

Are you measuring all aspects of DEI's impact
across your organization?

The Deloitte Inclusion Scan

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What is inclusion?

Inclusion seems to be an intuitive concept. When asking employees what it means to them, inclusion is often synonymous with a sense of belonging and participation. Yet, from a managerial perspective, focusing solely on inclusion as a sense of personal belonging and only measuring at the employee level can be deceptive: it will hide many subtleties and nuances of inclusion and it will overlook undesirable intergroup aspects of inclusion. In fact, DEI experts Ferdman & Deane (2014) proposed that: "Inclusion is best seen as a multilevel system and a set of practices". Thus, although we know that inclusion is best managed as a multilevel system, organizations remain challenged by how to accurately measure inclusion and are often exposed to a broad variety of managerial DEI practices and tools.

Certainly, the scientific literature has repeatedly argued that inclusion is complex and that it concerns individual, interpersonal, group, organizational, and societal dynamics. At the same time, the literature notes that an important distinction must be made between inclusion measured as a management practice (*functional inclusion: which practices does the organization implement?*) and inclusion measured as a personal experience or perception (*experienced inclusion: do I feel involved as an organizational member?*).

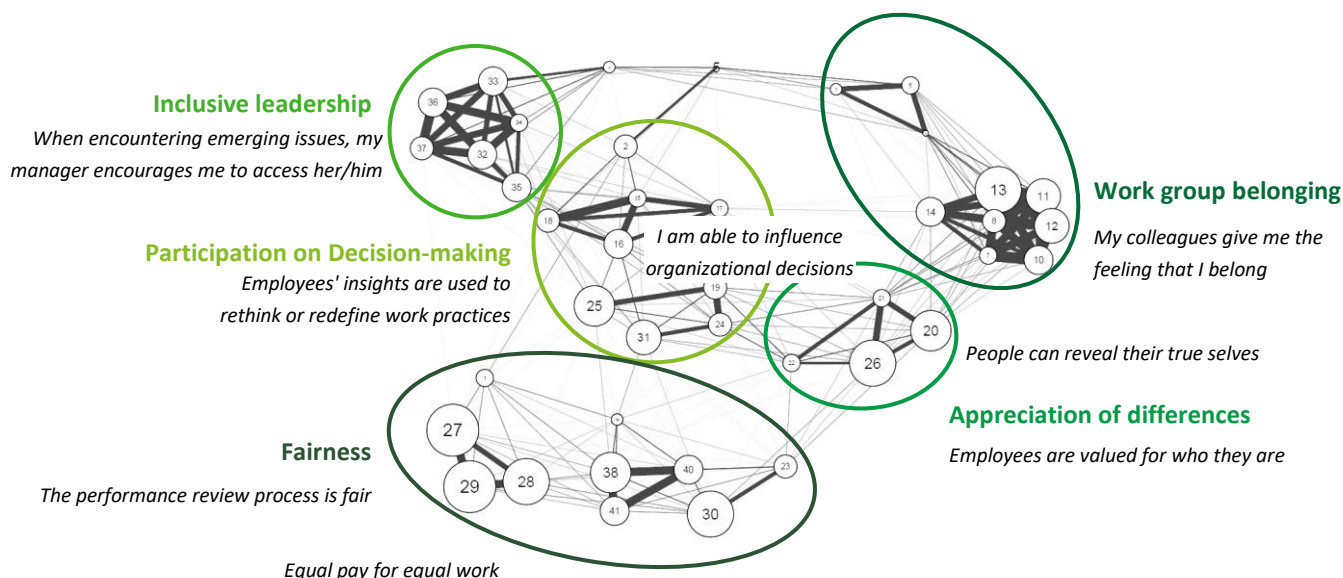
By building on these valuable scientific insights which emphasize the complexity and multidimensionality of inclusion, we embarked on a robust research journey to create a valid inclusion model and assessment for organizations. It is our goal to make inclusion at the workplace more tangible and more practically workable within organizations. In what follows, we describe how we started from the scientific literature to arrive at an inclusion scan that can measure the concept in all of its complexity.

