



Measuring the Success of Diversity, Equity, and Inclusion Programs

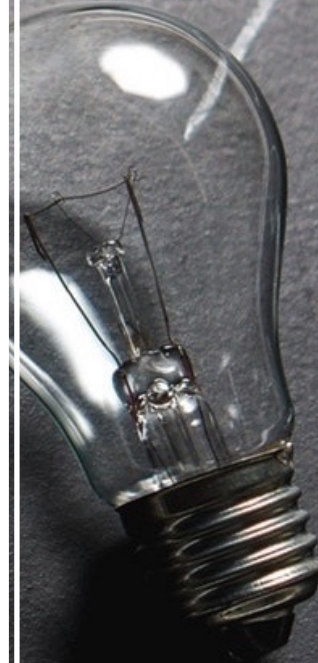
Presented by:

Patti P. Phillips, Ph.D.
CEO, ROI Institute, Inc.

Session Objectives

After attending this session, participants should be able to:

1. Identify the five levels of outcomes from DEI programs.
2. Explain the need to deliver impact and ROI for selected DEI programs.
3. Design DEI programs to deliver application, impact, and ROI, using design thinking principles.
4. Plan the next steps to ensure DEI programs delivers value.





Me
o
and

The ROI Methodology® in 12 Easy Steps

APPLICATION GUIDE

A step-by-step guide for developing Impact and for programs, projects, and solutions in the following areas:

- Human Resources/Human Capital
- Training/Learning/Development
- Leadership/Coaching/Mentoring
- Knowledge Management/Transfer
- Recognition/Incentives/Engagement
- Work Arrangement Systems
- Change Management/Culture
- Talent Management/Retention
- Policies/Procedures/Processes
- Technology/Systems/IT
- Meetings/Events/Conferences
- Marketing/Advertisement/Promotion
- Compliance/Risk Management
- Organization Development
- Project Management
- Quality/Six Sigma/Lean
- Communications/Public Relations
- Public Policy/Social Responsibility
- Creativity/Innovation
- Ethics/Integrity
- Safety/Health/Fitness
- Environment/Sustainability
- Healthcare Initiatives
- Schools/Colleges/Universities
- Public Sector/Nonprofit
- Faith-Based Programs

The ROI Methodology® is a balanced approach that generates six types of data:

- Reaction and Planned Action
- Learning
- Application and Implementation
- Impact
- Return on Investment
- Intangibles

The process includes a step to isolate the effects of a program, or solution.

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ROI INSTITUTE® BENCHMARKING REPOSITORY

Measuring
ROI Series

Measuring ROI in Employee Relations and Compliance:

Case Studies in
Diversity and Inclusion,
Engagement, Compliance,
and
Flexible Working
Arrangements

Patricia Pulliam Phillips, Ph.D.
Jack J. Phillips, Ph.D.

Resources

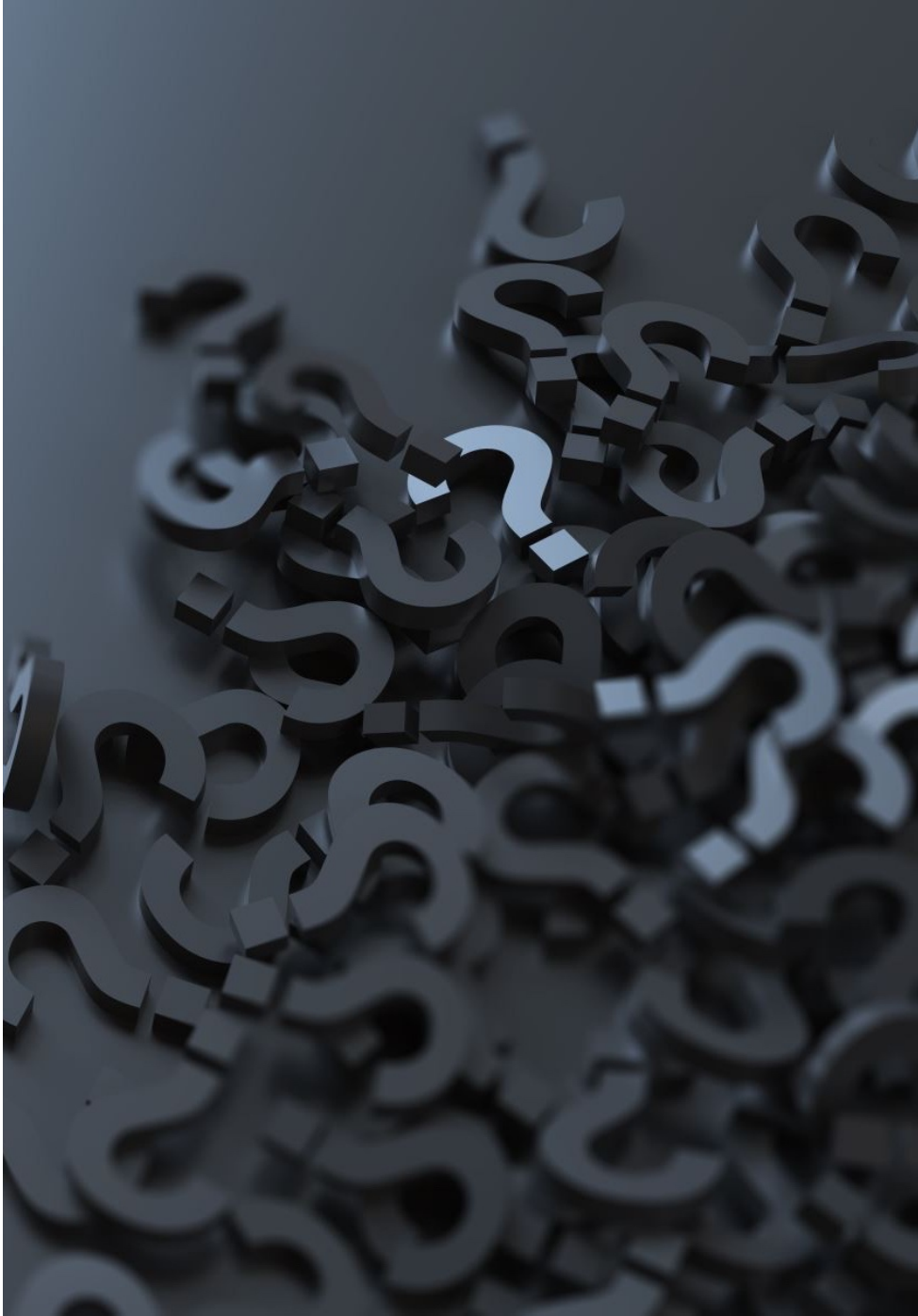
ROI INSTITUTE®

THE CONFERENCE BOARD

The ROI of Inclusion Tool Kit

Designing Diversity, Equity, and Inclusion (DEI) Initiatives for Business Results





Poll: In which activities does your company invest?

Select all that apply.

- A. Company-recognized employee groups (e.g., ERGs, BRGs)
- B. External partnerships focused on DEI activities (e.g., suppliers)
- C. Unconscious bias training, specifically
- D. Leadership training with a focus on inclusive leadership skills
- E. Other

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

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)

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
- 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 D&I Metrics Survey Analysis. (2019). Institute for Corporate Productivity. Retrieved from <https://www.i4cp.com/file/1985>

³ Sabattini, L., Ye, Amy, Popiela, A. and Horan, J. (2020) What’s Next for Employee Groups? The Conference Board, Research Report 1712-20.

⁴ Cutter, C., and Weber, L. (2020, July 14). Diversity Role is Hot, But Turnover is High, *The Wall Street Journal*, p.A1, A4.

⁵ Stoll, John D. (2020, June 27-28). Pressure is on to Pivot from Say to Do, *The Wall Street Journal*, p.B2.

We dedicated funding for the ERG, but they never spent it. It was sidelined—it was just not a priority.

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How do you measure success?

Measures of Success

Levels	Measurement Focus	Examples of Measures
0. Inputs & Indicators	The input into the project in terms of scope, volume, efficiencies, costs	Number of activities, participants, hours; Representation; Cost of the investment
1. Reaction & Planned Action	Measures participant satisfaction and captures planned actions, if appropriate	Relevance, Importance, Usefulness, Appropriateness, Intent to use, Commitment to act
2. Learning & Confidence	Measures changes in knowledge, insight, skills, and attitudes	Self-awareness, Knowledge, Capacity, Competencies, Confidence, Contacts
3. Application & Implementation	Measures changes in behaviors, processes, actions as well as barriers and enablers to changes	Extent of use, Task completion, Frequency of use, Actions completed, Success with use, Collaboration, Allyship, Barriers to use, Enablers to use
4. Impact	Measures the impact of changes in behaviors, processes, actions on measures important to the organization	Representation, Turnover, Engagement, Productivity, Revenue, Quality, Time, Efficiency, Customer Satisfaction
5. Return on Investment	Compares project benefits to the costs	Benefit-Cost Ratio (BCR), ROI%, Payback Period

Three Categories of Impact

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

[I see] a lot of inclusion and diversity work as cost **avoidance**...You don't want lawsuits. You don't want employee attrition. ...[but] if you don't practice good inclusion and diversity, you can end up really alienating people. And that is a cost that it's hard to [calculate and to show that] you avoided [it].

DE&I leader, large US transportation company



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.

ROI Calculation

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

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



ROI Calculation

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

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

ROI Calculation

$$\text{BCR} = \frac{\$756,000}{\$339,400} = 2.23:1$$

$$\text{ROI} = \frac{\$756,000 - \$339,400}{\$339,400} \times 100 = 123\%$$



Poll: How does your organization primarily measure the success of your DEI initiatives? Select one.

