and providing opportunities equitably?

- HiPos across URGs, by business unit, by role, by geography
- Learning, training and career opportunities across URGs, by performance, interest, skills, career stage, etc.

# 04

## Are we retaining our talent?

- Talent turnover by URG tenure, learning, manager, department, role, etc.
- Compare retention rates vs comparable benchmarks.

# 05

## **Are we prepared for the future with diverse talent? (Succession Planning)**

- % of ready-now workers from URGs in pipelines for critical roles
- % of future-ready workers from URGs in pipeline for critical roles

# 06

## **Are we building an inclusive culture? How, who benefits and how effective are we at this?**

- Are there opportunities for employees in their early parenting years? Military veterans or Reserves? Those caring for elders and others in need?
- Are URGs feeling valued, heard, impact in their roles? How does that compare to your larger workforce populations?
- Are your programs effectively driving engagement and inclusion with work from home audiences?

# Conclusion

The research makes it clear: there isn't an area of business that diversity, equity, and inclusion does not affect.

A focus on improving diversity, equity, and inclusion can yield positive results across recruitment, retention, reputation, and business performance. It leads to happier, healthier, and more productive employees.

Making progress with diversity, equity, and inclusion starts with an analytics-based approach. Foundationally, you need access to the data to know where you are on diversity, equity, and inclusion. Once you have access to the data you can begin to identify gaps and areas of opportunity across the organization. Building a deeper DE&I analytics capability is essential. This involves the ability to make connections across your data and systems.

Efforts to improve diversity, equity, and inclusion are good for business and represent an area where HR—with the right analytics and insight guiding decisions and actions—can truly make a difference both within our companies and throughout our communities.

**Looking to get started on diversity, equity, and inclusion analytics?**

**[Book a demo with us!](#)**



## Thank You

Thank you for taking the time to read our guide, we hope you found it useful. If you think we've missed any features or functions from our checklists please email us with your feedback on [marketing@hireroad.com](mailto:marketing@hireroad.com)

If you would like to talk to our consultants about anything in this guide or Learning Management Systems please get in touch.

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