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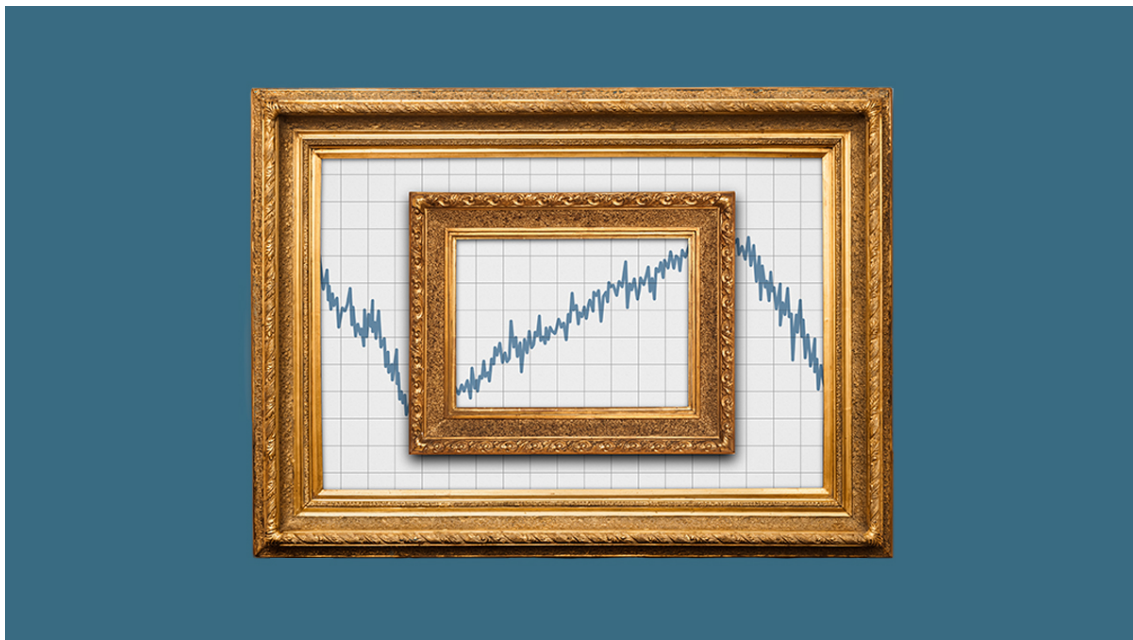
Hiring

To Make Real Progress on D&I, Move Past Vanity Metrics

by Cindi Howson

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Summary.   Using data in diversity and inclusion initiatives can help organizations move beyond tick-the-box exercises. It can enable them to take an honest look at where they're falling short, assess the experience of specific groups in the company, and prevent employee attrition... **more**

Creating a more diverse and equitable organization involves the hard work of confronting brutal facts and navigating emotional issues with heart. Indeed, in 2020, more organizations

had honest but difficult conversations and implemented new management tactics related to diversity and inclusion (D&I). But to enact meaningful change, we must empower these initiatives with data.

Numerous studies have shown the benefits of a diverse, equitable workplace for business performance, innovation, customer loyalty, and employee trust. Diverse teams better represent the customers they serve, make decisions with fewer blind spots, and bring more varied and innovative thinking to problem-solving.

The challenge is that it's often difficult to know what's going on inside a company. Habits, existing processes, and unconscious biases shape our understanding of what's happening, which can cause us to overlook issues or over-index on correcting them. Data can reveal the irrefutable truth, turning a conversation based on opinions and beliefs into one based on facts.

Using data in diversity and inclusion initiatives can help organizations move beyond tick-the-box exercises. It can enable them to take an honest look at where they're falling short, assess the experience of specific groups in the company, and prevent employee attrition before it happens. Here are the four major steps required for data-backed efforts to get to a more equitable workforce and society.

Identify data gaps

Within many enterprises, the least-prioritized analytics program is often people analytics. Historically, even being able to track employee retention and attrition metrics was considered progress. Diversity metrics may have been tracked annually, at best.

The Black Lives Matter movement and the pandemic, which has set women in the workforce back a decade, have created a new sense of urgency around social crises and equity. People analytics must now be front and center as board rooms, management teams, and

employees demand better visibility into diversity and inclusion metrics. The reality? Tracking anything beyond gender diversity has shown significant data gaps.

For global companies, local regulations can prevent specific demographic data from being collected at all. What's more, different regions often have different priorities based on their populations. For example, in many parts of the U.S., companies emphasize equity for Latinx people, while in Australia, that equity focus may be on Aboriginal people.