- 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

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)

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

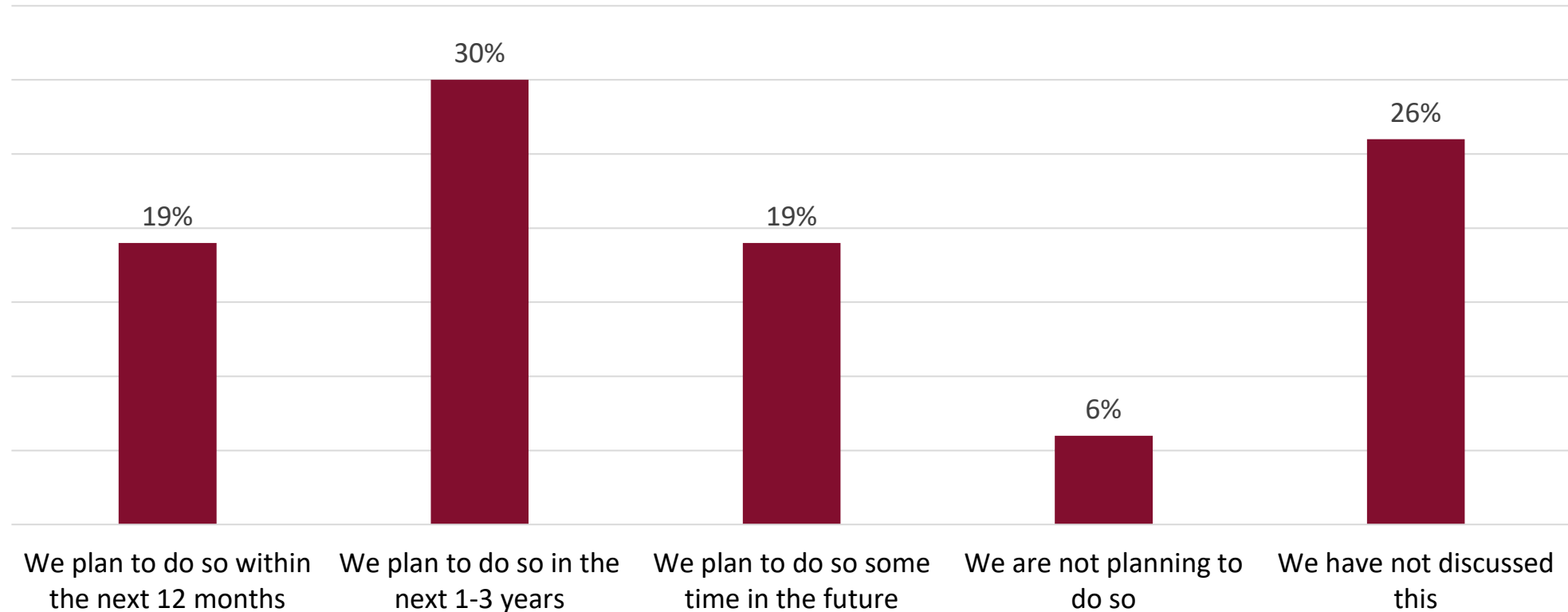
Cost of the program

Visibility of the program

Size of target audience

Investment of time required

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

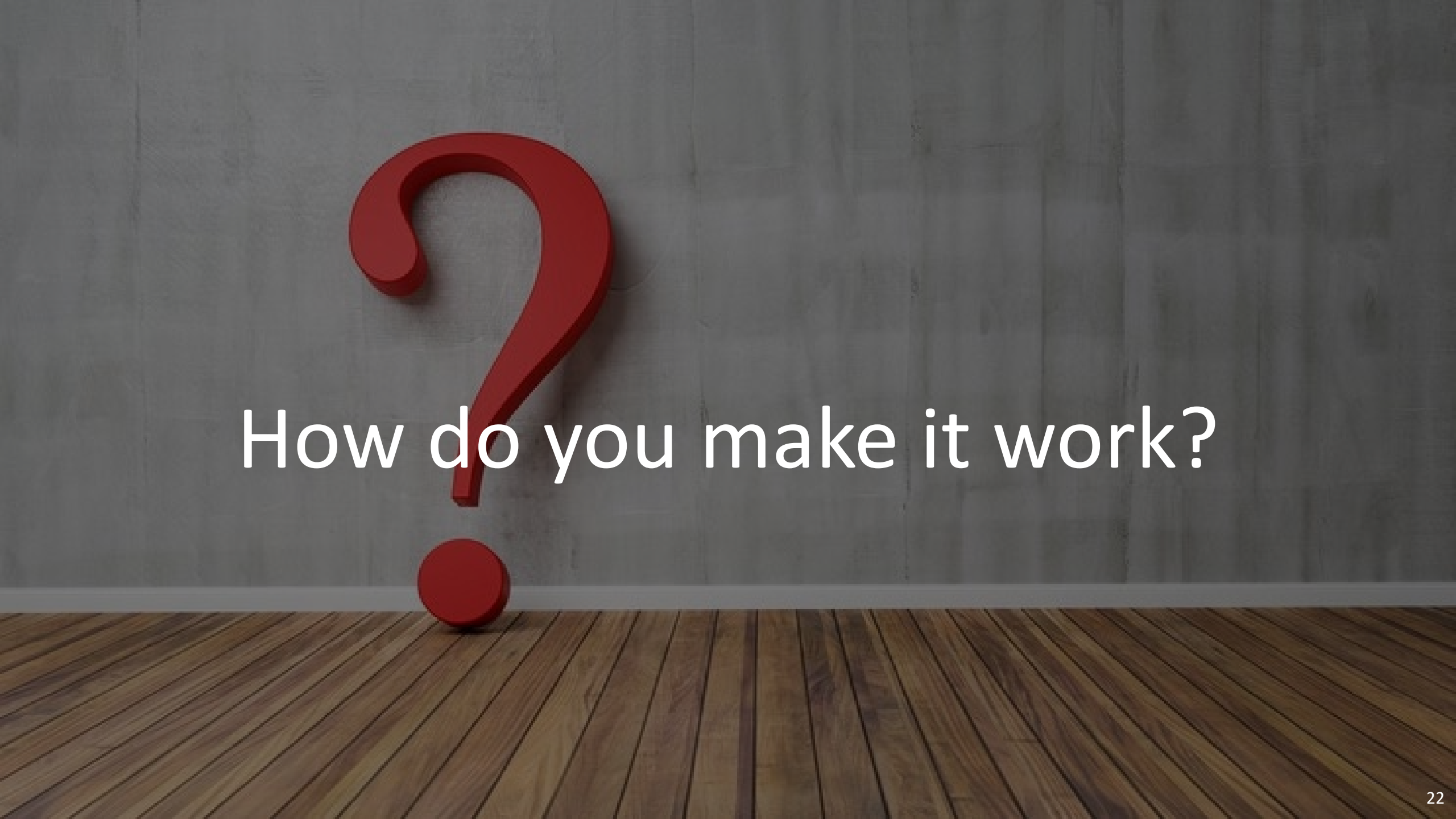


Source: The Conference Board The ROI of Inclusion: How to Align Diversity, Equity, and Inclusion with Business Results (2021)



Barriers to ROI in DEI

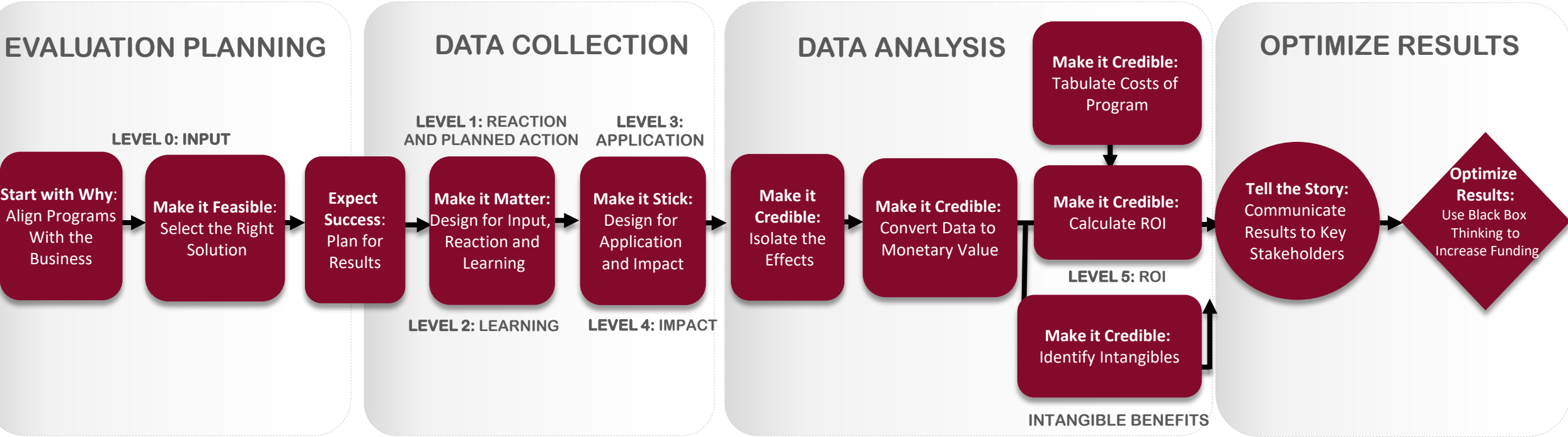
- Lack of know-how
- Inconsistent measurements
- Stage along the DEI journey and/or not well-defined measurement strategy
- Limited resources and staff
- DEI still viewed as an HR issue rather than a business issue

A large, three-dimensional red question mark is mounted on a grey, textured wall. The question mark is positioned in the upper left quadrant of the frame. Below the question mark, the floor is made of dark brown wooden planks that run diagonally from the bottom left towards the center. The text "How do you make it work?" is written in a white, sans-serif font across the middle of the image, partially overlapping the question mark and the wall.

How do you make it work?

