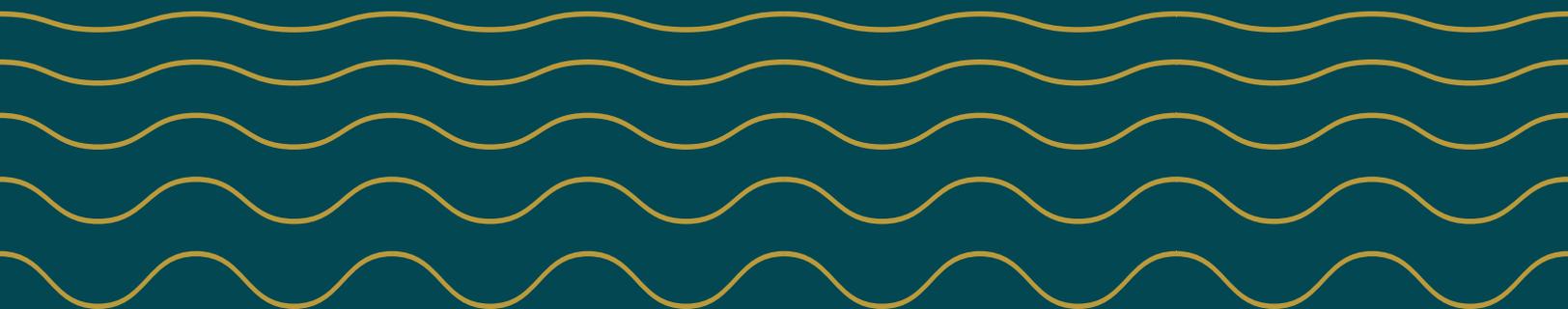
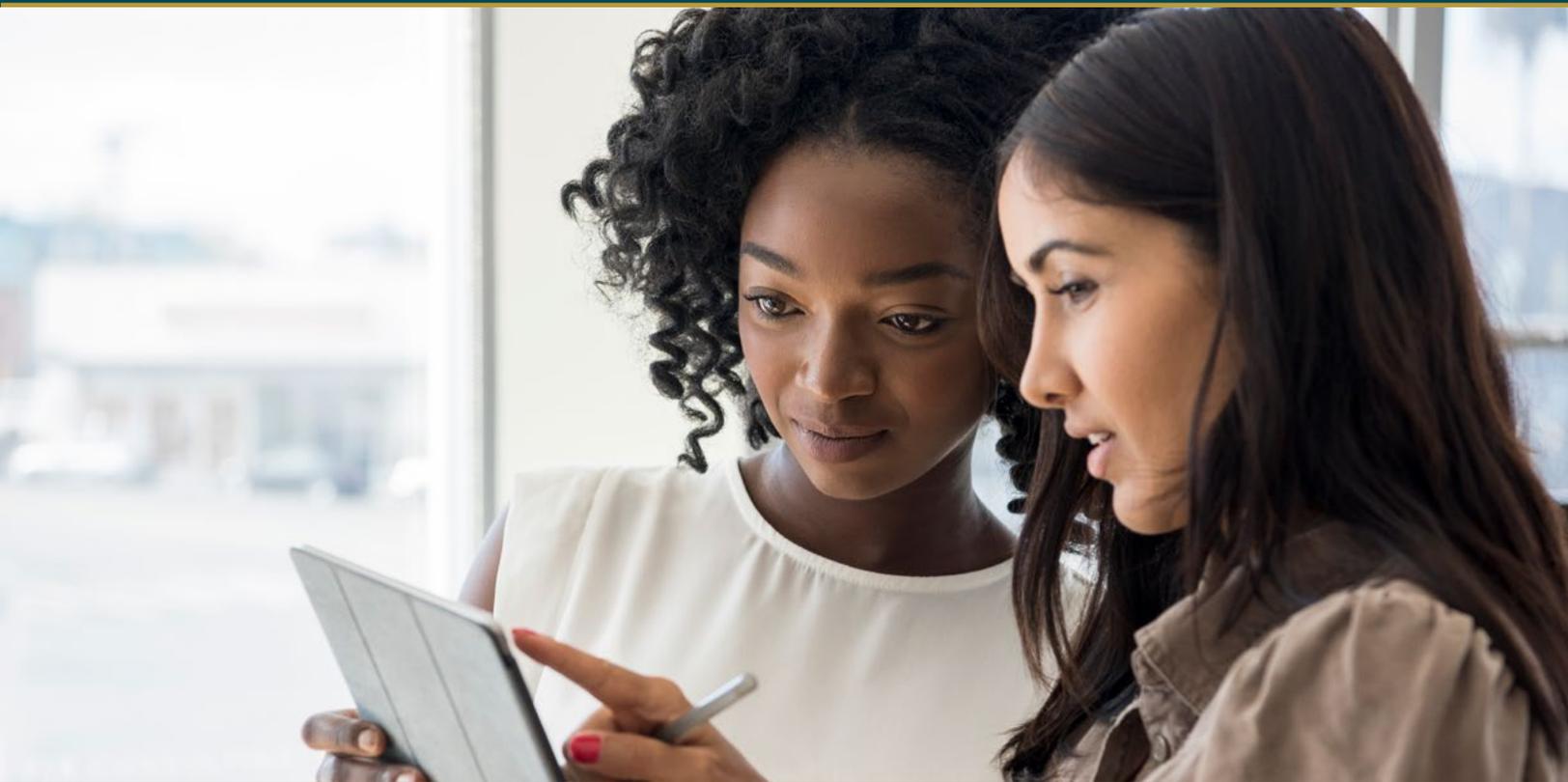


