Dear Stream Organisers,

I hope you are doing well! I just saw that your stream had a submission deadline different from the EDI conference. If my submission cannot be considered anymore, can you please forward it to the General Stream or let me know so that I can submit it?

Adriana Vargas Saenz is the co-author of this paper. I was not able to add her to the submission system.

Thank you for your time and organising this workshop!

Best wishes,

Mladen and Adriana

**ASSESSING DIVERSITY AND INCLUSION IN THE WORKPLACE:**

**A COMPREHENSIVE GUIDE**

ABSTRACT

An inclusive work environment is crucial in reducing discrimination against female and minority employees and harnessing the innovation and performance benefits of a diverse workforce. To evaluate if organizations successfully create a diverse and inclusive work environment, they need to assess how diverse and inclusive their workplace is. Drawing on an integrative review of both practitioner and academic measures, we provide a comprehensive guide for managers and organizations on how to measure diversity and inclusion. We begin by exploring measurement approaches from governmental and not-for-profit agencies, extending to practitioner-based measures (e.g., those from consulting companies). After that, we delve into several measures developed by diversity researchers and published in leading peer-reviewed journals. We further categorize approaches to measure diversity and inclusion into three main groups: 1) scorecard measures for assessing equity and inclusion practices and policies, 2) objective equity and inclusion metrics, and 3) perceptions of diversity, equity, and inclusion among employees and managers. Finally, we conclude with tailored recommendations about which measure to use and how organizations can develop an appropriate measure for themselves.

**Keywords:** Diversity, inclusion, diversity management, equity, measurement

# INTRODUCTION

Today’s workforce is more diverse regarding gender, gender identity, ethnicity, nationality, age, sexual orientation, values, educational and functional background, or religion (Shore, Cleveland, & Sanchez, 2018; Shore et al., 2009). In the United States, the workforce comprises more than 50% of non-white-male employees (U.S. Bureau of Labor Statistics, 2018). In the past decade, around 95% of large U.S. companies have started establishing diversity management initiatives in their organizations to respond effectively to the needs of their diverse workforce (Roberge & van Dick, 2010).

Creating a fair work environment and inclusive organization is important for several reasons. First, it reduces discrimination and increases employee well-being and performance (Adamovic, 2021; Hajro, Gibson, & Pudelko, 2017; Jordan, Ferris, & Lamont, 2019; Mamman, Kamoche, & Bakuwa, 2012; Nishii, 2013; Sherbin & Rashid, 2017). Second, many practitioners and scholars consider diversity an attractive business opportunity to increase creativity and innovation (Hewlett, Marshall, & Sherbin, 2013; Janahi, Millo, & Voulgaris, 2023; Randel et al., 2018; Roh & Kim, 2016; Smulowitz, Becerra, & Mayo, 2019). Third, sales and organizational performance can improve if employees match the demographics of their customers (Cox & Blake, 1991; Herring, 2009). Finally, to avoid costly discrimination lawsuits, organizations need to guarantee that all employees are treated with respect and dignity independently of their gender, skin color, age, and cultural origins (Abede & Dadanlar, 2021; Guo & Hakak, & Al Ariss, 2021; Hirsh & Cha, 2018).

To evaluate the success of corporate diversity management initiatives, one key factor for managers is the measurement of diversity, equity, and inclusion in their organization (King, Gulick, & Avery, 2010; Roberge & Van Dick, 2010; Shemla & Wegge, 2019). Diversity scholars and practitioners have used a large variety of different measurement approaches. Based on a semi-systematic literature review (Grant & Booth, 2009; Snyder, 2019), we group these approaches into three overall categories: 1) scorecard measures to evaluate the existence of equity and inclusion practices and policies, 2) objective equity and inclusion metrics, and 3) employee and manager perceptions about diversity, equity, and inclusion. [Table 1](#Table1) summarizes the different approaches to assessing diversity and inclusion (hereafter referred to as D&I) identified in the peer-reviewed academic and grey literature.

The purpose of this manuscript is to analyze these different approaches. Specifically, we first provide an overview of different measurement approaches, followed by a description and evaluation of each approach. We start with measurement approaches from governmental and not-for-profit agencies, followed by practitioner-based measures (e.g., consulting companies). After that, we present several measures that have been developed by diversity researchers and that have been published in leading peer-reviewed journals. Finally, we recommend which measure to use and how organizations can develop the right measure for themselves.

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Insert Table 1 here

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LITERATURE REVIEW AND CONCEPTUAL DEVELOPMENT

To conduct our semi-systematic literature review (also referred to as state-of-the-art review) of D&I measures, we followed the best practices of previous research (Grant & Booth, 2009; Snyder, 2019). Compared to a systematic literature review and meta-analysis, a semi-systematic review is less quantitative-oriented and less positivist. We decided to conduct a semi-systematic review because our goal was to provide an applied guide and recommendations to researchers, managers, and organizations on how to measure D&I. Further, this type of review has “the ability to map a field of research, synthesize the state of knowledge, and create an agenda for further research” (Snyder, 2019: 335). It facilitates the development of “new perspectives on an issue or highlights areas in need of further research” (Grant & Booth, 2009: 105). Adopting Snyder’s (2019) proposed guidelines and stages, the following five stages characterize our review process:

1) Research design and development of research goals:

1. Overview of practitioner measures of diversity and inclusion,
2. Overview of academic measures of diversity and inclusion, and
3. Guide and recommendations for researchers, managers, and organizations to measure diversity and inclusion.