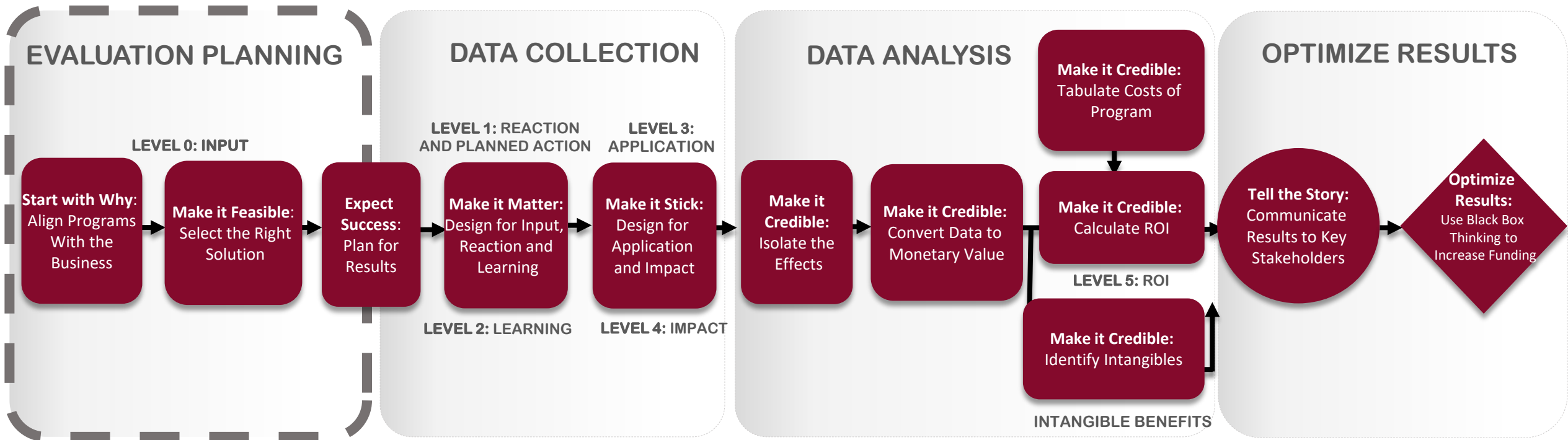
The ROI Methodology Process Model

Designing for the Delivery of Business Results

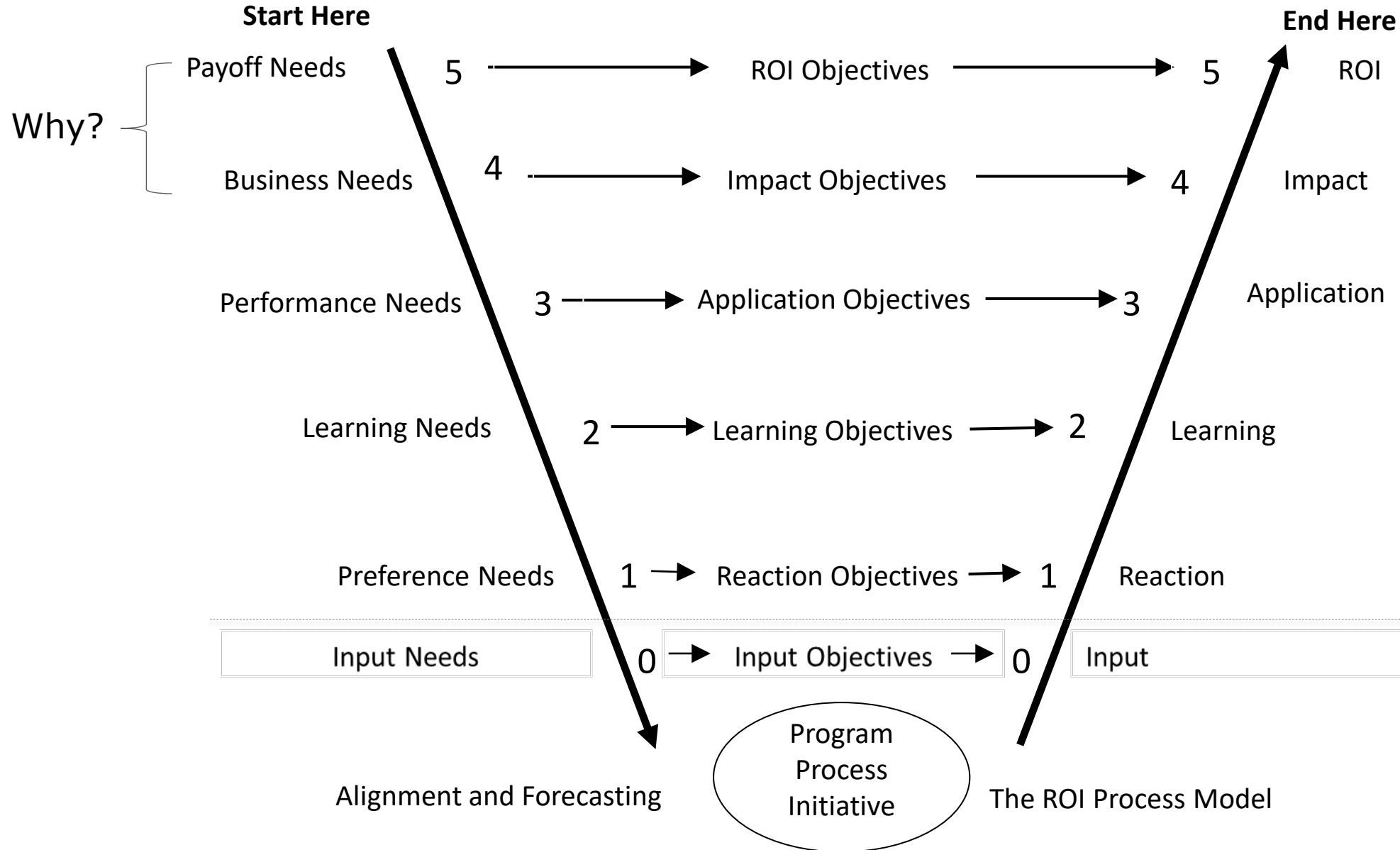


The ROI Methodology Process Model

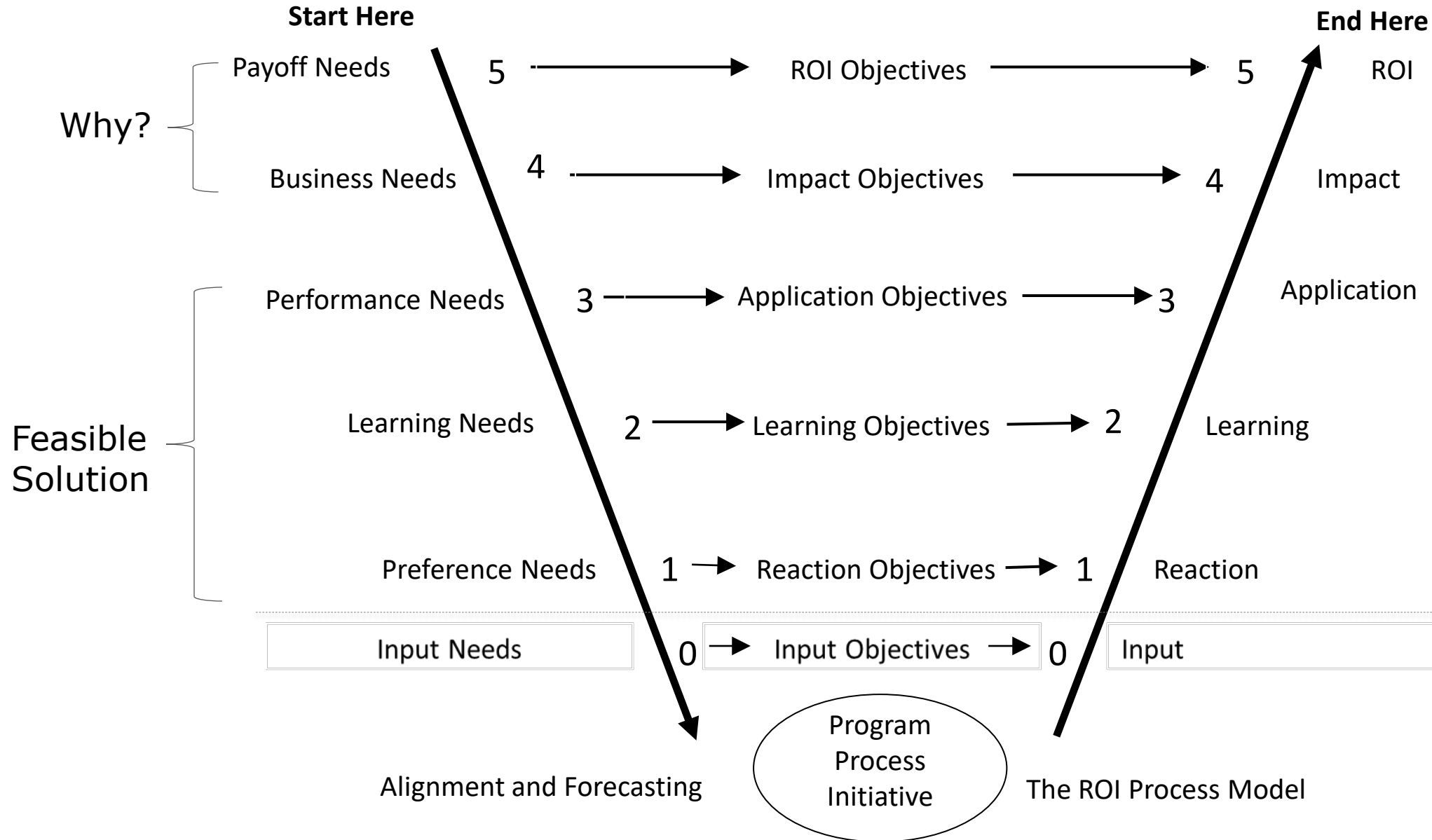
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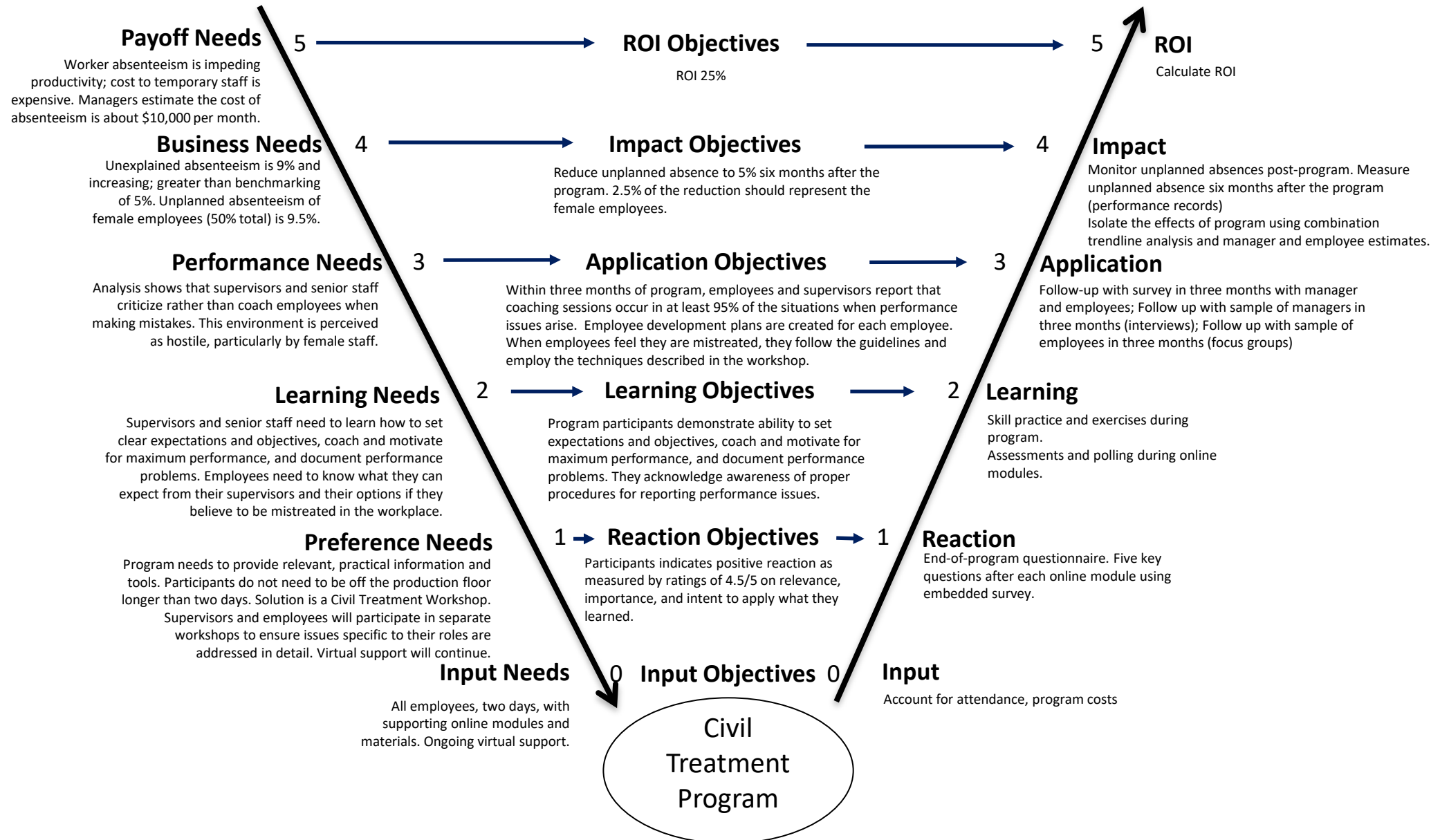
Alignment Model