To address these challenges, start by identifying data gaps in your HR systems. Determine the relevant information you have and what you'll need to understand the makeup of your employee base. If you're not collecting data about age and race, for example, it's impossible to know where you are and measure improvement. Work with HR and legal to ensure that you're capturing the right data and allowing people to opt-in appropriately. For example, don't limit employees to a single check box or shortlist of options when self-identifying information like gender, race, and ethnicity.

When asking employees to provide more personal information, be transparent about why you are collecting this data and how you will use it. Without trust, employees will not provide such data. Nobody wants to feel like they're being hired or promoted just to meet a quota. Media mogul Gannett, owner of *USA Today*, is one organization that very publicly revealed both their data gaps and intentions in a series of news articles.

Track leading indicators on inclusion

Think creatively about data sources that reveal employee engagement and inclusion. Many large companies have employee engagement platforms where teams can recognize peers, set goals, and complete surveys. These and other tools can shine a light on employees' day-to-day experiences while revealing earlier signals and sentiments on

inclusion and marginalization. Look at quantitative data from surveys and include text analysis on written comments that may show hidden biases or signs of frustration.

Workplace tools like Zoom and Slack are also valuable here. Because video calls are digitized, voice analysis programs can show if women are more frequently interrupted during meetings and how much, or who speaks up the most and who stays quiet. In Slack, are certain groups left out of important channels? If someone from a privileged group posts a comment in a Slack channel, do people tend to reply more quickly?

Cutting the data by groups such as age, gender, and ethnicity allows you to identify patterns and spot opportunities to effect change. If certain groups are consistently talked over, talked down to, or ignored, they are unlikely to stay employees for very long, and the workplace will quickly become less diverse.

Arm your experts with a single source of truth

Use the data you've collected to build a single source of truth that is honest, transparent, and accessible to managers and employees. Multinational companies must have a way to track diversity and inclusion globally across countries and regions while also supporting local requirements. That requires standardizing processes, which will allow senior leaders to measure progress worldwide, and will allow country and functional managers to compare where they stand against other regions and across functions.

Your HR team also needs a simple tool that allows them to interrogate this company-wide data once it's collected. Modern analytics platforms allow HR teams and people managers to query and visualize data such as demographics, retention rates, promotions, and employee recognition without needing to learn complex technology.

For example, industrial giant Schneider Electric uses AI and analytics to track diversity and inclusion KPIs as part of its goal to ensure an equitable, inclusive workforce. Querying data allows it to spot any

troubling variations across different roles and departments and take steps to address them. The company can also use this data to project into the future based on historical patterns and see how and where it should boost its diversity and inclusion efforts. Crucially, people teams and managers should be able to query this data directly for greater impact and not be restricted by predefined dashboards built solely by data analysts.

Confront the brutal facts and share them transparently

As with any data and analytics initiative, when data reveals a problem, there may be a tendency to manipulate numbers to present a rosier picture — vanity metrics. Don't let your data lie or hide the real issues. You might think you're making progress on bringing in more diverse talent. Suppose you're hiring people of color only in low-paying or entry-level roles or only hiring women in departments already heavily skewed toward women, such as HR and marketing. In that case, you're not solving the real issues. Even pay disparity analysis has been fraught with confusion on the one hand and delusion on the other when companies adjust job points to say, "there is no gap."

Only brutal honesty and alignment of incentives can lead to meaningful change. Tokenism is a recipe for failure.

Once you've collected and analyzed employee data, share the findings widely and transparently with employees and external audiences; don't restrict it to diversity committees and senior leadership. Make sure to include concrete commitments, measurable goals, and clear next steps. Deloitte and SAP offer good examples of impact reports, with SAP combining diversity and financial performance into one annual report.

Data must inform even emotional, interpersonal, and cultural work. Honest, accessible metrics around your diversity progress and remaining gaps are critical to ensuring the work is measurable, targeted, and impactful.

Employees, potential recruits, and customers are holding organizations accountable for meaningful change. They are calling out companies who stop short at performative commitments. Data-backed efforts to ensure diversity are now more than just a business imperative; they are also a social imperative. In the ideal future of work, we'll no longer need diversity and inclusion programs; diverse and inclusive workforces will simply be the norm.

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Cindi Howson is the chief data strategy officer at ThoughtSpot, where she helps customers and prospects understand how best to leverage data, analytics, and AI for digital transformation. She was formerly a vice president at Gartner, where she tracked the data analytics market.