2) Action stage:

1. General literature research on Google Scholar and Web of Science due to the interdisciplinary nature of diversity and inclusion research
2. Literature search in different research areas (Human Resource Management, Organizational Behavior, Psychology, Sociology, Education, and Economics),
3. Literature search in top management journals (Academy of Management Journal, Human Resource Management Review, Journal of Applied Psychology, Journal of Organizational Behavior, Journal of Management)
4. Literature research of reports and practitioner measures (developed and used by consulting companies, government organizations, or not-for-profit organizations) in Google Scholar.
5. Selection of measurement approaches for this manuscript to illustrate specific ideas of how diversity and inclusion can be measured in the workplace.
6. Detailed search of additional information and reliabilities of the selected measurements.
7. Storage of selected articles and measurement approaches.

3) Analysis of articles and reports (see also Braun & Clarke, 2006) that led to the grouping of measurement approaches into three categories:

1. Scorecard measures to evaluate the existence of D&I practices and policies,
2. Objective D&I metrics, and
3. Employee and manager perceptions about diversity, equity, and inclusion.

4) Analysis of articles and reports (see also Braun & Clarke, 2006) that led to the grouping of measurement recommendations into six categories:

1. Definition of Diversity and Inclusion
2. Objective Diversity and Inclusion Metrics
3. Use of Surveys
4. Diversity Policies and Practices
5. Benchmarking
6. Tracking Progress

5) Structure of article and writing up the article:

1. Overview of the different measurement approaches from governmental and not-for-profit agencies, followed by a description and evaluation of each approach.
2. Overview of the different measurement approaches from practitioner-based measures (e.g., consulting companies) followed by a description and evaluation of each approach.
3. Overview of several measures developed by diversity researchers and published in leading peer-reviewed journals.
4. Guide and recommendations about which measure to use and how organizations can develop the right measure for themselves.

MEASURES FROM GOVERNMENT AND NOT-FOR-PROFIT AGENCIES

Corporate Equality Index (Human Rights Campaign Foundation)

Launched in 2002, the Human Rights Campaign Foundation (HRCF) developed the Corporate Equality Index (CEI) as a national benchmarking tool for U.S. businesses in private and not-for-profit sectors, encompassing all major industry sectors (HRCF, 2020a). This index allows companies to gauge the level of D&I policies, practices, and benefits pertinent to LGBTQ employees against competitors.

The index was designed for mid to large-sized businesses with 500 full-time U.S. employees or more (HRCF, 2020c). The HRCF routinely invites highly rated employers to participate in the CEI (e.g., Fortune magazine’s 1,000 largest publicly traded businesses; American Lawyer magazine’s top 200 revenue-grossing law firms). Additionally, private-sector, for-profit employers who meet the eligibility criteria can request to participate. The index is not intended to rate the public sector (i.e., government employers) or businesses with fewer than 500 employees.

The primary source of information for the CEI relies on businesses’ self-reporting on a web-based survey (HRCF, 2020b). This survey is conducted annually, and HRCF invites previous and prospective respondents to participate at no financial cost to them. A total of 1,059 businesses participated in the 2020 CEI, with the survey taken between July and September of the calendar year 2019.

The CEI survey includes both formal questions that directly relate to the rating criteria (presented in the next section) and informal questions (no examples provided by HRCF). Complementing the survey’s data, HRCF staff also independently consult with LGBTQ advocates, cross-check information about businesses' policies and practices and their implications for LGBTQ workers and review public records for possible corporate behaviors or actions that run counter to the expectations of CEI participants. These different sources of information help determine a company’s CEI score.

Participating businesses are rated on a scale ranging from 0 to 100, with certain points awarded for meeting specific criteria assessing organizational employment policies, benefits, and practices. Businesses that score a 100% rating are recognized with the *Best Places to Work for LGBTQ Equality* distinction. These businesses can use the distinction’s trademark in their recruitment and advertising efforts. A total of 686 businesses achieved this top ranking in 2020, and out of those businesses, 214 were Fortune 500 companies.

Ratings for the 2020 CEI included 359 Fortune 500 companies, 113 Fortune 1000 companies, 152 law firms, and 435 additional major businesses. Moreover, 122 Fortune 500 companies were rated using publicly available data and/or previous years’ submissions. These businesses did not officially respond to the CEI survey, so their ratings were excluded from the official results.

The four criteria categories for the 2020 CEI are outlined next.

