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The slide features a background image of a chalkboard with a lightbulb and chalk-drawn circles. The text is contained within a white-bordered box.

Session Objectives

After attending this session, participants should be able to:

1. Align DEI solutions with the needs of the business.
2. Design DEI solutions to deliver application, impact, and ROI.
3. Plan next steps to ensure DEI solutions deliver value.

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Which activities take on the highest proportion of your organization's yearly DEI budgets in the current fiscal year? (Select top 3)

DEI Program	Percentage of Respondents
Company-recognized employee groups (e.g., ERGs, BRGs)	42%
External partnerships focused on DEI activities	38%
Any diversity and inclusion training, no including unconscious bias training	28%
Unconscious bias training	28%
Diversity recruitment and hiring programs	23%
Leadership training with a specific focus on inclusive leadership skills	17%
High-potential leadership development programs	13%
Networking events and activities with a focus on DEI	8%
External recognition activities focused on DEI	8%

Source: The Conference Board The ROI of Inclusion: How to Align Diversity, Equity, and Inclusion with Business Results (2021)

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The Need to Deliver Impact & ROI

- Workforce Management estimates that companies spend a combined **\$8 billion on diversity and inclusion training annually**, while Human Resource Management Journal reports that diversity and inclusion consultants earn a combined **\$400 million to \$600 million annually in consulting fees alone**.¹
- The estimated **global market for DEI is projected to reach \$17.2 billion by 2027**.²
- While survey data indicate that **high performing organizations are four times more likely** to provide development education to senior leaders for conscious/unconscious bias than low-performance organizations, research studies have also shown **these types of trainings to be ineffective** in increasing numbers of the underrepresented, much less driving business value.²
- Even the tried-and-true **employee groups** (also known as employee resource groups, affinity groups, business resource groups) **struggle to survive** the oscillating interest.³
- Add to this issue the struggles **DE&I executives face** when asked to drive efforts. If they go too slow in making change, **they are criticized**. If they go too fast, **they may be fired**.⁴
- "It's time to move from saying, **"We need to do this."** to asking **"What are we doing with this?"**⁵

¹ 2020 Working Mother Diversity Best Practices.

² Diversity and Inclusion (D&I) Global Market Report. (October 2022). Global Industry Analysts.

³ D&I Metrics Survey Analysis. (2019). Institute for Corporate Productivity. Retrieved from <https://www.icp.com/file/1985>

⁴ Sabatini, L., Ye, Amy, Popela, A., and Horan, J. (2020) What's Next for Employee Groups? The Conference Board, Research Report 1712-20.

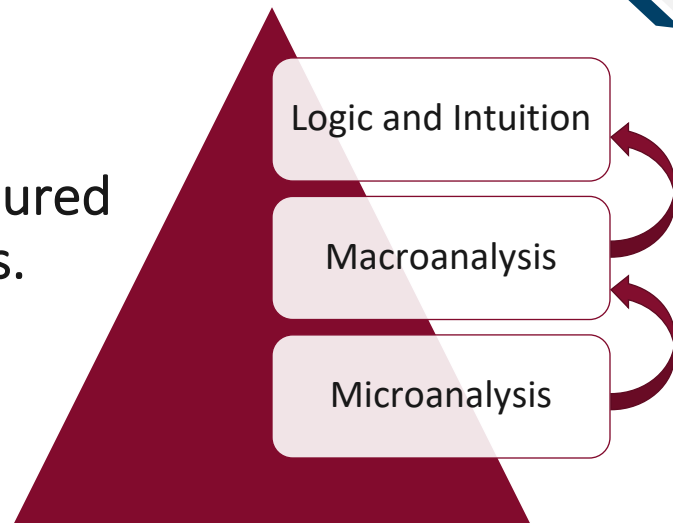
⁵ Cutter, C., and Weber, L. (2020, July 14). Diversity Role is Hot, But Turnover is High, *The Wall Street Journal*, p.A1, A4.

⁶ Stoll, John D. (2020, June 27-28). Pressure is on to Pivot from Say to Do, *The Wall Street Journal*, p.B2.

