seven deadly sins

After many years of assessing and measuring diversity progress in the military and in large corporations, I concluded that most diversity measurement programs are pretty much an afterthought, and consequently may not be given much thought at all. As a social psychologist, I've been trained to analyze the reasons behind social phenomena. My experience and analysis led me to develop a new measurement technique, based on a scorecard approach, that addresses the measurement weaknesses I had seen and offers a solution for each. I call these weaknesses ***the seven deadly sins in diversity measurement,*** and they are as follows:

1. Trying to measure everything.
2. Not measuring the important things.
3. Not getting “buy-in” from key stakeholders.
4. Trying to compare incomparables.
5. Statistical measurement errors.
6. Not designing the measures for those who will use them.
7. Not using a systems approach.

Now the key question is, how can you avoid these “sins”? This is a question I’ve considered for some time as a professional. Let me tell you my solution.

After lots of interaction with managers, diversity professionals, and others, I began to develop a measurement strategy based on the scorecard approach and using principles from organizational development, social psychology, total quality management, and psychometrics (the field of psychological measurement). This approach is epitomized in the PRISM Diversity ScoreCard© —a tool for measuring and tracking progress in diversity.

What makes the PRISM Diversity ScoreCard© unique among measurement tools in diversity?

1. Rather than using raw statistics, the PRISM Diversity ScoreCard© is built on a **point scoring system.**
2. It is **custom designed** for each company. We spend a lot of time helping the company identify their critical diversity performance indicators, then we help them develop a measurement strategy that includes several subindicators. A unique part of this process is determining weights that reflect the company's strategy and desired outcomes. These are assigned to the critical indicators and subindicators. Therefore, the score is most influenced by performance in the most important areas. In addition, levels of performance (e.g., minimum, target, and superior) are determined for each indicator.
3. The scorecard shows not only current performance, but **past performance and projected trends** as well.
4. It may be applied not only to the company overall, but to each **key business unit or division,** with each having their own scorecard and the ability to track progress within their specific part of the company.
5. It is **very flexible**, allowing adjustments as the culture, conditions, and composition of the company change.
6. While return on investment (ROI) may be one of the areas tracked, the emphasis is on **strategic linkage to the company's goals**, rather than just proving that diversity efforts are worth the money.
7. **The focus is on improvement** within the company (or division, business unit, etc.), rather than comparison with other companies’ outcomes.
8. While sophisticated in design and purpose, it **is simple and easy to use.** Since we provide a computerized tool, updating and maintaining the system takes very little time.
9. It also allows **equitable comparison** among business units’, divisions’, or managers’ performance in diversity.

The PRISM Diversity ScoreCard© addresses each of the seven deadly sins as follows:

1. In consultation with managers and diversity professionals within the company, a prioritized list of critical performance indicators is developed. For example, one company

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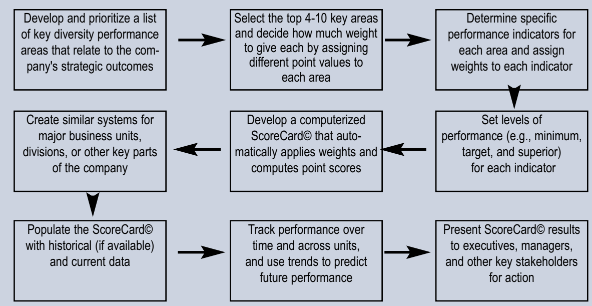
IN DIVERSITY MEASUREMENT

and how the PRISM Diversity ScoreCard© Avoids Them

The PRISM Diversity Scorecard© Process



we worked with determined that the following were their key performance areas:

- Education
- Communications
- Staffing
- Strategic Inclusion
- Leadership and Employee Behaviors
- Career Development

This list may be quite different for another company. It depends on their culture and priorities. None of the companies we have worked with have exactly the same lists. The key is to fit the company's culture and objectives.

2. A measurement strategy is designed for the top 4-10 indicators, even if some of them are thought to be difficult (or impossible) to measure. The strategy for education in the sample company was to find the percentage of people across various pay levels and in different divisions who attended company-sponsored diversity training. A second measurement strategy example, one that illustrates the flexibility of the scorecard approach, is in the leadership and employee behaviors areas. Here, the company awarded points for such things as establishing action plans and benchmarks, diversity council participation, and evidence of grassroots diversity participation.

3. Key managers and other stakeholders are brought into the development process at the earliest stages to make sure they understand and agree with the strategy. Companies use a variety of approaches, depending on their unique cultures, to involve executives, managers, and other key stakeholders in the process. Top executives are often briefed in a meeting and asked for feedback. Lower level managers may be asked to participate in the "stubby pencil" design work as the measurement approach is being developed. Others may just receive memos on what is happening. The key is to allow all to "have their say" as the process goes forward.

4. Baselines, weights, and levels of achievement are purposefully designed to match the diversity challenges of each part of the company. In our sample company's measure of strategic inclusion, a key component was to determine the amount of progress for diverse groups (e.g., women, minorities) in reaching higher-level positions in the company. A baseline percentage for these groups was established in 1999. In the total system, strategic inclusion was weighted to be worth 23% of the points. Within this area, the leaders determined that success along any diversity dimension would be equally rewarded, so the weights for each demographic group were equal. (They could have decided to put more weight on women's representation, for example, but that was not their design after thoughtful discussion and analysis.) Levels of achievement were determined as follows: Minimum–no decline from 1999; Target–2% improvement; Superior–4% improvement. In order not to "compare incomparables," these levels of achievement were not the same in every business unit and division. One part of the company had no possibility for improvement, so their scoring was based on maintaining the same levels as 1999. Again, this decision was made on the basis of rational business and diversity considerations.

5. An experienced expert oversees the development; plus, by its very nature a point system using baseline comparisons overcomes many traditional statistical traps. PRISM provides the expert external consultants to guide the company through the development process and help them avoid the pitfalls. Some companies may have already started along the journey, so our part is to make sure they can implement their strategy with a sound statistical approach, one that is practical and will work for them, and to build a computerized tracking system to make it easier to implement.

6. Feedback from all key stakeholders is sought (and used!) during the development process. The best way to do this is to have them involved in the planning and development meetings. But that is not possible for many busy executives. So, often they receive memos, e-mail, samples, computer (or VHS) videos, or mini-briefs on the project. Their feedback is important, no matter how they are brought into the process. In our sample company, a critical suggestion from a senior manager who was invited to a planning meeting resulted in the linking of the scorecard to the company's pre-existing performance measurement system. This not only added credibility to diversity measurement, but also seamlessly integrated the scorecard with an accepted approach used in other areas of the company.

7. The whole measurement strategy is customized and integrated with the strategies and systems appropriate to each client, and the critical performance indicators are derived from the company's vision and strategic plan. What this meant in our sample company was that the company's business strategy, which included global expansion plans, was considered. The unique challenges and opportunities for each business unit, how diversity can contribute to success, the meaning and impact of diversity in each part of the company (U.S. and overseas) —all these and other factors were part of the design process. And, as mentioned earlier, the diversity measurement system was completely integrated with the other key reporting systems (e.g., financial, marketing, sales) in the company.

In conclusion, measurement is a difficult process, but with the right approach it can be key to your success in leveraging and managing diversity. It's the right thing to do, but be sure you do it right! ■