1. Non-discriminatory policies and workforce protections
2. Equitable and inclusive benefits for LGBTQ workers and their families
3. Supporting inclusive culture and demonstrating corporate social responsibility
4. Responsible corporate citizenship

Employer of Choice for Gender Equality (Workplace Gender Equality Agency)

Launched in 2014, the Workplace Gender Equality Agency (WGEA) developed the Employer of Choice for Gender Equality (EOCGE) citation, a leading practice program aimed at encouraging, recognizing, and promoting active commitment to gender equality in Australian workplaces (WGEA, 2018b, 2020). The EOCGE citation is closely aligned with the Australian *Workplace Gender Equality Act 2012* (Act) and recognizes that gender equality is critical to organizational success. Thus, being awarded the citation may serve as a feature of well-managed and leading gender practices in the workplace.

To be eligible for the EOCGE citation, organizations must comply with the Act (assessed via compliance reporting) and satisfy the citation’s eligibility criteria. The application process incurs a fee to the employer that covers costs associated with administering and assessing the application. Successful applicants are awarded the EOCGE citation for two years, and new applications are accepted each year in October (with successful applicants announced in February of the following year). The WGEA may also rescind an organization’s citation if any issue or action occurs within the workplace that contravenes the citation’s criteria or compromises its integrity.

Before applying for the EOCGE citation, the WGEA suggests potential applicants complete the Gender Equality Diagnostic Tool to analyze their status of gender equality and pinpoint gaps within the organization (WGEA, 2019a). This diagnostic process involves answering yes/no questions in 17 focus areas and accumulating an overall score that indicates where the organization falls between ‘meeting minimum requirements’ (i.e., scores of 19 or below) and ‘leading practice’ in addressing gender equality (i.e., scores of 184 or more). Scores on the tool can range from 0 to 325.

As part of the assessment process for the EOCGE citation, organizations must complete an application that includes criteria under seven focus areas.[[1]](#footnote-1) Employers provide evidence to verify their claims under each area, including:

1. Leadership, strategy, and accountability.
2. Developing a gender-balanced workforce.
3. Gender pay equity.
4. Support for caring.
5. Mainstreaming flexible work.
6. Preventing gender-based harassment and discrimination, sexual harassment and bullying.
7. Driving change beyond your workplace.

In addition, the application process also includes examining the employees’ lived experience within the workplace in three ways. First, the WGEA conducts a 15-20-minute telephone interview with the CEO of any first-time applicant or where a CEO is new to the organization and has not participated in previous EOCGE interview processes. This interview assesses a CEO’s leadership and commitment to gender equality.

Second, all workers must be informed that the organization is applying for the citation and allowed to contribute to the process. Third, an organization must consult with its employees (including casuals) on gender equality via an anonymous survey at least every two years and report those results in the EOCGE application. Three WGEA-approved questions must be included in an organization’s workforce survey. Moreover, any employee survey conducted by the organization must comply with specific methodological parameters stipulated by the WGEA (e.g., minimum sample size, strict assurances on participant confidentiality and anonymity, analysis, and response thresholds).

Businesses that report annually to the WGEA also receive a Competitor Analysis Benchmark report, which diagnoses where the organization is placed in terms of six gender equality indicators (GEIs): equal pay, flexible work, composition of the workforce, composition of management teams, workplace-related harm, and consultation on gender equality between employer and employees (WGEA, 2018a, 2019b). These benchmarks were developed and tested in consultation with employers. Moreover, new benchmarks were introduced in 2015 and 2016 to provide a time-series view of gender equality performance.

PRACTITIONER-BASED MEASURES

Top 50 Companies for Diversity (DiversityInc)

Launched in 2001, DiversityInc first published the *Top 50 Companies for Diversity* list as a ranking tool for inclusion and diversity management for U.S. businesses (DiversityInc, 2020a). The Top 50 list evaluates companies within the context of their own industry. The data used to generate this list is also used to assess companies for additional specialty lists (e.g., *Diverse Leadership*, *People with Disabilities*).

This ranking was designed for mid to large-sized businesses with 1,000 full-time U.S. employees or more (DiversityInc, 2020b). Employers must complete the Top 50 Companies for Diversity annual survey to be considered. The survey includes over 200 questions, and participation is free of cost to the employer. In 2019, over 1,800 businesses participated, and the survey was taken between September 2018 and March 2019.

The Top 50 list rankings are determined solely using participants’ survey data. Although only the 50 top-scoring companies are featured on the list, every company that completes the survey receives a report card assessing its performance (vs. the overall performance of its competitors) in six key areas of D&I management (presented in the next section). This report is also free of charge to the employer.

The Top 50 survey assesses organizational D&I performance based on six key areas generated by the list developer (DiversityInc, 2019, 2020a). They include:

1. Human capital diversity metrics
2. Leadership accountability
3. Talent programs
4. Workplace practices
5. Supplier diversity
6. Philanthropy

Detailed information on the survey items measuring each category is not publicly available. In terms of scoring, DiversityInc uses a proprietary ranking algorithm to generate scores on a scale of 0 to 100. Individual scores in the six key areas are standardized and added together to generate a total composite score for each business.