# Meaningful Metrics

5 Metrics for Positive DE&I Impact



*“Diversity in a workplace helps me to feel like I have a chance at being seen and heard.”*

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# Welcome

D-E-I. Diversity, Equity, and Inclusion. A seemingly straightforward and critical concept. Yet, for many, this acronym felt unfortunately unfamiliar; a workplace aspiration but not an imperative until 2020 when racial strife and social unrest plagued the United States, igniting meaningful conversations within organizations. Two years later, in 2022, DE&I seems to have garnered the corporate buy-in it has so long deserved. Now the question becomes, is DE&I a genuine, lived reality for employees or does it remain an elusive construct, where meaningful action remains obscure and ongoing efforts are unlinked to critical positive corporate performance outcomes?

At The Mom Project and Werklabs, we understand that DE&I efforts are not only the right thing to do but that DE&I is a business imperative that yields all-around positive and needed change as well as a significant lift for business performance. We know that DE&I takes a strong commitment, deep understanding, and an unflinching desire to drive real change in order to have a meaningful impact on businesses as well as employees and other key stakeholders.

This research focuses specifically on metrics that have the greatest impact on DE&I in the workplace. Here we not only define what it means to take action on DE&I, but we also establish a clear business case for investing in DE&I efforts. We create a framework for organizations to assess and make progress toward becoming more diverse, equitable, and inclusive. As many organizations work to measure their DE&I efforts, we explore how meaningful DEI metrics and strategic action are needed to ultimately impact employee experiences and bottom line performance.

To do so, we surveyed more than 1,500 professionals and asked them to rate their experiences with diversity, equity, and inclusion in the workplace. Then, using predictive analytics, we link those results back to meaningful performance outcomes.

When diversity across a multitude of dimensions is celebrated, equity is evident, and inclusion is prioritized, employees are happier, psychologically safer, and ultimately more productive. We invite you to read the report that follows to understand just how and why this is the case.

Sincerely,

Pam Cohen, PhD

Chief Research & Analytics Officer

Werklabs & The Mom Project



# DE&I is imperative.

## Yet positive and lasting implementation sometimes remains elusive.

The last few years of work have resulted in employees taking time to pause and reflect on the very nature and fabric of work. A big question being asked in these times of introspection has been, am I truly valued by my organization? Do my company's values, beliefs and subsequent behaviors align with my own? For many, the answer was "no," and hence why what was first called The Great Resignation began getting coined The Great Reconsideration. DE&I played a significant role in this reconsideration.

Werklabs' research on DE&I finds that a continuum exists ranging from organizations absent of any mention of DE&I to those who have teams fully dedicated to its efforts. Despite being on opposite ends of this DE&I continuum, these organizations grapple with similar questions.