Five subdomains of inclusion: a sharper understanding of inclusion

To commence our journey in measuring inclusion, we conducted an extensive literature review of academic research and existing indices published in the last 40 years. Our literature research identified relevant inclusion statements covering both functional inclusion and experienced inclusion at the organizational level, the team level (where the employee is located), and the individual level. These statements form the basis of our Deloitte Inclusion-scan. The content domain of inclusion was then explored using "concept mapping" (see Box 1 for our scientific approach)

The results of our research are depicted in a network graph that visualizes inclusion (see Figure 1). The distance between the items allowed us to distinguish and label five unique subdomains of inclusion (see the circles in Figure 1): (1) fairness, (2) work group belonging, (3) appreciation of differences, (4) inclusive leadership and (5) participation in decision-making.

Figure 1. A network graph of inclusion. Five inclusion subdomains.





Fairness: the organization has fair processes and practices and shows commitment to DEI. The organization provides employees with a clear framework to navigate a diverse workspace by giving guidance on how to behave, interact and lead inclusively, for instance, in the performance review or reward processes. Most important items in our study are "The performance review process is fair in my organization" and "Employees receive "equal pay for equal work".



Work group belonging: close colleagues and peers make you feel that you belong to the work group and are a valued team member. They listen to your input, and you are part of informal gatherings. Important items are "My colleagues give me the feeling that I belong" and "My colleagues listen to what I say".



Appreciation of differences: differences are celebrated and embraced at the organization. Diversity of backgrounds, thoughts, experiences, and identities are seen as a strength and integrated in decision-making across the organization. Important items are "Employees are valued for who they are" and "People can reveal their *true* selves in a non-threatening environment".



Inclusive leadership: Inclusive leaders treat their people fairly, leverage the contributions of diverse team members, and make their people feel valued for who they are. Important items are "When encountering emerging issues, my manager encourages me to access her/him", and "My manager is open to hearing new ideas".



Participation in decision-making: You have a voice in the decision-making process of your organization and feel heard on how your work needs to be done. "I am able to influence organizational decisions" and "Employees' insights are used to rethink or redefine work practices" are examples of important items.

Functional and experienced inclusion: combining objective facts with subjective feelings

Our literature study states that overall inclusion prevails in two forms: functional and experienced inclusion. Functional inclusion is defined by what the organization (e.g. HR practices) is actively doing to create a space of fair treatment, equal participation in decision-making, and appreciation of differences. Experienced inclusion is defined by the subjective experience of the employees and refers to individual, day-to-day experiences of inclusion. It relates to whether employees feel valued as a member of their team, whether they feel appreciated for their unique strengths and talents, and whether they have a sense of belonging to the organization. The fact that perceptions must be assessed by (DEI) managers suggests that the implementation of practices does not necessarily lead to the desired results, but that the adoption of that practice contributes equally to successful inclusion.

Comparing what the organization is designing (functional inclusion) to what employees are actually perceiving (experienced inclusion), can highlight important discrepancies between your DEI actions and their actual implementation and adoption success: do your employees actually experience your organizational practices as being inclusive to them? For instance, you may invest significant effort in setting-up inclusive HR practices such as fair and unbiased performance reviews, however your employees may still feel that their own performances are not being equally evaluated, thereby lowering their own feelings of inclusion.

Inclusion is multilevel

Our research shows that inclusion is nested at different levels in the organization (organizational level, team level and individual level).

1

The **organizational level** considers the general inclusive practices and policies. It refers to the collective commitment of integrating diverse identities in the organization. For instance, are different demographic groups equally represented in all of the organization's levels? Does top management have buy-in into the value of diversity and inclusion? Does the organization recruit from diverse sources? Does the organization offer equal access to training? Does the organization communicate openly about diversity?

2

The **team level** considers the extent to which the team climate is inclusive. It refers to team-building activities involving information sharing and diverse thinking, to the extent that a team actively provides mechanisms to participate in decision-making and group discussion, or tolerates different points of view and mistakes. Inclusive teams allow the individual to comfortably express their views even if they differ from others. Team leaders, in turn, can model inclusive behaviors and speech that shows comfort with and support of differences. Also, a highly inclusive team climate enhances team information sharing, team creativity and employee information elaboration.

3

Appreciation of differences: differences are celebrated and embraced at the organization. Diversity of backgrounds, thoughts, experiences, and identities are seen as a strength and integrated in decision-making across the organization. Important items are "Employees are valued for who they are" and "People can reveal their true selves in a non-threatening environment".

The Deloitte Inclusion scan: a measurable path forward.