Data collected on the Top 50 D&I metrics are confidential, and DiversityInc only makes public best practices in D&I management for employers with exemplary performance (i.e., those who made the Top 50 list). Human capital metrics, supplier diversity, or philanthropy spending data are never released, irrespective of whether a company has made the Top 50 list. The names of companies that do not make the list for a particular year are not made public.

As part of the Top 50 list process, employers must also complete the Disability Employment Tracker (DET), a tool developed by the National Organization on Disability (NOD) to measure disability inclusion performance. The DET comprises a free annual survey, and, on completion, participants receive a benchmarking scorecard of their performance in disability and veterans inclusion practices against other leading companies. The DET measures six inclusion areas: Climate & Culture; Talent Sourcing; People Practices; Workplace & Technology; Strategy & Metrics; and Veterans Employment (NOD, 2020).

Fortune 100 Best Companies to Work For 2020 (Great Place to Work)

Great Place to Work (GPTW) conducts research to quantify employee experience and workplace culture. In partnership with *Fortune*, they published the first *100 Best Companies to Work For* list in 1998. This list recognizes companies who have built high-trust, high-performance company cultures.

The 100 Best list benchmarks mid- to large-sized businesses who employ at least 1,000 U.S. employees, excluding Government agencies. To be considered, companies submit an application documenting over 200 datapoints describing their Human Resource (HR) programs and practices.

Following, GPTW conducts a confidential workplace survey. This survey has over 60 questions assessing employees’ experiences of trust, attitudes about management's credibility, company values, overall job satisfaction, and camaraderie, among others. In other words, the extent to which the organization creates a thriving workplace. Three parts of the 100 Best total score is based on results from the employee survey, and these data are analyzed relative to the size, workforce characteristics, and industry and region standards.

The remaining portion of the score is based on GPTW’s evaluation of the company’s programs and policies (e.g., pay, benefit programs, hiring practices, methods of internal communication, training, recognition programs, and diversity efforts). In addition, anomalies in survey responses are reviewed using news and financial performance.

In addition, to meet the eligibility criteria for the 100 Best list, employers must first be GPTW-Certified. This paid certification process includes a 2-week proprietary survey—the Trust Index survey—examining employees’ experience of their workplace. To complete the survey, employers must recruit a representative sample of employees across all levels and demographics of the organization. The certification process also involves a review of the company’s programs and practices (i.e., the Culture Brief). Employers who achieve an average score of 70% in the Trust Index and submit their Culture Brief receive the certification and are eligible for the *100 Best Companies to Work For* list.

The GPTW is a for-profit consulting firm and their certification and additional recognitions (e.g., Best 100 list) are part of their services. As such, there is limited information publicly available on the rating criteria, measured items, and scoring procedures that GPTW uses in their various benchmarking tools.

Diversity & Inclusion Index (Refinitiv)

Refinitiv maintains a database of over 400 metrics from market companies which incorporate environmental, social, and governance (ESG) values in their business strategy and practices (Refinitiv, nd). This data is collected from publicly available sources for a single company (e.g., annual reports, website, stock exchange filings) and is quality controlled to ensure it is standardized, reliable, and comparable across the entire range of companies. Refinitiv uses historical ESG metrics to generate indices of market data for benchmarking, financial performance measurement, and investment needs.

The Refinitiv D&I index was designed with the notion that companies that track, report, and achieve on measures of diversity, inclusion, and people development perform better, compared to companies that achieve lower scores, or those which do not track these measures. As such, the D&I index measures the relative market performance of companies against ESG metrics that define diverse and inclusive workplaces.

Launched in 2016, the Refinitiv D&I index ranks over 7,000 publicly traded companies and highlights the 100 most diverse and inclusive workplaces globally (Refinitiv, 2017, 2018). For each company, the index rates 24 metrics across four key pillars:

* 1. Diversity (8 items; e.g., percentage of female employees).
  2. Inclusion (5 items; e.g., does the company claim to provide flexible working hours or working hours that promote a work-life balance?).
  3. People development (7 items; e.g., Does the company have a policy to improve the career development paths of its employees?).
  4. Controversies (4 items; e.g., Number of controversies published in the media linked to the company's relations with employees or relating to wages or wage disputes).

These measures cover data from the latest Fiscal Year available, and each metric has their own defined benchmark. This industry classification system is owned and operated by Refinitiv.

Once a quarter, the D&I scores are calculated for each company and for each pillar[[2]](#footnote-2), and those companies with non-zero scores for all four pillars are assigned an overall score (i.e., the mean of the pillar scores). An index weighting is calculated based on a company’s importance in the market and how it compares with peers. Highest overall D&I scores indicate that a company has reported against the majority of the 20 measures (excluding the four controversy measures) and that they are likely to be the best in class relative to their industry and country peers.

The 100 companies with the highest overall D&I scores (with a theoretical maximum of 100) comprise the index, which is published in Eikon platform[[3]](#footnote-3). This index is rebalanced every quarter, after close of business on the financial trading day of the month.