Alignment Model



Alignment Model



Expect Success: Developing Objectives for Each Level

Levels of Objectives	Focus of Objectives
Level 1, Reaction	Defines specific measures of expected reaction to the program as it is revealed and communicated to the stakeholders
Level 2, Learning	Defines specific measures of improvement in knowledge, information, contacts, and skills as the participants and other stakeholders learn how to make the program successful
Level 3, Application	Defines specific measures of actions taken or behaviors changed that define success with application and implementation of the program
Level 4, Impact	Defines the specific impact measures that will change or improve as a consequence of the program's implementation
Level 5, ROI	Defines the minimum return on investment from the program, comparing program costs with monetary benefits from the program

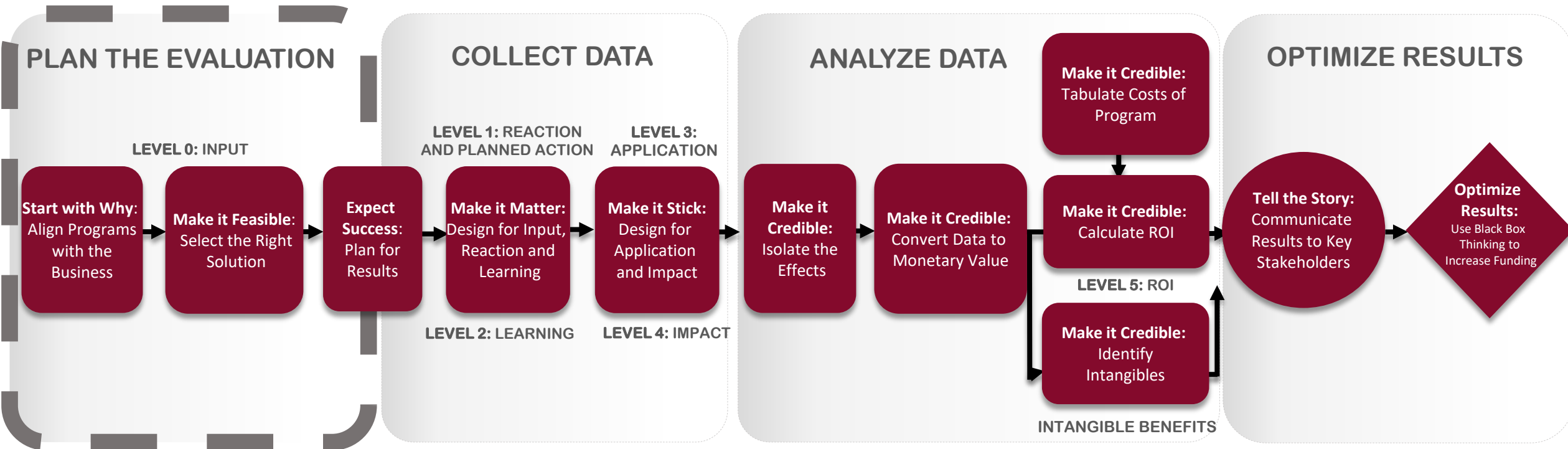
Matching Evaluation Levels with Objectives

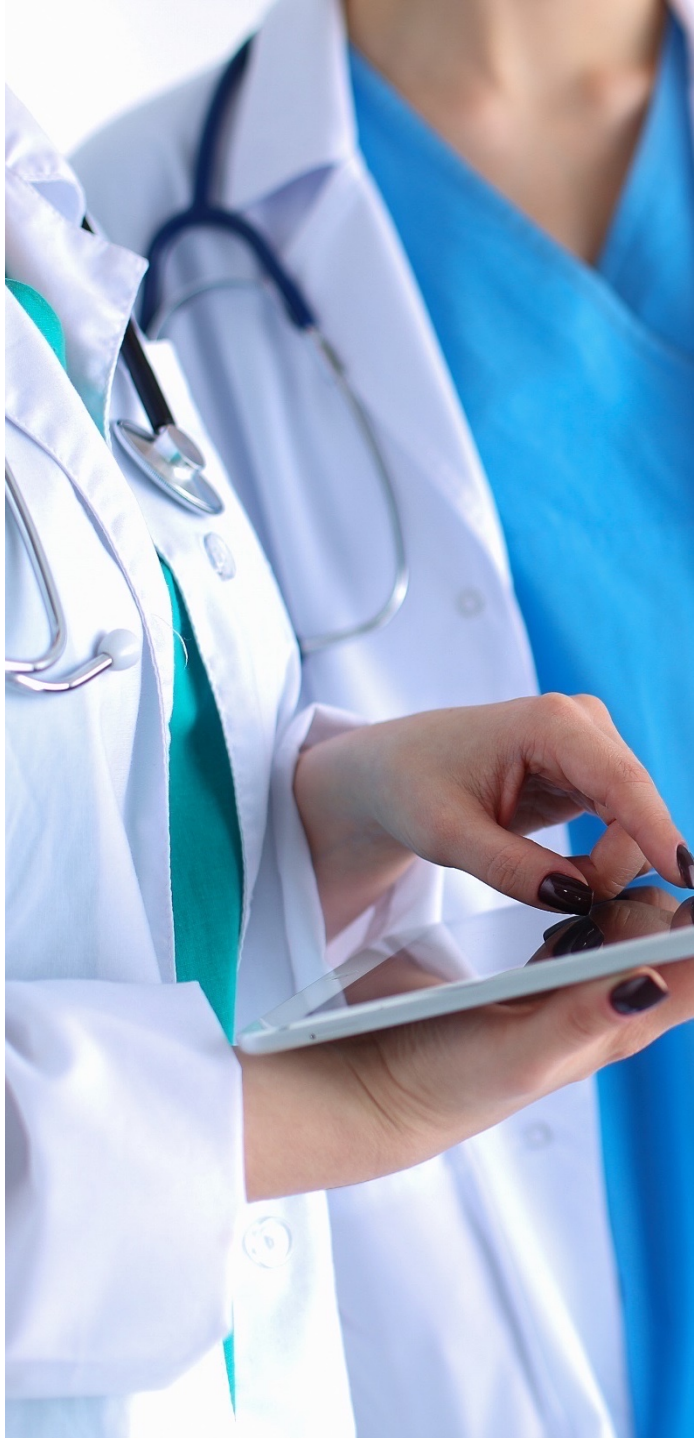
Objective	Evaluation Level
After completing this program, participants should:	
1. Decrease complaints by 20% in one year.	_____
2. Use problem-solving skills to uncover the causes of a complaint.	_____
3. Be able to demonstrate the five steps to diffuse a conflict, given two individuals in a heated argument.	_____
4. Perceive inclusion to be important to the team's success.	_____
5. Seek first to understand, then to be understood.	_____
6. Upward Academy achieved a 123% ROI.	_____

Matching Evaluation Levels with Objectives

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6. Upward Academy achieved a 123% ROI.	5

The ROI Methodology®





Healthcare, Inc.

