Measure Inclusion, Not Diversity!
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DIVERSITY

• **Workforces** are/are not diverse.
• Lack of diversity is a **symptom** of lack of inclusion.
• We often try to increase diversity by changing **outgroups**.

INCLUSION

• **Workplaces** are/are not inclusive.
• Lack of inclusion is a **cause** of lack of diversity.
• We increase inclusion by changing the **ingroup**.
### Traditional Diversity Measurement

**“Joe’s Steaks” Restaurant in “River City” Employment Snapshot on June 30, 2006**

<table>
<thead>
<tr>
<th>Title</th>
<th>Total Employees</th>
<th>Minority %</th>
<th>Census Minority %</th>
<th>Shortfall %</th>
<th>Shortfall Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>6</td>
<td>0%</td>
<td>23%</td>
<td>-23%</td>
<td>-1</td>
</tr>
<tr>
<td>Cook</td>
<td>16</td>
<td>36%</td>
<td>41%</td>
<td>-5%</td>
<td>-1</td>
</tr>
<tr>
<td>Server</td>
<td>42</td>
<td>5%</td>
<td>22%</td>
<td>-17%</td>
<td>-7 *</td>
</tr>
<tr>
<td>Busser</td>
<td>7</td>
<td>43%</td>
<td>33%</td>
<td>+10%</td>
<td>+1</td>
</tr>
</tbody>
</table>

* statistically significant
INCLUSION MEASUREMENT

Outgroups = anyone without the modal characteristics defining the ingroup.

“Eastern Financial Services”

Modal Personal/Demographic Characteristics
- White
- Male
- Age 36-55
- Grew up in US or EU
- Native English speaker
- Married with kids

Modal Professional Characteristics
- Degree from 20 “core” universities
- Served in Marines
- No degrees outside business
- No experience in any other industry
- With firm > 10 years
- No career shifts within the firm
INCLUSION ASSESSMENT

Outgroup penalties at “Eastern Financial Services” are not limited to women & minorities or single HR processes. The common element is the employer, not the outgroup.

<table>
<thead>
<tr>
<th>Out - Group Characteristics</th>
<th>Annual Earnings</th>
<th>Probability is a Manager</th>
<th>Probability of Inter-Dept. Mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal/Demographic Characteristics</td>
<td>-15%</td>
<td>-40%</td>
<td>-79%</td>
</tr>
<tr>
<td>Professional Characteristics</td>
<td>-10%</td>
<td>-27%</td>
<td>-90%</td>
</tr>
</tbody>
</table>
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INCLUSION TRAINING

Use the same measures train managers to focus on the firm’s inclusion, not employee diversity.

![Graph showing the relationship between annual earnings of managers and the number of out-group characteristics.](image)
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INCLUSION ACCOUNTABILITY

Use the measures to assess individual managers’ performance.

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Use the measures to assess individual managers’ performance.
RECAP

- Measurement defines the problem, which then defines the solution.

- Inclusion is the cause, diversity is the symptom. So need to measure inclusion, not diversity.

- Inclusion measurement is not a conspiracy to shift focus away from race/gender issues. Instead, the goal is to get at the root causes of those issues and therefore permanent solutions.
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TO LEARN MORE
(available at www.bendickegan.com/publications)