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Value in DEI is measured
in different ways.



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Macroanalysis

According to McKinsey & Company's "Delivering through **Diversity**" report, companies with higher executive-level gender **diversity** worldwide are 21 percent more likely to outperform their peers in EBIT (earnings before interest and taxes) margins and are 27 percent more likely to outperform peers in long-term **value** ...



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Microanalysis



Over a six-month period, Tyson studied a sample of 517 team members enrolled in across 16 Arkansas locations enrolled in **Upward Academy**, compared to a general pool of similar team members at the same locations.

- 86% participants indicated they have improved communication skills at work and in community
- 85% said they were happier in the workplace
- 77% felt more loyal to the company
- 123% return on investment
- Other benefits:
 - Participants felt better equipped to carry out responsibilities at home and at work
 - Greater confidence at work
 - Increased connection and inclusion in workplace

<https://www.forbes.com/sites/gradsoflife/2018/09/24/how-a-csr-pilot-program-became-a-key-business-imperative-at-tyson-foods/?sh=59c7c4323a8a>

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Evaluation Framework

Levels of Evaluation	Measurement Focus	Typical Measures
0. Inputs	The input into the project in terms of scope, volume, efficiencies, costs	Participants, Hours, Costs, Timing
1. Reaction & Planned Action	Measures participant satisfaction and captures planned actions, if appropriate	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Motivation to act, Net Promoter Score
2. Learning	Measures changes in knowledge, skills, and attitudes	Skills, Knowledge, Capacity, Competencies, Confidence, Mindset, Contacts
3. Application & Implementation	Measures changes in behavior or actions	Extent of use, Task completion, Frequency of use, Actions completed, Behavior change, Success with use, Barriers to use, Enablers to use, Utility, Scrap
4. Impact	Measures changes in impact variables	Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction, Patient Satisfaction, Employee Engagement, Talent Mobility, Innovation
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

Katzell developed four steps of training evaluation; Kirkpatrick wrote about four steps of training evaluation; Phillips added economic theory and operationalized the framework by adding process and standards and applying it in practice.

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Three Categories of Impact

Representation Measures	Preventive Measures	Value-Add Measures
• Gender • Race/color • Age/generational • Disabilities • Military veterans • National origin • Skills • Experience • Religious affiliation	• Complaints • Charges • Lawsuits • Conflicts • Inclusion • Job satisfaction • Engagement • Absenteeism • Turnover	• Revenue • Productivity • Quality • Cost • Time • Efficiencies • Innovation • Brand • Societal contribution

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What about belonging?

Research by the people experience platform BetterUp, for example, shows that employees who feel a strong sense of belonging, versus a weak one, experience a **56 percent increase in job performance**, **50 percent reduction in turnover risk**, and **75 percent decrease in sick days**. They are also **167 percent more likely to recommend their company** to others as a great place to work.*

During a discussion about inclusive leadership, one of our interview participants expressed the belief that **belonging is more important than ever before**, especially in the context of remote work and the participant's own health and well-being.



*Source: BetterUp, *The Value of Belonging at Work: New Frontiers for Inclusion in 2021 and Beyond*, December 2020.

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ROI Calculation

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}} =$$

$$\text{ROI} = \frac{\text{Program Benefits} - \text{Program Costs}}{\text{Program Costs}} \times 100 =$$



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ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} =$$

$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 =$$



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How does your organization primarily measure the success of DEI initiatives?

(RAPID-FIRE CHAT)

- A. Changes in representation measures
- B. Changes in preventive measures
- C. Changes in value-add measures
- D. Other
- E. We do not measure the success of DEI

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How does your organization measure the success of DEI initiatives? (Select all)

Top Choices	Percentage of respondents
Representation Measures	
Changes in diverse representation across all levels	78%
Changes in diverse representation among executives	72%
Preventive Measures	
Changes in employee engagement	67%
Changes in inclusion metrics	61%
Changes in employee turnover	59%
Value-Add Measures	
Changes in business measures and outcomes (e.g., productivity, sales, brand recognition)	13%
Actual benefit/cost comparison (e.g., benefit-cost ratio, ROI percentage)	9%

