

Checklist: DEI Data — What to Measure and Why

By PracticalESG.com

They say, “what gets measured, gets managed.” As such, tracking DEI metrics and data is essential to making progress. Use this checklist to learn how to collect and leverage DEI data to define your goals and drive your strategies.

Here are some practical steps to get the most out of your DEI data:

- 1. Decide where to start.** It is critical that organizations ensure that their initiatives are data-driven. Data helps elevate the importance, relevance and priority of DEI within an organization. DEI metrics and data allow you to speak the language of executives and engage leadership on DEI issues by quantifying business impacts. This can help make DEI initiatives a priority among your organization’s leadership.

Your organization is going to need a starting point for gathering DEI data. You can determine what data you need by determining what areas you would like to target for improvement. Many organizations would like to improve DEI across all categories and demographics. This is a great long-term aspiration, but when you’re getting started it’s best to focus on narrow tangible goals.

Resources, capacity, focus and culture vary from organization to organization. This makes everyone’s DEI journey different. You’ll need to frame your DEI initiatives within the context of your organization’s culture and priorities to decide what is most important and where to begin.

For example, if you work for a bank that has a history of underserving minority communities for loans and mortgages, then you can use data to show leadership that they are leaving money on the table. Engaging these communities can be your organization’s starting point for DEI and you can build out additional initiatives from there.

- 2. Decide what data you need and how to gather it.** Look at your goals and determine how you’ll measure your progress toward them. This will dictate what data and metrics you need to be keeping track of. There are

many types of data, and you'll want to be sure that you're gathering the right data to suit your needs.

Data can broadly be put into two categories: quantitative and qualitative. Quantitative data is data that is measured in numbers and statistics. Demographic data gathered by surveys would be quantitative. Qualitative is data that can't be statistically measured. Often, qualitative data is the narrative that explains quantitative data. Qualitative data consists of things like focus group feedback and interviews.

During this process, don't neglect qualitative data. Qualitative data can provide valuable insights and answer questions that quantitative data cannot. Quantitative data is great for detecting DEI problems or measuring DEI progress. Qualitative data can provide an explanation for why your organization faces those problems and illuminate how your organization's DEI initiatives are being perceived by employees.

You'll also need to be certain that you're complying with the laws of whatever jurisdiction you operate in. This is especially true for multinational organizations. Laws vary jurisdiction by jurisdiction and some countries/states/localities will have different laws on what kinds of data you're allowed to collect and how that data must be managed. You should work closely with your legal team to ensure compliance with the laws of your jurisdiction.

- 3. Considerations for Measuring Diversity.** The most common way of measuring diversity is through the use of surveys. Some organizations have dedicated DEI surveys, others might ask for demographic data as a part of their employee engagement surveys. A survey will provide valuable big-picture information regarding the current state of diversity in your organization.

When reviewing survey data, consider where your respondents are positioned within your organization. Reviewing this factor will give you a more nuanced understanding of your organization's makeup and potential equity issues. You want to make sure that diversity is represented across every level of your organization, including management, senior levels and executive levels.

For example, a breakdown of your organization's demographic data may initially reveal healthy diversity among your workforce; however, when you dig deeper, you may realize that this is only true at lower levels within your organization.

The inlets and outlets of your organization can provide valuable diversity data. Monitoring the demographics of hiring and attrition rates can give insight into what areas need attention in your DEI efforts. If you have disproportionate amounts of women, people of color, people with disabilities or other demographic groups leaving your organization, then that's a signal that there is work to be done in that area.

- 4. Considerations for Measuring Equity.** Equity relates to how diversity is represented across all tiers of an organization. An equitable organization ensures that employees of all backgrounds have access to advancement and are treated fairly.

Data relating to promotion rates are valuable for measuring equity. If one group is being promoted at a lesser rate than others, then this is a sign that equity issues exist in your organization. You'll also want to gather data regarding whether certain positions are more or less likely to be held by members of specific demographic groups. For example, if HR positions in your organization are more likely to be held by women than men, then you need to try to understand why. You should also ensure that those positions have access to similar advancement opportunities as other positions in your organization.

To address equity, you may need to assess your organization's career paths and progression models. If a role currently does not have a progression model, consider being creative in how you approach that role. Often, you can create avenues for progression using lateral movement where vertical movement isn't possible. Additionally, you should be up front with any employees in such roles. Lack of advancement opportunity won't matter to some who may be content in their position, but you should have an honest conversation with them about this. You'll need to collect data on who ends up in these roles to ensure that they don't present an equity problem to your organization.