- **The organization passionate about DE&I and evolving its programming asks:** *How should we measure DE&I? Are DE&I programs having a positive impact? What more can we do?*
- **The organization considering implementing DE&I, but hesitant to alter the status quo asks:** *Why should we invest in DE&I? Where should we begin if we want to invest in DE&I?*

Currently, frequently used DE&I metrics include the number of minority candidates, hires, mid-level managers, and leaders, the dollars invested into DE&I, the number of ERGs, and the percentage of employees trained. These metrics are not able to offer a complete picture. They are limiting, if not damaging, when used alone. When these metrics are used in isolation, what began as a genuine effort to drive DE&I in work can become a check box, and efforts that may have been implemented to check a box will be confined to such a reality.

## Meaningful metrics are needed.

In the present research, Werklabs creates a framework for organizations to reimagine how they measure DE&I success. Werklabs identifies five key metrics rooted in employee experiences that strongly impact DE&I satisfaction in addition to key performance outcomes such as retention, productivity, and belonging. Werklabs uncovers how the impact of improving these metrics differs depending on an organization's current phase of DE&I investment.

**The result?** DE&I metrics that meaningfully meet organizations where they are at. In the pages that follow, Werklabs defines the five key meaningful metrics: DE&I Commitment, DE&I Implementation, Diversity Climate, Equity Climate, and Inclusion Climate.



# Methodology

To begin, Werklabs conducted a thorough analysis of existing qualitative research on the topic of DE&I. From this analysis, Werklabs constructed and fielded its DE&I Questionnaire, asking professionals to rate their work experiences in a wide range of areas related to diversity, equity, and inclusion on a scale of 1 to 10.

A rigorous quantitative analysis was then performed to evaluate the measurement model and assess which questionnaire items best “fit together” to define predictors of workplace DE&I satisfaction that ultimately impact outcomes such as employee belonging, productivity, and retention. Five strong drivers of DE&I were identified.

In using predictive analytics, Werklabs not only establishes a direct relationship between how these drivers directly impact feelings of satisfaction with DE&I in the workplace but also how these drivers impact employees’ sense of belonging, perceptions of productivity, as well as the likelihood to remain loyal to the organization through retention and to recommend an organization as a place to work.

Additionally, in the report that follows, we highlight key differences between the experiences of employees at organizations where DE&I programming is accessible and utilized compared to those where DE&I efforts are lacking or non-existent.

## Demographics

Werklabs’ DE&I Questionnaire was fielded to The Mom Project community and social networks, gathering more than 1,500 responses. 50% are White and the other half identified as African American/Black (17%), Hispanic/Latino (11%), East (6%) and Southeast (6%) Asian.\*



78% are parents and caregivers. Of those,

**87%**

Are moms, followed by 6% dads, 6% caregivers or other.



87% are female, followed by 10% male.

**60%**

Are between ages 25-44, followed by 24% 55-64, 4% 18-24, and 3% 65+.

\* Native American/American Indian/Alaskan Native/Indigenous (3%), Middle Eastern (2%), and Native Hawaiian/Pacific Islander (1%).



# Metrics that Matter

Five meaningful metrics that impact employee belonging, retention, productivity, and recommendation

## 1. DE&I Commitment

An organization and its leaders committed to DE&I must understand the reality experienced by employees to ensure that all DE&I strategic efforts gain the momentum and buy-in needed to make an actual lasting positive difference in the workplace. Few organizations today use consistent employee input to track DE&I Commitment. This commitment is a critical and fundamental metric to assess. Why? DE&I Commitment is a key driver impacting employee experiences, and even more so within organizations where DE&I has yet to be heavily prioritized. Measuring DE&I Commitment takes a holistic approach that measures:

— **What units** within the organization are demonstrating a commitment to DE&I. More specifically assessing commitment levels from:

- Organizational leadership
- Team leaders
- Immediate team members

— **How** commitment is being communicated to employees, such as if communication on DE&I is:

- Sincerely motivated
- Authentic
- Frequent

DE&I Commitment is heavily influenced and correlated with DE&I Implementation. Organizations best exhibit their commitment to DE&I through their actions. Those who voice support for DE&I must consider how they are exhibiting their dedication to DE&I efforts. Surveyed professionals are looking for leadership to make DE&I a real, living priority.

“

*My team, my role... is deeply connected to DE&I work and have done a very good job of sharing that message externally. However, we struggle with the fact that it's not reconciled by internal leadership. They understand it as a box to be checked vs truly embracing what it could mean.”*

-Interviewed participant



## 2. DE&I Implementation

Another key metric to assess is DE&I Implementation; those efforts related to instilling DE&I actions throughout the organization. Focusing on implementation efforts is critical for organizations new to prioritizing DE&I, as it reinforces DE&I as a commitment. Organizations should first implement clear goals for DE&I and transparent measures for assessing DE&I success. Ideally, these goals and metrics should be created and implemented by a dedicated DE&I team in partnership with executive leadership.