Source: The Conference Board The ROI of Inclusion: How to Align Diversity, Equity, and Inclusion with Business Results (2021)

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Characteristics of Investments Suitable for Impact & ROI

Life cycle of the program

Linkage of program to operational goals and issues

Importance of program to strategic objectives

Top administrator interest in the evaluation

Cost of the program

Visibility of the program

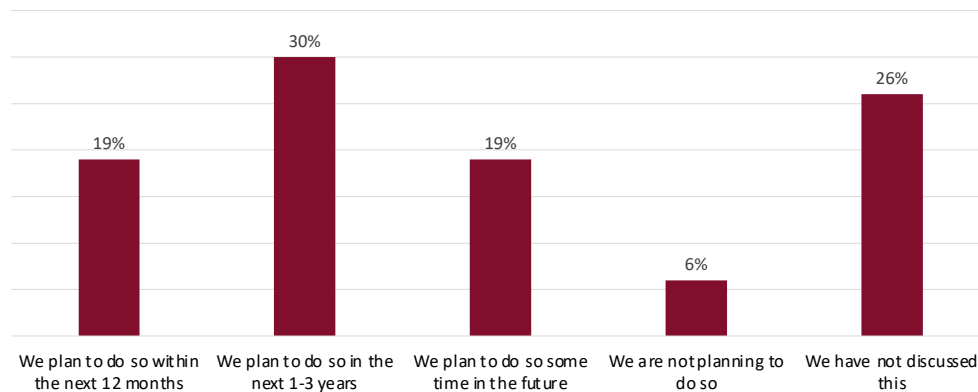
Size of target audience

Investment of time required

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What is your organization's plan to measure the benefit-cost comparison of any of your DEI activities? (Select one)



Source: The Conference Board The ROI of Inclusion: How to Align Diversity, Equity, and Inclusion with Business Results (2021)

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Barriers to ROI in DEI

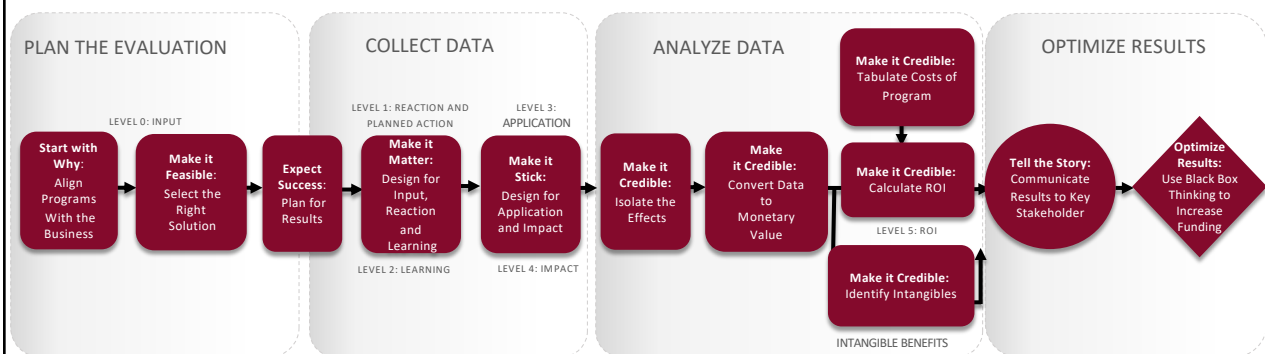
- Lack of know-how
- Inconsistent measurements
- Stage along the DEI journey and/or not well-defined measurement strategy
- Limited resources and staff
- DEI still viewed as an HR issue rather than a business issue

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The ROI Methodology Process Model