EVIDENCE FROM THE PEER-REVIEWED ACADEMIC LITERATURE

Previous diversity research in the workplace, which has been published in peer-reviewed academic articles, has often focused on survey studies to integrate the perspectives of employees and managers around D&I climates (Mor Barak et al., 2016; Roberge & Van Dick, 2010; Shore et al., 2009; 2017). The advantage of these survey measures is that they capture the subjective feelings and perceptions of employees (Shemla & Wegge, 2019). In addition, it is relatively easy to collect a high number of respondents in a short period of time. As compared to interviews and focus group discussions, employees are also more comfortable to provide their actual opinion through anonymous surveys. However, the main advantage of capturing subjective feelings and perceptions is, at the same time, a disadvantage of using surveys – because we don’t have any objective criteria to judge equity and inclusion. Employees’ responses might be also biased due to social desirability, self-interest, or emotions.

In the following, we provide an overview of the most applied measurement tools addressing D&I. For ease of presentation, we have grouped scales that assess diversity in Section 5.1, and broadly based this categorization on the extent to which these scales tap into perceptions about the makeup of a workforce and perceptions about policies and practices that an organization implements to promote diversity. Similarly, we have grouped scales that assess inclusion in Section 5.2, where these measures address the extent to which employees feel like they are a part of, or included in, the organization, its goals, and processes. Note that although these scales are presented separately, these two constructs considerably overlap. Finally, in Section 5.3 we have included measures that address D&I more indirectly (e.g., through attitudes and behaviors that reflect a resistance or lack of tolerance to D&I).

Organizational Diversity Climate Measures

Next, we chronologically present known measures of organizational diversity that academic scholars have developed.

*Diversity Climate Scale (Kossek & Zonia, 1993).* To assess employees' diversity climate perception in a large university faculty context, Kossek and Zonia (1993) developed a scale containing 16 items across four factors: value efforts to promote diversity (6 items), attitudes toward qualifications of racial-ethnic minorities (2 items), attitudes toward women’s qualifications (2 items), and department support for women and racio-ethnic minorities (6 items).

Regarding the reliability of this measure, the authors developed the scale items based on a review of the existing literature, previous surveys assessing attitudes towards diversity in similar contexts, and in consultation with senior university administrators. An original pool of 20 items was generated and tested on a sample of 775 participants to determine a stable, structurally sound measure. Using an oblique rotation, an exploratory factor analysis of the items yielded a 4-factor structure with an acceptable fit. Two items with low factor loadings (< 0.4) were removed. This 4-factor solution suggests that each factor is assessing a different aspect of the broader diversity climate concept.

*Organizational Diversity Inventory (ODI; Hegarty & Dalton, 1995).* The ODI is a field-based instrument that examines employee attitudes towards workplace discrimination and other diversity-related issues. The scale contains 20 items across five subfactors: existence of discrimination (6 items), discrimination against specific groups (5 items), managing diversity (3 items), actions regarding minorities (3 items), and attitudes toward religion (3 items).

The authors developed the ODI with industry partners (including management and minority group employees). Initially, 200 diversity-related statements were created and evaluated by 40 middle managers. From this process, 35 items were selected for further testing. A sample of 450 managers (across 27 organizations) completed the 35-item inventory. The ODI's reliability was established using advanced statistical analyses (i.e., factor analytic techniques). First, data for half of the sample was factor analyzed, yielding a robust 20-item, 5-factor solution (i.e., thus providing evidence of construct validity). Later, the second half of the sample was used to cross-validate the ODI structure via confirmatory factor analysis, reporting adequate fit. However, a limitation of the ODI is that the authors did not provide demographic information on the sample. Therefore, it is difficult to determine whether its structure is generalizable to other types of samples.

*Attitudes Toward Diversity Scale (ATDS; Montei, Adams, & Eggers, 1996).* The ATDS measures employee attitudes toward a diverse workforce using 30 items across three domains: coworkers, supervisors, and hiring and promotion decisions (Montei et al., 1996). The authors posit that individuals who hold more favorable attitudes towards organizational diversity will be more accepting of minority group members—such as women and people with ethnically diverse backgrounds—as coworkers and in positions of authority. They would also be more accepting of the increased hiring and promotion of minorities in the organization.

Across two studies, Montei and colleagues developed the ATDS and evaluated its psychometric properties. In Study 1, the authors reviewed the existing literature and generated 225 items covering each of the three hypothesized domains. External experts in psychometric theory later examined the content validity and relevance of this list of items, resulting in a preliminary 102-item instrument. This instrument was then tested on a sample of 67 full-time employees, and the scale was reduced to 30 items (10 in each subscale), showing the highest item-total correlations. In Study 2, the authors used a sample of 349 full-time workers—including firefighters, police officers, first-line supervisors, technologists, clerical/secretarial workers, and managers—to confirm that the 30-item ATDS was 3-dimensional using factor analytic techniques. Additional analyses showed the scale had high internal consistency and was unaffected by the participants’ social desirability response style.