Our analysis unfolded three focus areas when measuring DEI, which are captured by the Deloitte Inclusion Scan:

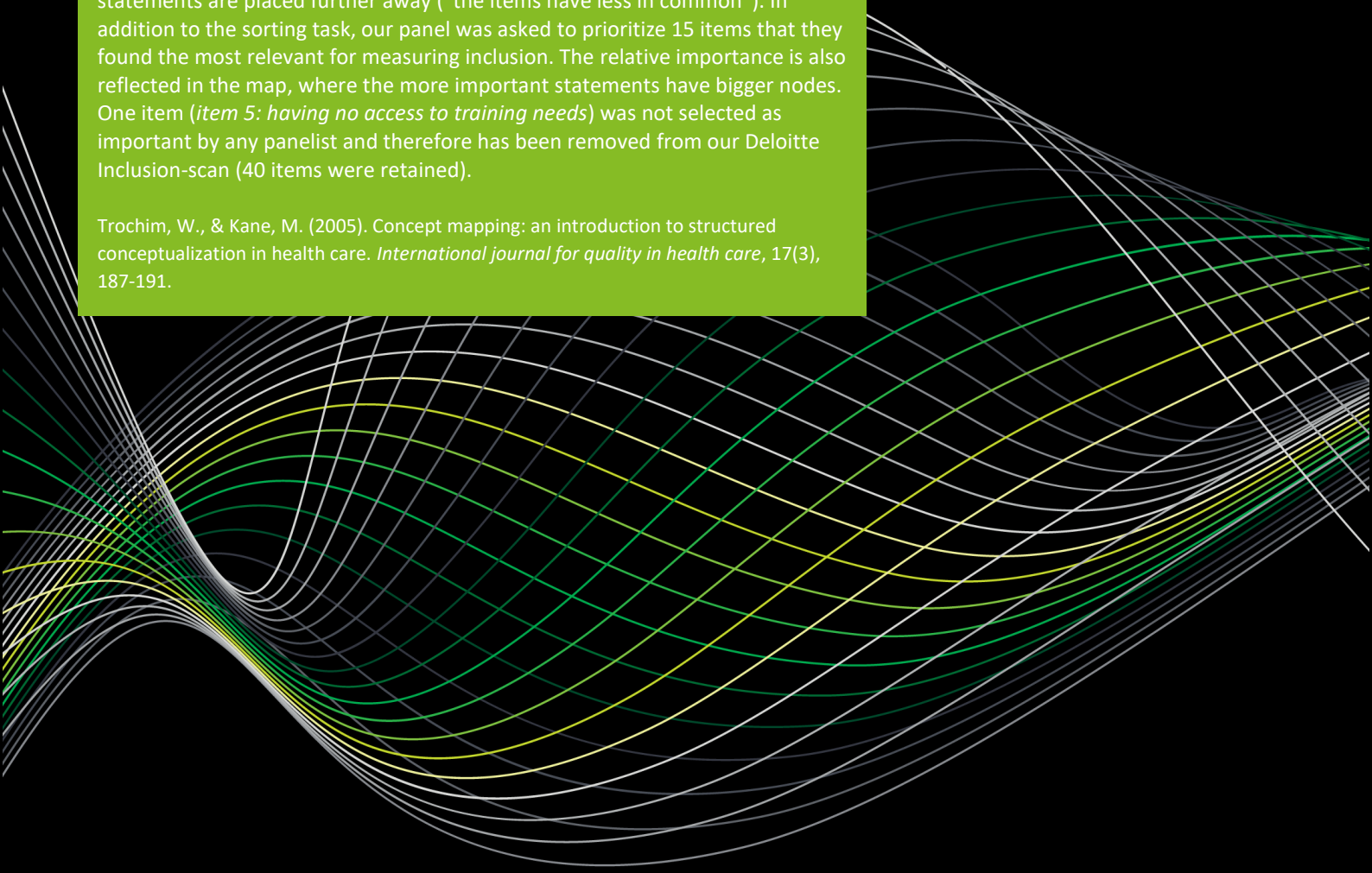
- Which topical clusters make up inclusion – the 5 subdomains
- On which spectrum can we assess inclusion: purely factual or subjective
- On which levels can we see inclusion: organization – team – individual

The five subdomains bring more clarity to the mixed and diverse meanings of inclusion and allow organizations to observe data on DEI from five important viewpoints. The Deloitte inclusion scan covers these 5 subdomains by 40 statements. The Deloitte inclusion scan enables a data-driven approach to a DEI-strategy. It allows you to not only report to stakeholders and set a baseline, but also have concrete and precise insights into where inclusion is lacking or thriving, as well as the different experiences of inclusion across employee groups, and thus create a workplace where everyone can benefit from the potential that diversity brings. Data-driven insights help organizations in their choices for managerial practices but we also highlight that the insights from data must be interpreted with caution and precision (see Box 2 for some measurable pitfalls and how to deal with them).