Designing for the Delivery of Business Results

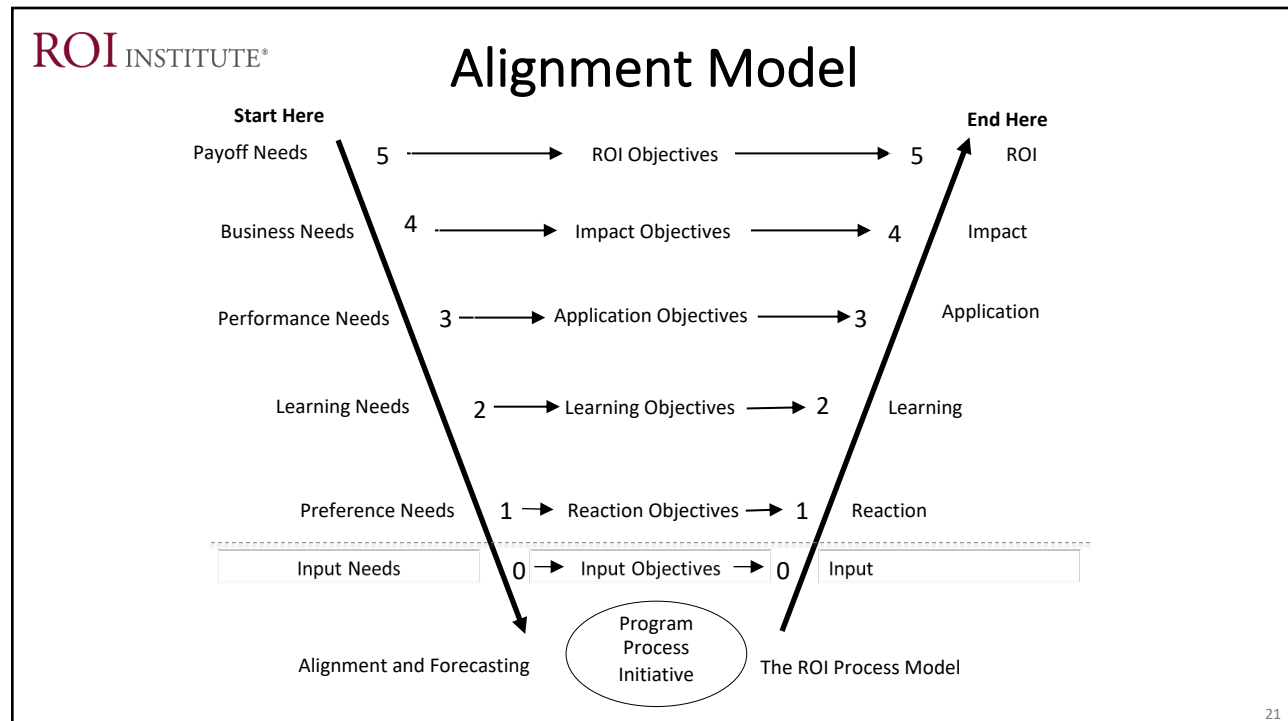


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Healthcare, Inc.

Data Collection Techniques

- (L1) Questionnaire – end of program
- (L2) Knowledge Assessment; Skill Practice – during program
- (L3) Self Assessment Questionnaire – 6 months after program
- (L3) Employee Survey (25% Sample) – 6 months after program
- (L4) Complaint and Turnover Records – 12 months after program

Isolation Techniques

- Complaints – Trend Line Analysis
- Turnover – Forecasting

Data Conversion Techniques

- Complaints – Historical costs and input from experts (internal EEO/AA staff)
- Turnover – External studies within industry

Program Costs

- Fully loaded including needs assessment, development, coordination, salaries and benefits of initial meeting, and evaluation
- Total Costs: \$277,987

Benefits (Isolated)

- **Complaints**
 - Value of one complaint: \$24,343
 - Prevented over one year: 14.8
- **Turnover**
 - Value of one turnover statistic: \$20,887
 - Prevented over one year: 136

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ROI Calculation

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI} = \frac{\text{Program Benefits} - \text{Program Costs}}{\text{Program Costs}} \times 100$$



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Remember, when it comes to delivering results:

- Hope is not a strategy.
- Luck is not a factor.
- Doing nothing is not an option.

Change is inevitable.

Progress is optional.



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SCAN ME

Scan the QR code to access the resources from today's session.



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**Let's have a conversation.
Schedule a time that works for you.**

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