*Diversity Perception Scale (DPS; Mor-Barak, Cherin, & Berkman, 1998).* This scale examines employee perceptions of diversity in the organizational dimension (i.e., policies and procedures) and personal dimension (i.e., value for diversity). Similar to scholars before them, Mor-Barak and colleagues defined diversity climate as the set of employee attitudes and behaviors that are grounded in perceptions of the organizational context related to gender, race, and ethnicity (Kossek & Zonia, 1993; B. Schneider & Reichers, 1983).

The scale is comprised of 16 items across four factors: organizational fairness (6 items), organizational inclusion (4 items), personal diversity value (3 items), and personal comfort (3 items). The two subscales in the organizational dimension assess perceptions about organizational policies and procedures that may impact the fair treatment of minority groups, resource allocation, and access to power. The two subscales in the personal dimension assess employee views and prejudices towards people who are different, which may impact their attitudes and behaviors towards others in the organization.

The DPS items were developed based on the existing literature, similar surveys, and in collaboration with an organizational partner (a large U.S. electronics company). An original pool of 100 items was generated and reviewed—for content, wording, style, and face validity—by a diverse sample of employees representing various levels of management and occupations. This process was conducted twice and resulted in a preliminary 23-item instrument. This instrument was then tested on a large sample of 2,686 employees, and the results closely resembled the gender and ethnic distribution of the whole company. An exploratory factor analysis of the 23 items, using varimax rotation, yielded the hypothesized 4-factor structure with an acceptable fit. Items loaded onto more than one factor were deleted, yielding a final 16-item scale with excellent internal consistency.

*Diversity Climate Perceptions Scale (DCPS; McKay et al., 2007).* The DCPS measures the extent to which managers perceive that diversity is valued in an organization. As such, this 9-item scale addresses equal and fair treatment, top leader support for diversity, and recognition of diverse perspectives facets of diversity climate.

As part of a larger study, the scale was originally developed to evaluate specific programs and cultural issues in a large U.S. retail organization. Based on previous organizational surveys, independent consultants, and nonprofit research consortia, scale items were generated. Moreover, similar items had been previously used in other diversity scales (e.g., Mor-Barak et al., 1998) and validated in other studies (e.g., McKay, Avery, & Morris, 2008).

Organizational Inclusion Measures

Next, we chronologically present measures of organizational inclusion that academic scholars have developed.

*Perceptions of Inclusion-Exclusion Scale (Mor-Barak & Cherin, 1998).* In addition to the DPS (detailed in section 5.1.4), Mor-Barak and Cherin (1998) developed an inclusion scale that addresses how employees feel like they are a part of, or included in, the organization, its goals, and processes. The scale is comprised of 14 items across three factors: workgroup involvement (6 items), influence in decision-making (4 items), and access to communications and resources (4 items).

Scale items were developed based on the existing organizational behavioral literature, empirical observations, and in collaboration with HR managers and diversity committee members at an organizational partner. An original pool of 36 items was generated and tested on a sample of 158 Master’s level university students who had engaged in workplace field practice required by their course. Items that correlated poorly with other items (i.e., with less than 25% of the total items) were eliminated. The final 14-item scale was subject to reliability testing, which showed good internal consistency for the instrument, as measured by a Cronbach’s alpha coefficient of .84. Afterwards, an exploratory factor analysis of the measure, using varimax rotation, yielded the hypothesized 3-factor structure with acceptable fit. The 14-item scale also showed adequate convergent and discriminant validity as assessed by its correlations with two other scales assessing similar constructs.

*Climate for Inclusion Scale (CIS; Nishii, 2013).* This scale addresses how employees feel an organization values an inclusive climate, that is, an environment where individuals of all backgrounds are treated fairly, valued for who they are, and included in core decision-making (even if their ideas challenge the *status quo*). The CIS is comprised of 31 items across three dimensions: the foundation of equitable employment practices (9 items), integration of differences (11 items), and inclusion in decision-making (11 items).

Nishii originally developed the CIS to evaluate specific relationships between gender diversity and group conflict in a large biomedical company as part of a larger study. An extensive list of items was generated from a review of the diversity climate literature, pre-existing scales, and the author’s conceptualization of inclusion. The content validity of these items—against Nishii’s three inclusivity dimensions—was evaluated by 10 practitioners and scholars, resulting in a preliminary list of 47 items. This instrument was then tested on a sample of 633 university employees to assess criterion validity using factor analysis techniques. Items that loaded poorly or loaded onto more than one factor were removed, yielding a 31-item scale loading onto Nishii’s three theoretical factors. The scale was cross-validated on a sample of 701 working adults, and confirmatory factor analysis showed that the 3-factor structure exhibited excellent fit. In both samples, the CIS showed convergent validity when tested against several attitudinal and behavioral variables and discriminant validity when assessed against similar scales.

Additional approaches to the measurement of diversity and inclusion

While the scales reviewed in the previous sections detailed scholarly attempts to directly measure D&I, other measurement tools indirectly target this construct. For instance, by measuring workplace attitudes (e.g., prejudice, hostility) and behaviors (e.g., harassment, discrimination) that reflect resistance or lack of tolerance to D&I. Although it is not our intention to neglect this work, the scholarly literature addressing diversity resistance is extensive, and summarizing these measurement tools goes beyond the scope of this manuscript.