Data Collection Techniques

- (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)

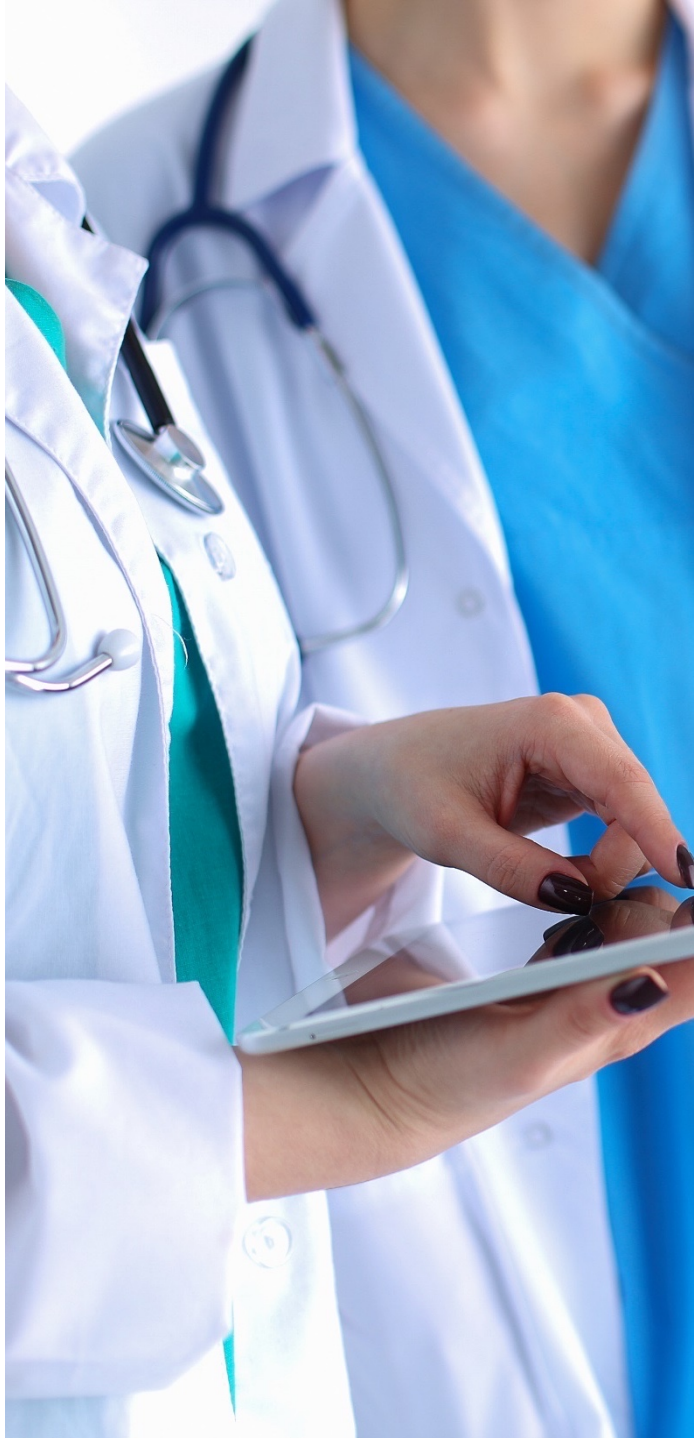
- **Complaints**
 - Value of one complaint: \$24,343
 - Prevented over one year: 14.8
- **Turnover**
 - Value of one turnover statistic: \$20,887
 - Prevented over one year: 136

ROI Calculation

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

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





Healthcare, Inc.

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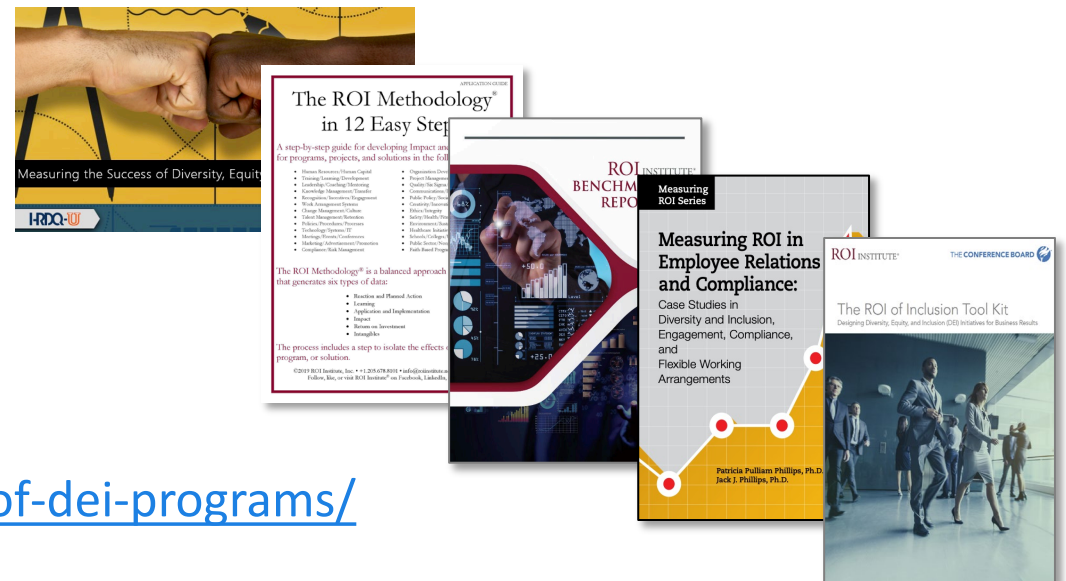
$$\text{ROI} = \frac{(\text{Complaints} + \text{Turnover})}{\$277,987} \times 100 = 1,051\%$$
$$\text{ROI} = \frac{(\$360,276.40 + \$2,840,632) - \$277,987}{\$277,987} \times 100 = 1,051\%$$

A large, three-dimensional red question mark is mounted on a grey, textured wall. The question mark is positioned in the upper left quadrant of the frame. Below the question mark, the text "What is the next step?" is written in a white, sans-serif font. The bottom of the image shows a wooden floor with vertical planks.

What is the next step?



Click here to receive resources from today's session.



<https://roiinstitute.net/ipma-measuring-the-success-of-dei-programs/>

Measuring the Impact and ROI of DE&I

Live Virtual Boot Camp

June 24, 2021

9 am-2 pm CDT



<https://www.roiinstituteacademy.com/ROI-DEI-boot-camp>

ROI CERTIFICATION®

2021 SCHEDULED EVENTS

May 3-7 — Birmingham, Alabama

May 21-June 4 — Live Virtual (Delivered in Arabic)

June 7-18 — Live Virtual (Focused on Healthcare)

June 14-25 — Live Virtual

August 2-6 — Columbus, Ohio

August 3-September 16 — Live Virtual (Delivered in Spanish)

August 30-September 3 — Salt Lake City, Utah

September 13-24 — Live Virtual

September 27-October 1 — New Orleans, LA

October 4-8 — Atlanta, GA

October 18-22 — Boston, MA

WHAT IS ROI CERTIFICATION?

ROI Certification is a globally renowned process focused on measuring the true value of tough-to-measure initiatives using the ROI Methodology®. Participating in ROI Certification is the most comprehensive way to gain the skills needed to evaluate major programs and to report the most credible results that drive organizational improvement.

Email: info@roiinstitute.net

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This program has been approved for 36 (HR General) Recertification Credit Hours toward PHR, SPHR and GPHR recertification through the HR Certification Institute (HRCI).



This program has been pre-approved by Training Industry for 24 continuing education recertification hours toward the Certified Professional in Training Management credential.

ROI INSTITUTE®



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

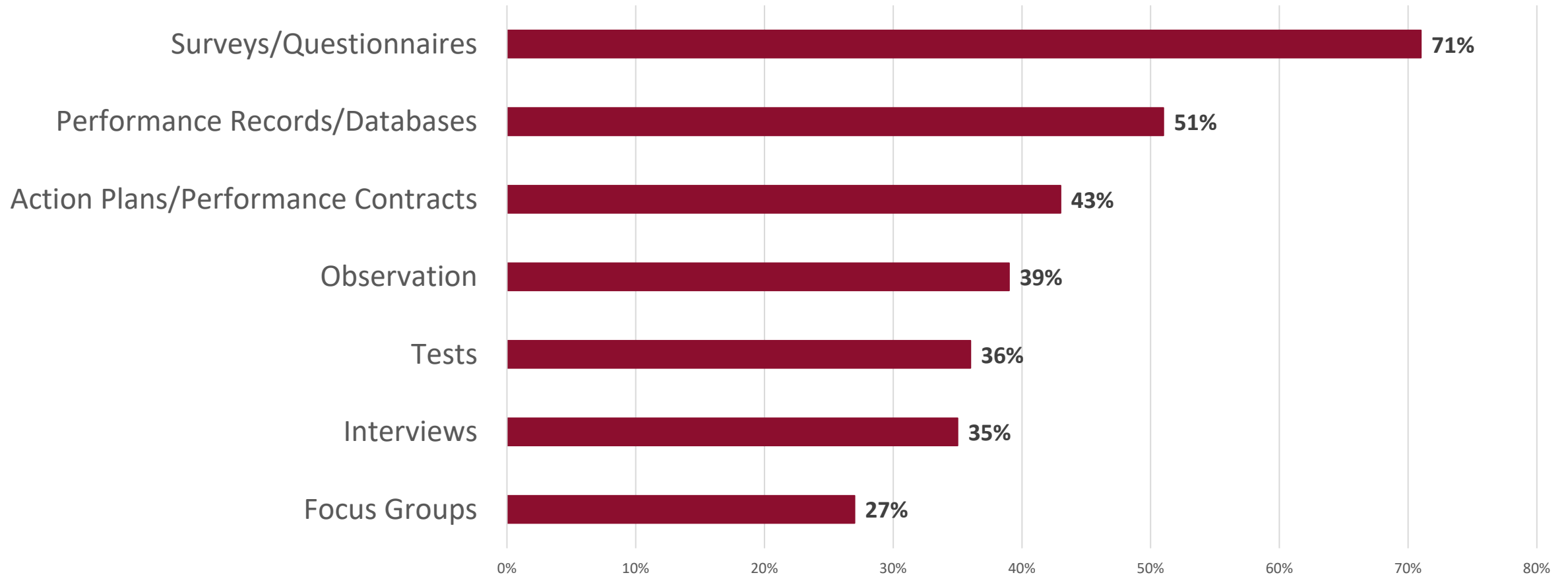
**<https://calendly.com/pattiphillips/connect>
patti@roiinstitute.net**

Patti P. Phillips, Ph.D.

