Breaking Down Barriers:
Defining Metrics for
Diversity & Inclusion

It's become increasingly apparent that D&I metrics need to go beyond numbers of gender and ethnic hires to be meaningful.

Diversity and inclusion (D&I) programs are a hot topic for businesses. Across the life-sciences industry, companies have put in place D&I departments to address the gender gap as well as barriers facing people of color. But while many advances have been made, there is still a very long way to go.

According to findings from McKinsey's Women in the Workplace 2019 study, while more women have risen to the top levels within companies, women, and particularly women of color, are still underrepresented at all levels. But just how can these barriers be broken? According to PwC's Annual Corporate Directors Survey, while corporate directors recognize diversity improves boards, male board directors don't want to hear about it. An article published in Fortune in October 2019 noted that 72% of male directors believe too much attention is paid to gender diversity; only 25% of female directors agree.

The objections of board directors, however, won't make the issue disappear. Companies with strong D&I departments continue to strive for more equality in the workplace and more opportunities for women and people of color — not just because it's the right thing to do, but because diversity is now well-understood to be good for the business.

D&I Accountability

According to i4CP, high-performance organizations are two times as likely to use empirical data to connect D&I initiatives to business outcomes.

Andrea McGonigle, national managing director at Microsoft, says traditional metrics such as percentage of diverse hires are no longer acceptable. "We must look beyond the numbers and ensure there is equal pay for the roles and that data needs to be sliced and diced by role, geography, and stage in career," Ms. McGonigle says. "Priorities and bonuses need to be aligned to all executives within a company to meet D&I goals that include hiring, building a diverse talent pipeline, and programs to ensure success and retention."

Nancy Di Dia, executive director, Americas and head of diversity, inclusion, culture, and engagement at Boehringer Ingelheim agrees, adding that today's diversity metrics need to go beyond the traditional race and gender KPIs to be meaningful.

"Our diversity measurements need to center on strategic business drivers to fully demonstrate how diverse teams draw new insights and have greater impact on the business," she says. "We are all familiar with the academic research demonstrating the value of diversity, but few companies meaningfully measure the output of their teams from a diversity perspective on a regular basis."

According to Joe Youssef, associate director, engagement strategy at Ogilvy Health, there are many different metrics companies can use to measure diversity and inclusion. The key is to choose the right metrics.

"In my experience co-leading Ogilvy Health's D&I Council, we wrestle with just that," Mr. Youssef says. "We have a team that brings a lot of passion to create the kind of

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Women in Healthcare: Hitting the Glass Ceiling

Women remain underrepresented at senior levels in healthcare, comprising just 30% of C-suite teams and only 13% of CEOs, according to Oliver Wyman and HLTH.

Among key findings from a survey of 500 healthcare professionals were:

▶ Problems with mentorship. Junior women aren't benefiting from mentorship and sponsorship opportunities despite well-intended efforts.

▶ A personal/company disconnect. While people are committed to achieving gender parity, few women believe their company is.

▶ A problem with support. Twice as many senior men, compared with senior women feel there is complete support.

▶ Leadership skills and perceptions. Women value an emotionally intelligent, communicative leader, while men value a commanding leader. This suggests different perceptions about what leadership skills are most important for advancement.

Source: Oliver Wyman

Once you can tie diversity, inclusion, belonging, purpose, and business metrics together, you will have a powerful understanding of your organization's performance.

NANCY DI DIA
Boehringer Ingelheim

At the end of the day, D&I efforts are about strengthening an organization.

JOE YOUSSEF
Ogilvy Health

place where we all want to work. We have been identifying goals and prioritizing efforts based on what will make the biggest impact on the agency."

Mr. Youssef says D&I goals can cover a lot of different areas, which impacts metrics. For example, a company seeking to diversify their workforce composition — age, gender, seniority, nationality, etc. — would create measures differently than those looking to change employee sentiment: I feel like I belong, I am included, I am represented, etc. or increase supplier diversity in terms of workforce composition.

According to Ms. Di Dia, the industry needs to push metrics around how companies retain and develop capable and engaged teams that generate innovative and transformative ideas. "A serious disconnect still exists between what gets measured and what impacts organizational and employee inspiration and performance, and business outcomes," she says.

There are several questions that companies should ask to evaluate their D&I efforts:

• Is the retention level consistent across women and minorities?

• Are diversity metrics uniform across different departments?

• Are organizational practices perpetuating bias?

• Are incentives and compensation tied to D&I goals?

• Are senior leaders accountable for progress on diversity metrics?