RECOMMENDATIONS TO MEASURE DIVERSITY AND INCLUSION

We now provide several recommendations to help organizations select the right approach to measure inclusion and equity in their workplace. Instead of recommending a single measure, we suggest that organizations use a variety of measurement approaches (i.e., a multi-pronged strategy) to capture the perspectives of different stakeholders, subjective feelings and perceptions of employees, and objective equity and inclusion criteria.

Definition of Diversity and Inclusion

For adequate measurement, a clear conceptual definition of D&I is needed from the onset (Gebert et al., 2014; Shore et al., 2017). Our review of the grey literature suggests that there is no clear consensus on best practices when defining and measuring D&I within organizations. This is not surprising, given that these concepts are complex and multidimensional, and defining them is not straightforward (Shore et al., 2017).

A limitation that arises from the lack of a single, universally agreed-upon, uniform definition of D&I is the great deal of ambiguity around definitions and methodologies used to collect data. An incidental by-product of such ambiguity is that data sources are hard to interpret and compare, as different measurement tools may be tapping into a conceptually different aspect of D&I altogether. For instance, some measurement tools reviewed here only address a specific type of diversity (e.g., the CEI focuses on matters pertinent to the LGBTQ community).

To bypass these limitations, we recommend that organizations seek to be precise in their definition of D&I to facilitate the selection of the best measurement tool that serves their needs, context, and corporate priorities. Moreover, to create a truly diverse and inclusive workplace, we suggest employers focus on measuring various key diversity types rather than focusing solely on a specific type.

In developing their own D&I definition, we recommend organizations consider diversity as the *what* and inclusion as the *how* when teasing apart these concepts. Generally speaking, diversity encompasses all the dimensions that can be used to differentiate groups and individuals from one another (Roberge & Van Dick, 2010). Simply put, it is about how individuals differ and the unique blend of knowledge, skills, and perspectives that people from different backgrounds bring to the workplace. Diversity will thus vary according to context and circumstances. Therefore, when assessing diversity, organizations may want to measure a variety of dimensions including, but not limited to, gender, age, language, ethnicity, cultural background, religious beliefs, gender identity, sexual orientation, disability, socioeconomic background, occupational status, marital status, and education.

Once an organization has clearly defined its *what* (i.e., diversity dimensions), the inclusion dimension is about *how* an organization can cultivate an environment that creates opportunities for a diversity of employees to realize their unique potential and fully contribute to the workplace. Inclusion is, therefore, about removing barriers to make sure everyone feels valued, respected and has equal access to opportunities and resources (Buengeler et al., 2018; Shore et al., 2017). Simply put, inclusion is key to retain employee diversity.

Objective Diversity and Inclusion Metrics

A review of the grey literature (see Sections 3 and 4) suggests that most measures of D&I tend to be raw numbers, quotas, or proportions of the workforce, demonstrating such areas of difference looking at diversity as an input target. Although using metrics alone would not suffice, this is a great starting point and provides objective data for managers to discuss D&I initiatives. Specifically, we would recommend including the following metrics:

* 1. Demographic characteristics of the workforce based on gender, gender identity, age, ethnicity, nationality, sexual orientation, religion, and people with disabilities.
  2. Demographic characteristics of organizational leaders based on gender, gender identity, age, ethnicity, nationality, sexual orientation, religion, and people with a disability.
  3. If it is a large organization, it would also make sense to be more precise regarding frontline leaders, middle management, and senior management (e.g., Refinitiv’s measurement approach).
  4. Demographic characteristics of new employees.

1. Demographics characteristics of employees who left the organization. In addition, interviewing these employees and asking them about their reasons for leaving could provide valuable information about inclusion.
2. Number of incidents related to discrimination and harassment that employees and customers have reported.

Use of Surveys

Objective metrics should be complemented with self-report surveys about D&I that employees and managers can fill out. These types of surveys are mostly used by diversity management researchers in empirical studies, and their use is somewhat lacking in non-academic fields. Surveys facilitate the data collection process, allowing for the collection of a large number of respondents at a time.

Moreover, using self-report surveys enables the integration of employees’ feelings and perceptions and provides a good assessment of the current work culture and environment. The information collected with this type of instrument may also indicate whether policies and practices at the organizational level, or managers' perceptions around D&I, indeed translate into more inclusive and diverse workplaces where employees feel they are valued and can thrive. For example, findings from a recent survey by a global professional services organization suggest that perceptions of leaders do not always align with employee experiences when it comes to workplace culture (Accenture, 2020). This study showed a clear gap between what leaders think is happening and what employees say is happening on the ground. As such, we recommend investigating workforce perceptions at all levels of the organization to highlight possible perception vs. reality gaps.