After establishing these goals, implementation efforts should shift to creating Employee Resource Groups, or ERGs, as well as offering robust DE&I training that is required of all employees. However, one caveat to note is that surveyed professionals frequently mention that these programming efforts fall on the backs of people who are from marginalized groups, causing often additional, unpaid workload and stress. Efforts should be made to ensure that people from all areas of an organization are helping to organize and participate in ERGs.

“

*The programming put on by ERGs feels very authentic and packs a lot of information for those who attend.”*

-Interviewed participant



— **Why offer ERGs?** The majority of surveyed professionals who participate in ERGs report that their involvement (1) helps them to feel more included in their workplace, and (2) provides them with helpful resources. However, this impact is influenced by the extent to which ERGs receive financial support and genuine support from the leadership team.

— **What to consider when implementing DE&I Training?** Similar to DE&I Commitment, the extent to which DE&I training is viewed as authentic, supported at all levels of the organization, and not simply a box to check off, is a key determinant of the impact of DE&I training. Organizations should also avoid a “one-and-done” approach with DE&I training. Instead, training should be spread out over multiple sessions and incorporated into day-to-day work. To facilitate this incorporation, DE&I training, at the very least, should establish a shared understanding of what diversity, equity, and inclusion mean, broadly and to the organization specifically.





### 3. Diversity Climate

Potentially a less intuitive metric than DE&I Commitment and Implementation, Diversity Climate measures the extent that employees feel their organization recruits talent diversely, and is inviting for people of diverse backgrounds to join. The Diversity Climate of an organization is also measured by employees' assessment that their organization is diverse at all levels and that they, as individuals, are represented in the leadership team.

Interestingly, based on predictive modeling results, this metric is significantly more impactful for organizations that have already engaged in programming efforts and state that DE&I is a priority. In other words, when DE&I is stated to be a priority, employees look to see if the organization's recruitment efforts and employee population reflect the commitment in actuality.

“

*It seems that all of the entry-level jobs are full of diversity but [it] dwindle[s] as the position rises.”*

-Interviewed participant



*“Only men get promoted and don’t have to interview for their promotions. Women have to interview and jump through hoops.”*

## 4. Equity Climate

Equity matters. Here, the Equity Climate of an organization is employees’ assessment of the equity in hiring, advancement, pay, and workload. More specifically, having fair opportunities and transparent criteria for advancement, as well as fair interviewing and hiring processes, are the strongest indicators of an organization’s Equity Climate. Employees desire an open discussion of pay levels and promotion criteria, to safeguard against bias, whether conscious or unconscious, and a “who-you-know” criteria for determining career advancement. Several surveyed women state that the gender gap in pay and promotion is still a very prevalent reality and are frustrated that it seems like their organizations are doing nothing to reverse it.

Whereas the Diversity Climate of an organization is most impactful for organizations with existing DE&I programming and commitment, Equity Climate is a metric that matters to all, significantly impacting performance outcomes for those with little to extensive DE&I efforts.

“

*Willingness to review, benchmark, and ensure closing of the gender pay gap are nonexistent [at my organization].”*

-Interviewed participant



## 5. Inclusion Climate

Everyone wants to feel included in their workplace, but fewer experience it in reality. Working remotely also does not eliminate the need to consider and create inclusionary support. Inclusion Climate is a metric assessing the extent to which (1) a cultural foundation exists to foment feelings of inclusion and (2) actual services are offered to support inclusion.

A cultural foundation for inclusion begins at the team level— is employee feedback and opinions respected by peers? by managers? Respect is key, and the result is a team dynamic that contributes to a broader organizational culture of respect. At the organization level, leaders have a responsibility to sponsor company-wide events and programming geared at inclusion. Though, yet again, this programming can often be felt as a check-the-box effort especially when events are not widely communicated, talked about by leadership, or scheduled during critical working hours when employees tend to not be able to attend. Services to support inclusion such as language support, assistive technology, and mother's rooms, to name a few, are also critical aspects of Inclusion Climate.