• Are diversity metrics shared with all employees?

Taking Steps Toward D&I Goals

One company that has made a strong commitment to D&I principles is Johnson & John-

> Diversity and inclusion is an important topic that cannot just be measured by quotas.
>
> **JASON COLOMA**
> Maze Therapeutics

son. According to Sharon Fronabarger, head of diversity and inclusion, global accountability and metrics, a company is best positioned to make progress by holding itself accountable on many issues. This includes holding leaders responsible for their progress against D&I strategies and upholding the company's accountability externally through a commitment to equal opportunity and compliance with labor laws. "We also share progress on how we are enhancing our inclusive culture through employee surveys and completion of e-learnings focused on mitigating unconscious bias," Ms. Fronabarger says. "And we gauge the impact our inclusive culture has on our business results, as well as our corporate reputation."

The company also shares information about gender diversity and progress made. For example, board diversity has grown from 20% of women on the board in 2016 to 27% in 2018; the percentage of female VPs has risen from 31.9% in 2016 to 35% in 2018; the number of women at the manager and director level has grown from 43.8% in 2016 to 45.6% in 2018; and the number of female professionals at the company was close to half, at 48.5%, in 2018. The company's commitment to diversity has a long history, going back to hiring the first female scientist in 1908.

Meanwhile at Ogilvy Health, Mr. Youssef says his team is partnering with leadership and HR to crystallize the agency's goals in terms of D&I. "After this calibration is complete, we will set the right metrics," he says. "We want to ensure our goals are measurable, achievable, and repeatable. Understanding where we are as an organization, and how we can continuously make progress and quantify, is crucial to the on-going success of D&I efforts."

Building the Business with D&I

According to Jason Coloma, CEO, Maze Therapeutics, D&I can't be measured in quotas. "Our employees want influence in how D&I topics are implemented and a say in decision-making processes," he says. "They do not want just a focus on numbers and quotas."

To that end, Mr. Coloma says some of the best metrics are reviewing who has a leadership role, who is involved in key decision-making processes and budget allocation meetings, and ensuring that there is a feedback loop with the staff on D&I to take subjective measurements of what is and what is not working in the company.

"Once you can tie diversity, inclusion, belonging, purpose, and business metrics together, you will have a powerful understanding of your organizational performance," Ms. Di Dia says.

D&I efforts are about strengthening the business, Mr. Youssef notes. "We know that diversity and inclusion are essential to drive business results, increase innovation and creativity, and to create an environment where we can bring our best selves to work," he says. "The metrics used to track progress create transparency into the impact of your efforts, both internally and externally." (PV)
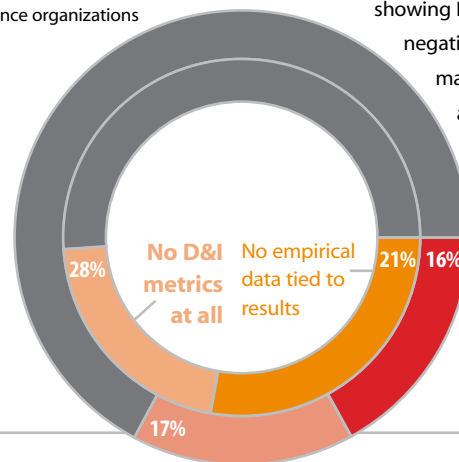
Measuring D&I at High-Performance Organizations

High-performance organizations are

2X

more likely to use empirical data to connect D&I efforts to business outcomes.
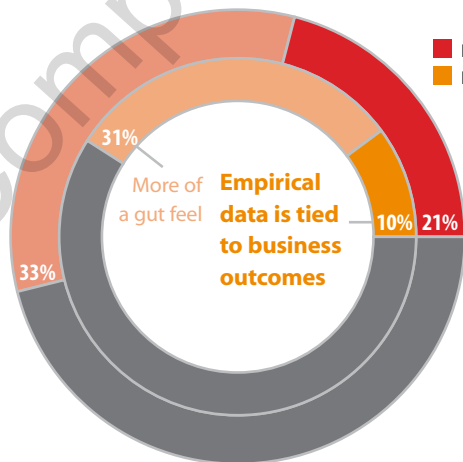
High performance organizations
Low performance organizations

31%
More of a gut feel
Empirical data is tied to business outcomes
33%
10%
21%

Not collecting empirical data showing D&I's impact has a negative relationship to market performance and D&I effectiveness.

No D&I metrics at all
No empirical data tied to results
28%
21%
16%
17%

Source: i4CP