Box 1. How we add structure to the inclusion concept using “concept mapping”.

To assess the multidimensionality of inclusion, a methodology known as ‘concept mapping’ was used (e.g. Trochim & Kane, 2005). This approach allowed us to add structure to the multidimensionality of the inclusion concept. Here, an expert panel, consisting of 20 DE&I experts, was asked to freely sort 41 relevant inclusion statements identified in the literature research. In this *free sorting task*, we asked participants to cluster statements into groups characterized by common features based on their perspective. By aggregating the results across participants, a similarity matrix was derived. The similarity matrix indicates how similar statements are according to the expert panel. This matrix served as input for constructing a map visualizing inclusion (see figure 1). In this map, similar statements (depicted as nodes in a network) are placed close to each other (“the items have something in common”). Unrelated statements are placed further away (“the items have less in common”). In addition to the sorting task, our panel was asked to prioritize 15 items that they found the most relevant for measuring inclusion. The relative importance is also reflected in the map, where the more important statements have bigger nodes. One item (*item 5: having no access to training needs*) was not selected as important by any panelist and therefore has been removed from our Deloitte Inclusion-scan (40 items were retained).

Trochim, W., & Kane, M. (2005). Concept mapping: an introduction to structured conceptualization in health care. *International journal for quality in health care*, 17(3), 187-191.



Box 2. Measurement Pitfalls

1. Focus on outliers not just averages: We have the tendency to look at averages, and while they are important, inclusion demands that you take into account the outliers. For example, in a large tech company, the average inclusion score was high as the employee population was composed by a quite homogenous group, i.e., white young men. In an organization where everyone looks like you, it is easy to feel more included. However, when we segmented the data based on what the average employee did not look like, the story became more reversed. It seemed then that black women, a minority in the organization, reported feeling excluded but their experiences got lost because inclusion was measured by averages, ignoring more relevant and advanced measurements..
2. Consider a mixed-methods approach: Enrich your data with qualitative insights and vice versa. For instance, to conduct a review of an organization's current state, you can listen to your employees' realities by using focus groups or individual interviews to supplement the data from the Deloitte inclusion scan.
3. Validate psychological safety during an inclusion assessment: Employees need to feel safe to share their opinions and feelings on matters of diversity and inclusion. Leaders can stimulate this safe climate by creating opportunities for dialogue about and across differences. At the same time, these dialogues serve in shaping a common language on what diversity means for the organization, what types of diversity are present or underrepresented in the organization and what feelings are associated with the organizational inclusion. One way to signal to your employees that their voices will be heard, is by showing them that their opinions lead to real changes in the organization. New technologies, like Workday Peakon Employee Voice or Circlelytics show how data analytics provide employees with a direct voice in organizational decisions whilst feeling psychologically safe. Data & analytics can hence strongly innovate your communication plan on DEI issues.
4. Include metrics, other than DEI, to track and monitor success: Inclusion is not a stand-alone outcome as it can lead to many beneficial organizational outcomes such as increased retention, wellbeing, employer branding, and innovation. To fully capture the effects of your inclusion activities, include metrics other than DEI ones as well. The Deloitte Inclusion Scan presents several organizational KPIs which you can tailor to your right metrics and progress report.

Conclusion

As we have explored, inclusion is a broad and complex topic that organizations have been struggling to understand, cultivate, and measure. To capture the depth of inclusion, we have introduced you to our measurement instrument for getting a deeper insight into DEI within your organization. The Deloitte Inclusion Scan covers the broad spectrum of DEI by exploring five sub-domains: (1) fairness, (2) workgroup belonging, (3) appreciation of differences, (4) inclusive leadership and (5) participation in decision-making. Breaking down inclusion into sub-domains and sub-levels aids organizations not only in better conceptualizing inclusion but also in taking steps towards measuring their progress on DEI initiatives. Through a data-driven approach, organizations will be able to gain the necessary tools, insights, and buy-in so that they can build a more inclusive organization where all individuals feel they belong.

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