- CEO, ROI Institute, Inc.
- Chair, i4cp People Analytics Board
- Chair, Center for Talent Reporting Board
- Principal Research Fellow, The Conference Board
- Member, UN Institute for Training and Research Board of Trustees
- Member, International Federation of Training and Development Board
- Fellow, ATD Certified Professional in Talent Development
- Author, Educator, Consultant, Coach

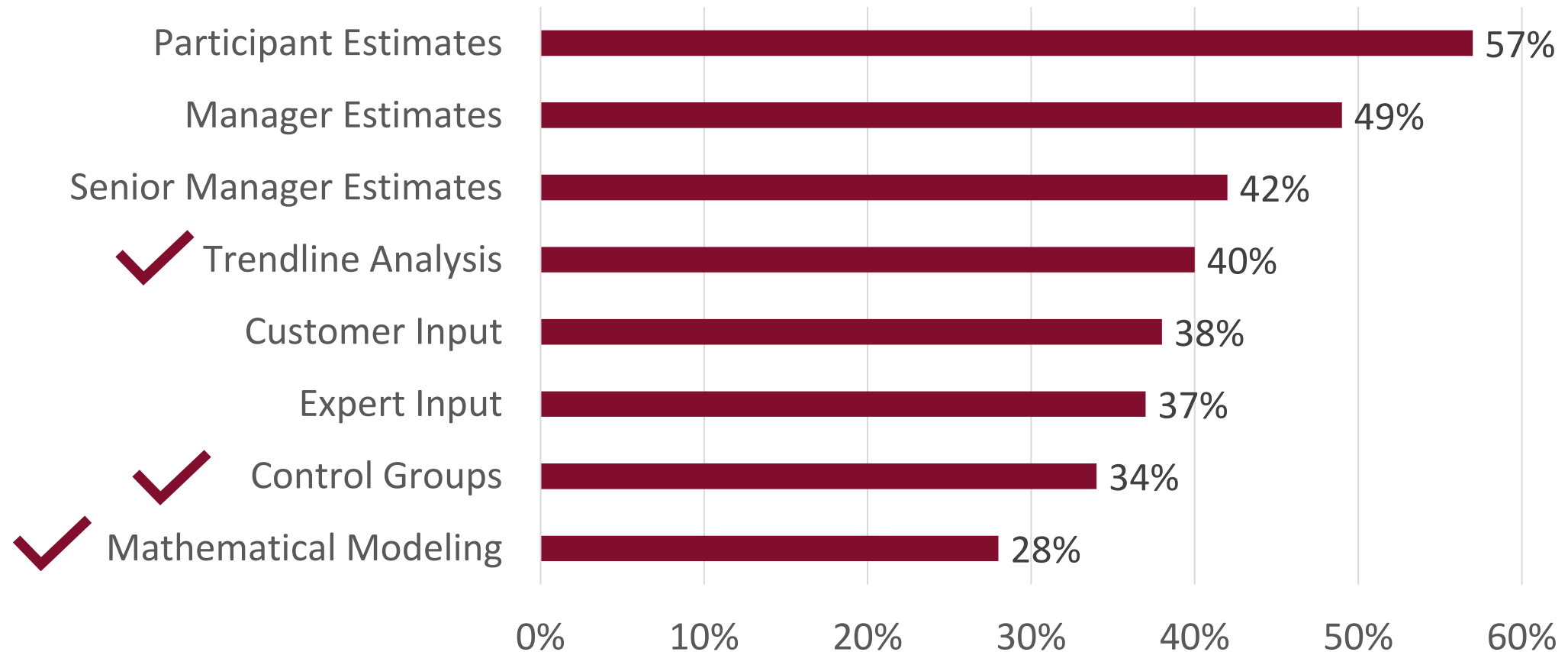


Data Collection Methods



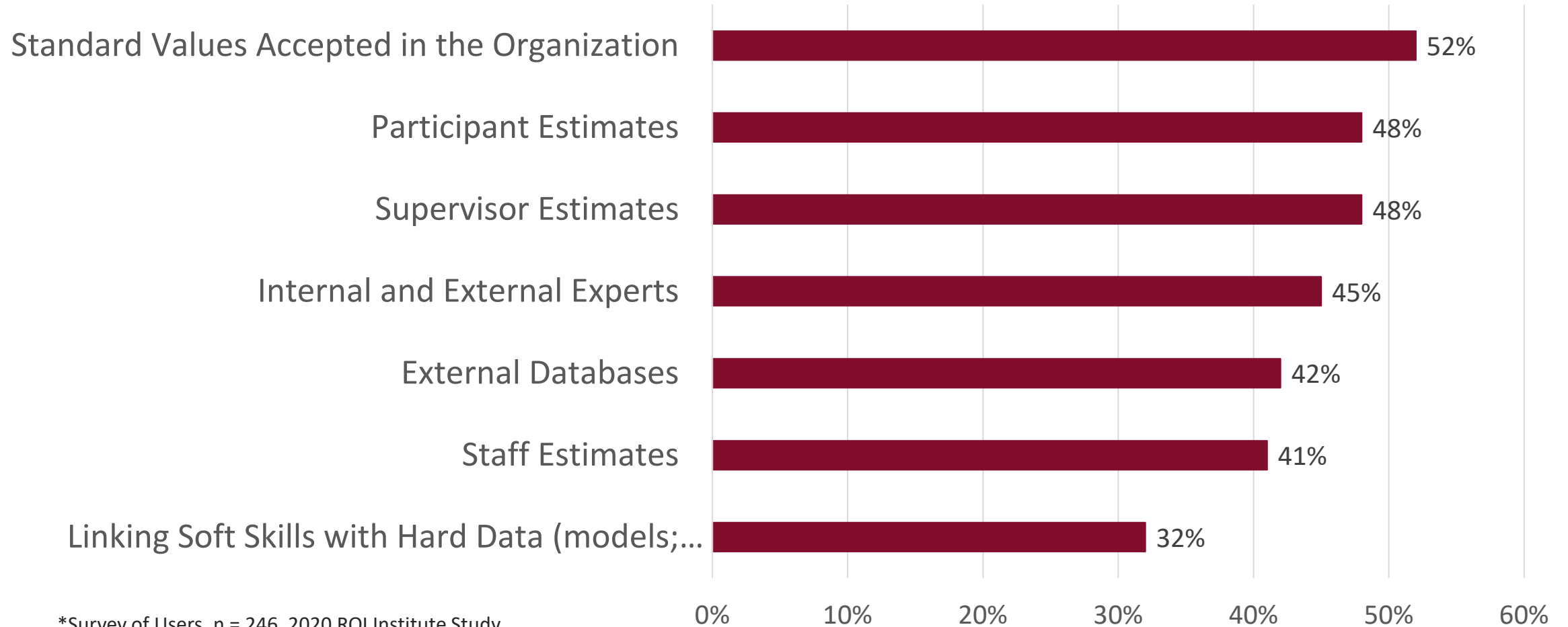
*Survey of Users, n = 246 2020 ROI Institute Study

Isolation Methods



*Survey of Users, n = 246 2020 ROI Institute Study

Data Conversion Methods



*Survey of Users, n = 246 2020 ROI Institute Study



Intangibles

- Adaptability
- Awards
- Brand awareness
- Career minded
- Caring
- Collaboration
- Communication
- Conflicts
- Corporate social responsibility
- Decisiveness
- Engagement
- Image
- Innovation
- Job satisfaction
- Leadership
- Networking
- Organizational climate
- Organizational commitment
- Reputation
- Stress
- Talent
- Teamwork

Fully Loaded Costs

“When in doubt, put it in.”

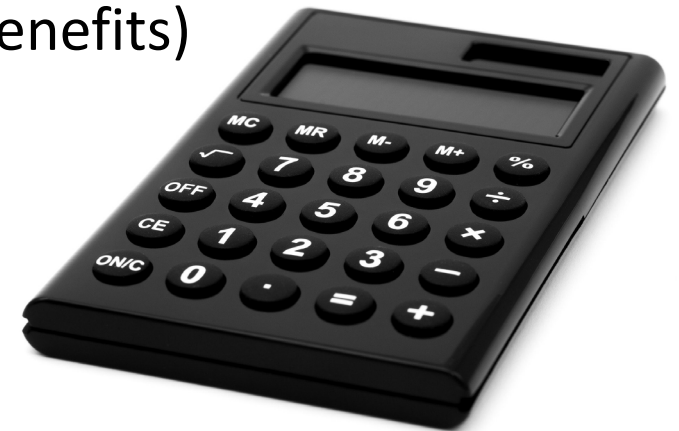
The process should withstand even the closest scrutiny in terms of its credibility.