5. Considerations for Measuring Inclusion. Inclusion consists of the actions, intentions and practices that bring about belonging within an organization. You can hire for diversity, but you have to build for inclusion. Progress on inclusion is often measured through data obtained with employee engagement surveys. These are designed to measure feelings of belonging among your workforce. Employee engagement surveys can help you gauge how your workforce is experiencing the culture of your organization. Disaggregating this data can reveal variance in how different demographic groups are experiencing your culture.

For example, you may conduct an employee engagement survey that reveals that employees have a generally positive view of your organization's culture; however, when disaggregated, the data reveals that people of color have a disproportionately negative view of your organization's culture. This serves as a signal that your organization needs to address the aspects of its culture that are contributing to the lack of inclusion.

Inclusion is the result of day-to-day interactions and can be difficult to measure. This is because the success or failure of inclusion efforts often lies with middle management. The direct one-on-ones between managers and their team members can determine the level of belonging employees experience. Inclusion practices either occur or don't occur when managers are mentoring, sponsoring, coaching and putting team members up for promotion. To help drive inclusion, it is important to collect data on whether middle management is in step with the organization's larger DEI efforts and to provide these managers with tools like unconscious bias training.

6. Account for Intersectionality. Gender, race, ethnicity, age and sexual orientation are just some of the pieces of demographic data that contribute to a person's unique identity. Intersectionality occurs when two or more demographic characteristics converge to create a more complex identity that may experience additional challenges resulting from those multiple marginalized identities.

To get a full picture of your organization's DEI progress, you'll need to account for intersectionality. This may reveal trends that cannot be noticed from aggregated data alone. By disaggregating your data and

looking at it through an intersectional lens, you can get a more targeted view of where your focus should be within your organization. This data can change across business units down to the team level, so examine the data on a granular level to get the most out of it. Doing this will allow your DEI efforts to be more finely tailored to address specific gaps and, therefore, increase the chance that those efforts will yield results.

For example, a survey shows that men are promoted at a 21% higher rate than women; however, when looking specifically at Black women, that gap doubles to 42%. If you were to examine that data from only the demographic of gender, then you would be overlooking a major issue and leaving a large equity problem unaddressed.

When parsing through your data, you'll need to disaggregate it to account for intersectionality because it may reveal trends that would otherwise go overlooked. Examining intersectionality helps ensure that no group's needs are ignored by your DEI strategy.

- 7. Decide what to disclose and how.** Deciding what DEI data to disclose and whether to make public disclosures is an important consideration. Your organization will want to weigh the pros and cons of disclosure to determine what course of action is best for it.

Broadly speaking, disclosures provide valuable information to investors, regulators and employees about the state of DEI at your organization. Disclosing DEI data can provide a level of transparency that is critical. Employees are more likely to answer surveys if they feel that data is being used to affect positive change. Employees are also more likely to engage in open and honest discussions if they feel the organization is listening. Organizations have to build trust with their employees, or the data you'll get back will be incomplete and unreliable.

On the other hand, disclosures are not without risk and there is no one-size-fits-all approach to disclosing DEI data. You'll have to determine what to disclose by determining what level of risk your organization is comfortable with. There is always the chance that disclosed data appears as an exhibit to a court filing; however, it is important to keep in mind that your organization should not make a practice of only disclosing data that reflects favorably upon it. Stakeholders are looking to see if organizations

are making an effort and being honest. Even data which reflects serious problems in an organization is valuable for building trust and showing goodwill.

- 8. Start Working.** DEI is about outcome. Gathering and reviewing data is great, but progress isn't made through data analysis and deliberation alone. At the end of the day, action is what is going to make a difference to your employees and your organization. Even while you comb through data to plan future initiatives, you should still use the data you have to conduct trainings and improve your organization.

Organizations often fall into the pitfall of overanalysis. It can be easy to get stuck chasing the perfect strategy or trying to predict the future through data. Getting real work done is more valuable than strategies that remain hypothetical. Use the data you have to start working today.

Taking action will improve the quality of the data you're receiving as it signals to employees that you take DEI seriously. Not every organization has vast amounts of capital to put toward DEI, but that shouldn't stop you from using what resources you do have and showing that you are committed to improving DEI. If you're unsure where to begin, consider putting resources toward a consultant to help you get started.

Be sure that your efforts are engaging management, as well. To improve DEI, you'll need to improve culture and that starts at upper management. Many organizations are appointing chief diversity officers or chief belonging officers and making them a member of leadership. This goes a long way to reinforce an organization's commitment to DEI.