“

*As a remote-first company, we are inclusive and supportive in some respects, but have more work to do for accessibility.”*

-Interviewed participant



Surveyed professionals want inclusionary support for all groups in an organization. In particular, moms, disabled, and neurodiverse employees say their needs are often overlooked.



# Outcomes

Through predictive modeling, Werklabs developed a **DE&I Satisfaction Index**, where survey participants were asked to rate (1) overall satisfaction with DE&I at their organization, (2) how their organization's current state of DE&I meets their expectations, and (3) how their organization's DE&I efforts compare to their ideal workplace scenario. **On a 100-point scale employees at organizations with formal DE&I programming rate DE&I satisfaction as 62.8, and employees where programming is lacking rate it at 34.4.**

DE&I satisfaction is nearly 2x lower for those at organizations where DE&I is lacking.

## Why does DE&I matter?

True belonging is not a feature or aspect of work that organizations can implement or cultivate; rather, it is a natural outcome resulting from everyday work experiences. Based on predictive modeling, the present research demonstrates that this outcome— being able to be your authentic self at work— is directly impacted by DE&I satisfaction. What's more, in an era where organizations are tasked with attracting and retaining diverse talent, DE&I satisfaction is also directly linked to employees' likeliness to recommend their organization and stay at their organization as they consider their future employment. Productivity is also positively impacted by DE&I satisfaction, clearly demonstrating the business case for fully integrated and invested-in DE&I programs. Employees and organizations benefit from efforts taken to prioritize diversity, equity, and inclusion in the workplace.

## What metrics have the greatest impact on attracting and retaining diverse employees?

Having made the case for why DE&I matters, it is also worthwhile to explore what metrics most positively impact the work experiences of diverse employees. Based on predictive modeling of demographic segments with an adequate sample size, DE&I Commitment is the metric most positively impacting DE&I satisfaction among women, Black, and Asian surveyed professionals. For Latino professionals, DE&I Implementation is most critical. It's clear— women and underrepresented groups of employees deeply crave organizational commitment to DE&I that ultimately leads to tangible implementation efforts.



# Call to Action

As these influential metrics are considered, it is important for DE&I and organizational leaders to understand where their company lives on the DE&I continuum. **Where an organization falls on the continuum matters in terms of what metrics leaders should prioritize improving to have the greatest impact on DE&I satisfaction and business performance.**

## DE&I Efforts Continuum

As organizations move from consideration to implementation to full integration of DE&I efforts in the workplace, the top 3 impact metrics to prioritize change.

Consideration ▶ Implementation ▶ Full Integration



\* DE&I Com. = DE&I Commitment  
DE&I Imp. = DE&I Implementation



As organizations move from consideration to implementation to fully integrated with their DE&I efforts, the metrics that matter most to employees' experiences and business performance evolve. In the early stages, commitment and implementation are key to establishing a shared understanding of what is DE&I and why it matters in the workplace. In later stages, employees assess the extent to which they experience and see the positive consequences of DE&I lived out around them.

Regardless, the present findings highlight a dire need for more robust, meaningful metrics for measuring DE&I. Measuring for the sake of measuring will not result in the impact so many organizations hope to make through their commitment to DE&I. It is our hope at The Mom Project and Werklabs that these findings serve as a starting point to rethinking how DE&I success is measured.

**Want to learn more?**

Visit us at [Werklabs.com](http://Werklabs.com).  
Have questions? Email [insights@werklabs.com](mailto:insights@werklabs.com)



# Model

Werklabs' DE&I Questionnaire results formed the basis for an ongoing predictive model that identifies and defines, first, what most impacts DE&I in the workplace, and then through measurement and predictive analytics, understands the current and expected effect of a change in any of these identified metrics on critical performance outcomes such as belonging and retention.

In so doing, Werklabs can measure across time how these metrics change in importance as organizations begin to implement and evolve their DE&I programming. As a result, organizations can learn what DE&I efforts need to be prioritized in the present, to invest resources for the future that have the biggest returns on business performance.