DIRECT

- ☐ Program materials
- ☐ Instructor/facilitator
- ☐ Facilities
- ☐ Travel, lodging, meals

INDIRECT

- ☐ Needs assessment (prorated)
- ☐ Program development (prorated)
- ☐ Participant time (salaries & benefits)
- ☐ Administrative/overhead
- ☐ Evaluation



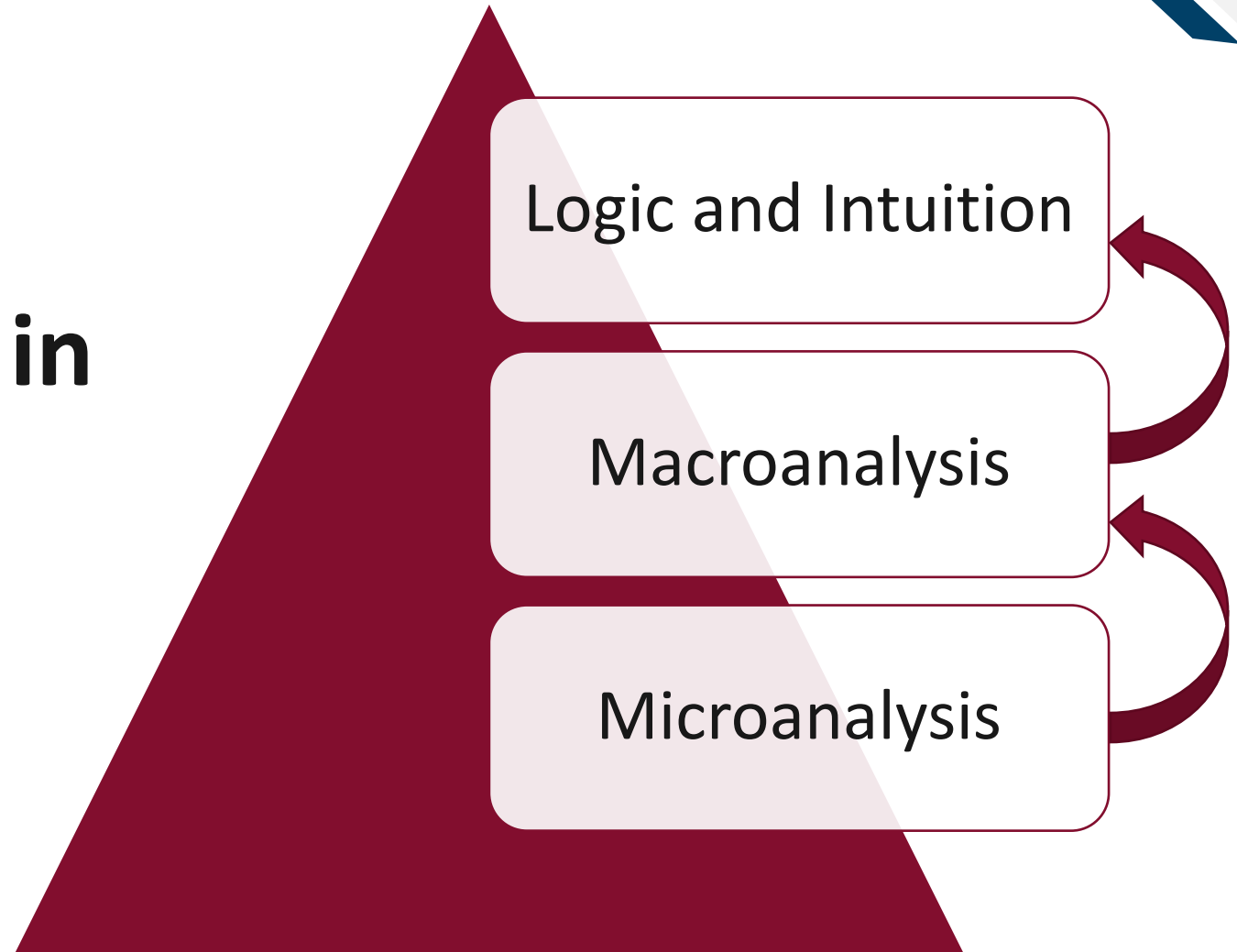
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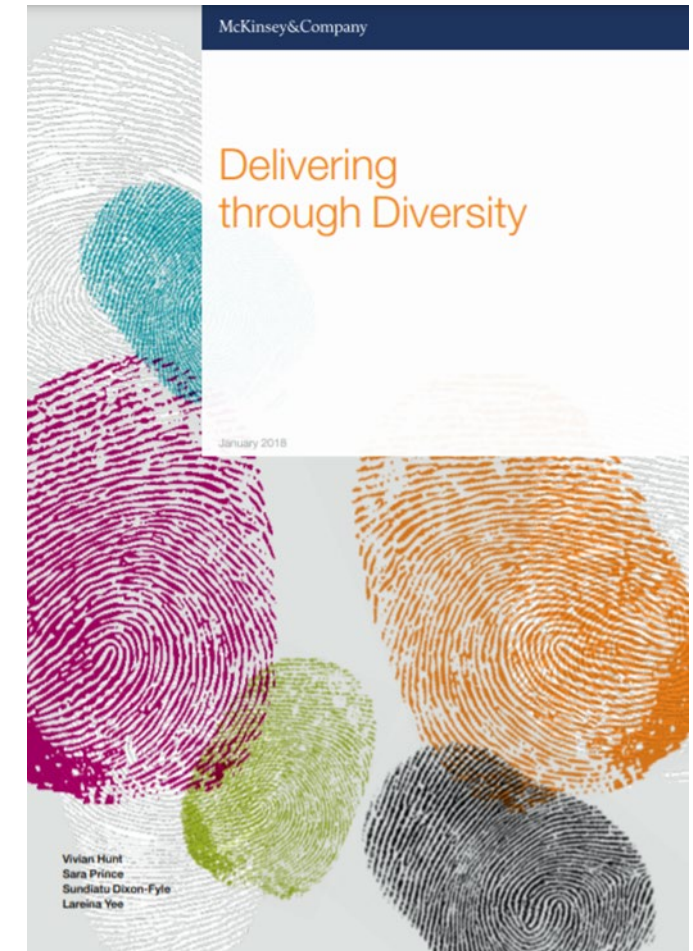


**Value is measured in
different ways.**



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** ...



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>



**Is it aligned
to the
business?
Is it the right
solution?**

- Examine the data and records.
- Initiate the discussion.
- Reference a case study.
- Use benchmarking from similar solutions.
- Use evaluation as the hook.
- Involve others in the discussion.
- Discuss disasters in other places.
- Use diagnostic tools.

Have a Discussion and Use Diagnostic Tools

Feasible solutions evolve through the understanding of context, empathizing with the target audience, and identifying performance gaps. The next step is to identify learning needs and how best to deliver relevant information. Forecasting outcomes based on inputs is sometimes helpful.

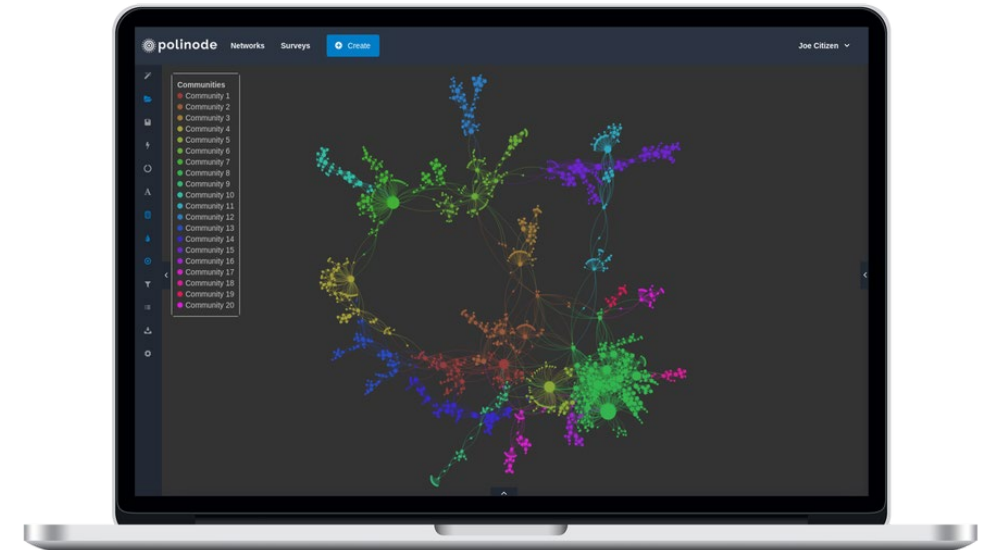
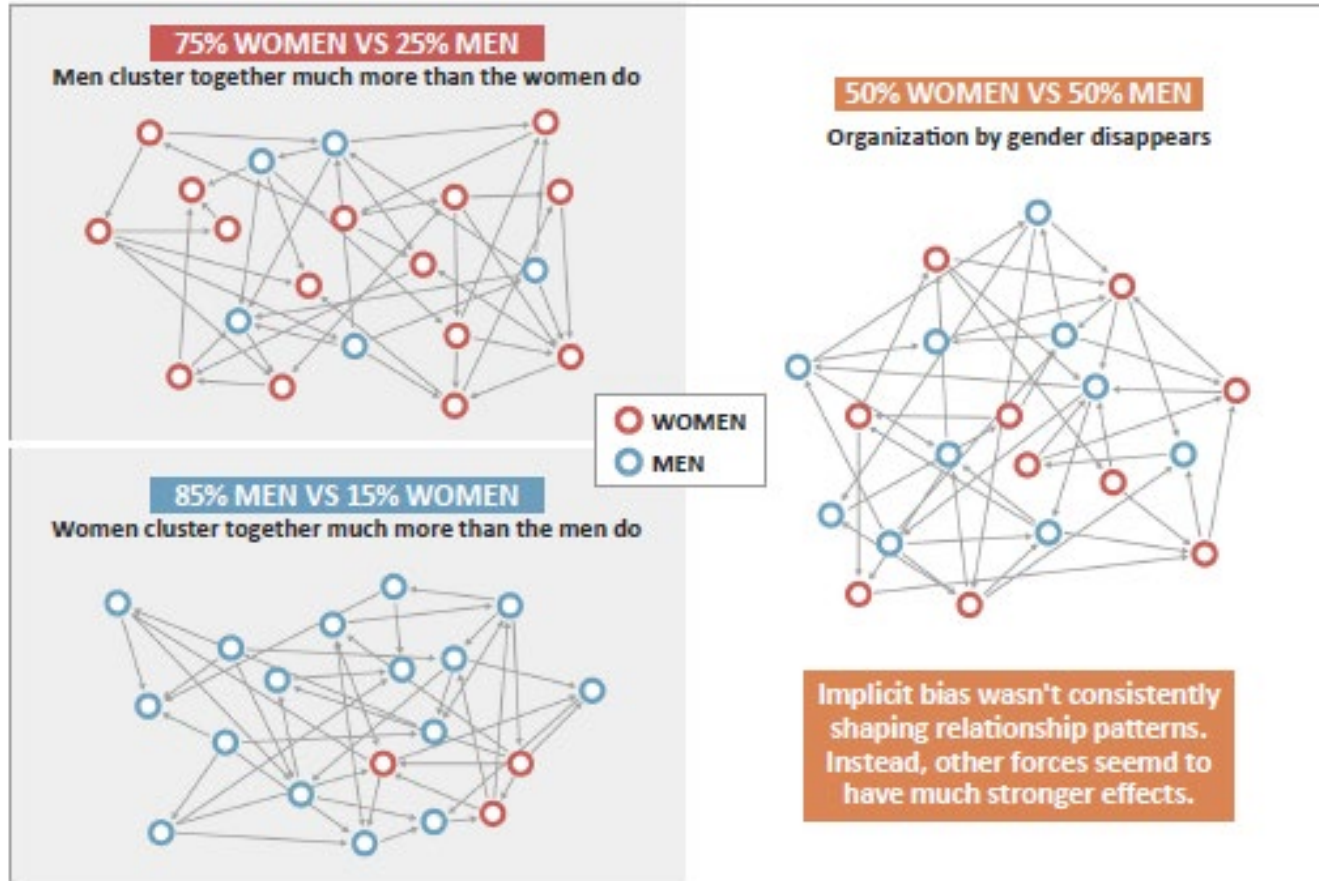
- Statistical process control
- Brainstorming
- Problem analysis
- Cause-and-effect diagram
- Force-field analysis
- Mind mapping
- Affinity diagrams
- Simulations
- Diagnostic instruments
- Focus groups
- Probing interviews
- Job satisfaction surveys
- Engagement surveys
- Exit interviews
- Exit surveys
- Nominal group technique



Organization Network Analysis (ONA)

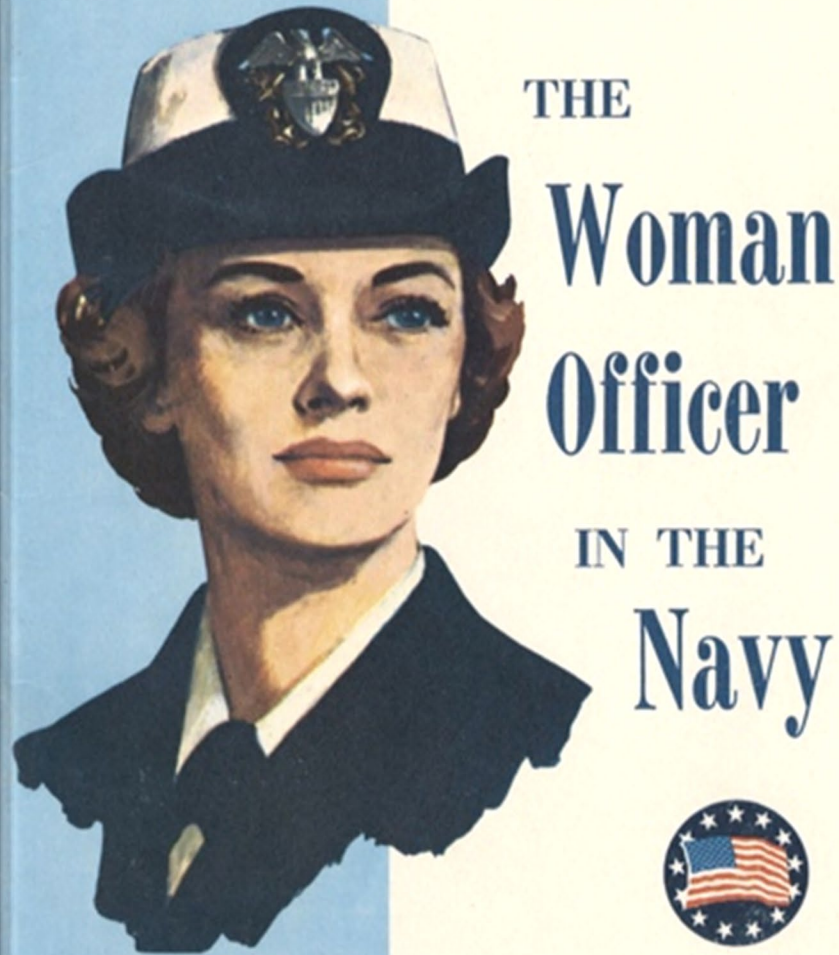
Also referred to as Collaborative Analytics

Clustering of relationships with different percentages of men and women



Source: Carboni, I., Cross, R., Page, A., Parker, A. (2019) *Invisible Network Drivers of Women's Success: How People Manage Collaborative Overload*. Connect Commons, p. 3.

In the mainstream...



www.history.navy.mil

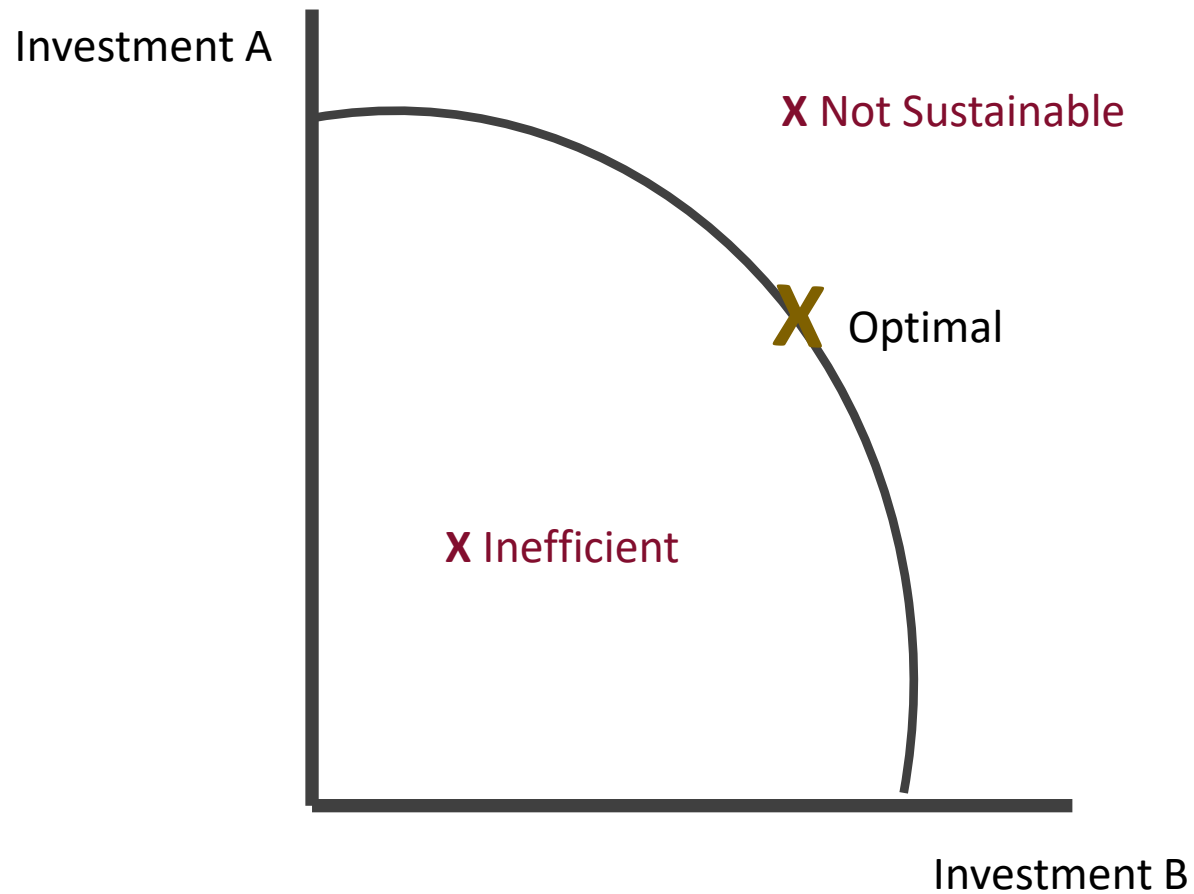
Interpretative Phenomenological Analysis

Identify effective strategies for female Navy officers, who are mothers, to embrace long-term deployment

- Face-to-face interviews lasting 45-90 minutes
- Study Criteria and Demographics Collection Form
- 11 semi-structured, open-ended questions
- Use of appreciative inquiry in formulating positive and engaging questions for positive conversation and outcomes

Walker, A. H. *Increasing Female Navy Officer Retention: Deploying Mothers' Perspectives*. The University of Southern Mississippi

Fundamentals of Resource Management



Vilfredo Pareto 1848 – 1923

Italian engineer, sociologist, economist

80-20 Rule

Pareto Optimality (aka Pareto efficiency)

“When it is useful to them, men can believe a theory of which they know nothing more than its name.”