## Scores

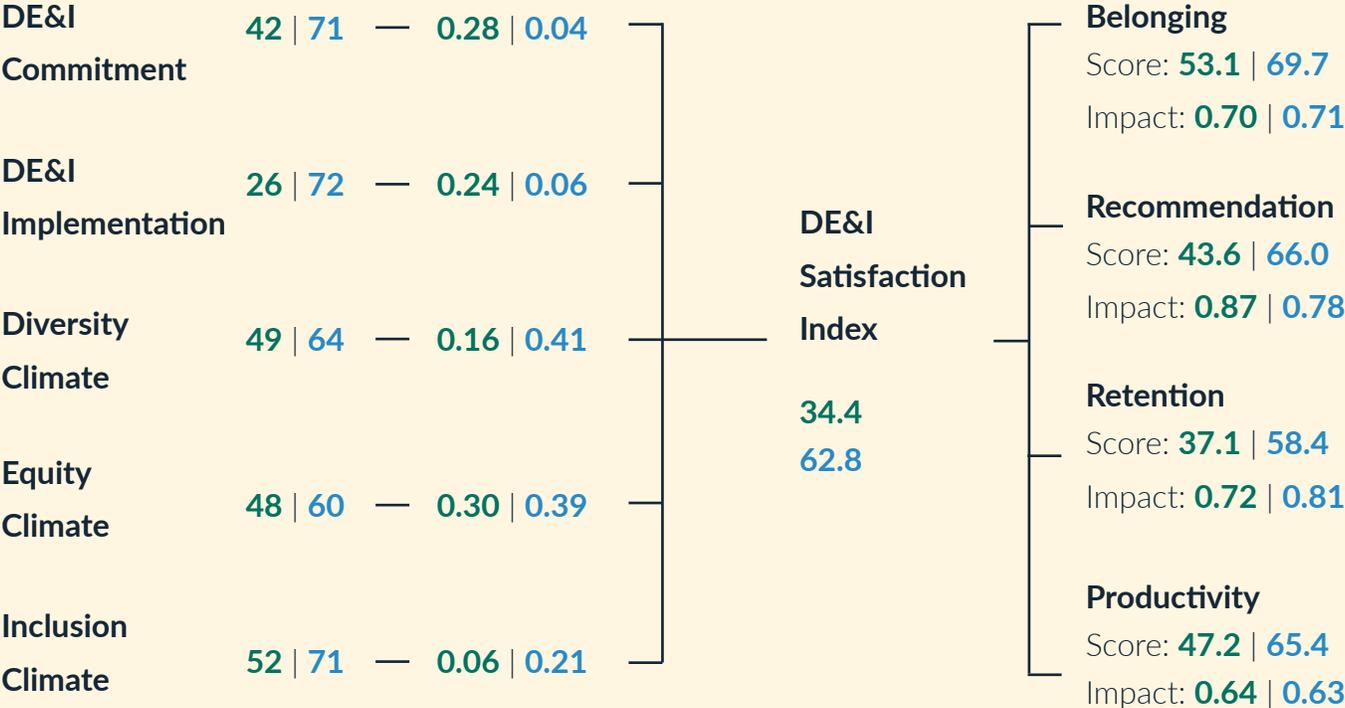
Current experiences on a 100-point scale

## Impact

The expected effect of a 1-point change in score on the outcome

## Outcome

DE&I Satisfaction Index and Performance Outcomes



- No participation in DE&I programming
- Participation DE&I programming



# Glossary:

## The Meaningful Metrics Defined

### DE&I Metrics

**DE&I Commitment:** the extent to which an organization and its leadership are committed to DE&I, how authentically they communicate on the topic, and the degree to which this authentic communication trickles down throughout the organization

**DE&I Implementation:** the extent to which an organization sets clear goals for DE&I and has transparent measures for assessing success, whether ERGs are an active part of the organization, and whether DE&I training and programming are the responsibility of dedicated staff members

**Diversity Climate:** the extent to which an organization recruits talent diversely, and is inviting for people of diverse backgrounds to join, in addition to being diverse at all levels

**Equity Climate:** the equity in hiring, advancement, pay, and workload within an organization

**Inclusion Climate:** the extent to which respondents feel included in their workplace through organization-wide events and offerings, team culture, and respect for their feedback and opinions

### DE&I Satisfaction Index

Employees' satisfaction with (1) DE&I at their organization, (2) how their organization's current state of DE&I meets their expectations, and (3) how their organization's DE&I efforts compare to their ideal workplace scenario

### Organizational Performance Outcomes

**Belonging:** the sense of belonging and ability to be one's authentic self in work

**Recommendation:** the likelihood of recommending their employer as a diverse, equitable, and inclusive place to work

**Retention:** the likelihood of remaining at their current employer in one year and three years

**Productivity:** the likelihood of being more productive in the next quarter and year of work