In line with best practices for organizational climate research (B. Schneider, Ehrhart, & Macey, 2013; B. Schneider, González-Romá, Ostroff, & West, 2017), we recommend surveying employees and managers using questions focusing on seven areas (discussed below). Although we provide examples for scale items[[4]](#footnote-4) that tap into these seven areas, we caution against selecting single items from these examples to assess each of these complex categories. Single items are unlikely to capture concepts fully, and their validity and reliability have not been tested during prior scale development. Conventionally, using multi-item scales is recommended and supported by scholars and psychometric theory (e.g., Boyd, Gove, & Hitt, 2005; DeVellis, 2003). However, a disadvantage of using multi-item scales is that surveys may become lengthy and can cause a burden for respondents.

Every organization will have its unique set of challenges regarding D&I. Thus, the various areas we outline next may need to be adapted and examined at different stages and times within each organization. Prioritizing some aspects over others would depend on a case-by-case analysis of where an organization is on its D&I journey.

*1. Diversity and inclusion as a top-down approach:* Do employees perceive senior management openly supporting diversity initiatives? Various items from the *Organizational Fairness* factor by Mor-Barak and Cherin (1998) capture perceptions of management support:

* + Managers here have a track record of hiring and promoting employees objectively, regardless of race, sex, religion, or age.
  + Managers here give feedback and evaluate employees fairly, regardless of the employee’s ethnicity, gender, age, or social background.
  + Managers here make layoff decisions fairly, regardless of factors such as employee’s race, sex, age, or social background.
  + Managers interpret human resource policies (such as sick leave) fairly for all employees.
  + Managers here give assignments based on skill and abilities of employees.

This measure can be combined with the approach of the WGEA (2020; see Section 3.2), which conducts 15-20-minute telephone interviews with CEOs to analyze their support for diversity management initiatives.

*2. Diversity and inclusion as bottom-up approach:* Do employees support minority workers? Do employees feel treated with fairness and respect, independently of their personal demographics? As an example, we recommend similar items to the *Work Group Involvement* dimension by Mor-Barak and Cherin (1998):

* + I feel part of informational discussions in work group.
  + I feel isolated from work group. (reverse scored item)
  + Work group members don’t share information with me. (reverse scored item)
  + People in work group listen to what I say.
  + My judgement is respected by members of work group.
  + Work group members make me feel a part of decisions.

*3. Human resources management practices:* Ask employees about how diverse the organization’s recruitment efforts are, the type and frequency of performance feedback, the type and quality of performance evaluations, possibilities for career development, etc. Similar items from the *Foundation of Equitable Employment Practices* dimension by Nishii (2013) may capture these aspects:

* + This [unit] is committed to having diverse employees well-distributed throughout the organization.
  + The employment/HR practices of this [unit] are fairly implemented.
  + This [unit] has a fair promotion process.
  + The performance review process is fair in this [unit].
  + In this [unit], the unique needs of employees are met by flexible benefit programs.
  + This [unit] invests in the development of all of its employees.
  + Employees in this [unit] receive “equal pay for equal work.”
  + This [unit] provides safe ways for employees to voice their grievances.
  + People in this [unit] can count on receiving a fair performance review.

*4. Diversity and leadership:* Do immediate supervisors act as role models and support D&I? What are the interactions between leaders and diverse employees? We did not find items that directly measured this aspect, but the WGEA (2020) includes a gender equality question assessing employee perceptions about their immediate supervisor, which can be modified to target different minority groups: “*My immediate supervisor/manager genuinely supports equality between genders.*” Moreover, Miner-Rubino and Cortina (2007) have developed a scale addressing employee perceptions of organizational tolerance for harassment (e.g., “*The organization has leaders who model respectful behavior toward all employees*”). Some of these scale’s items may be modified to tap into perceptions about the immediate supervisor (e.g., “*My supervisor models respectful behavior toward all employees*”).

*5. Employees’ perceptions about the organization's culture (open-mindedness, tolerance, inclusion):* Is diversity considered a source of learning and creativity or as something that needs to be managed? Are different ideas welcomed and tolerated? The *Integration of Differences* dimension by Nishii (2013) would capture these aspects:

* + In this [unit], employees are comfortable being themselves.
  + This [unit] is characterized by a non-threatening environment in which people can reveal their “true” selves.
  + Promoting diversity awareness is a priority of this [unit].
  + This [unit] values work-life balance.
  + In this [unit], people’s differences are respected.
  + Employees in this organization are actively encouraged to take advantage of work-life balance programs.
  + This [unit] commits resources to ensuring that employees are able to resolve conflicts effectively.
  + Employees of this [unit] are valued for who they are as people, not just for the jobs that they fill.
  + In this [unit], people often share and learn about one another as people.
  + This [unit] has a culture in which employees appreciate the differences that people bring to the workplace.
  + Intergroup relations (i.e., between different races, workgroups, age groups, etc.) tend to be characterized by respect and trust within this [unit].

*6. Training and development:*Does the organization invest in diversity management workshops, training, and initiatives to create an inclusive work environment? Various items from the *Organizational Inclusion* factor (Mor-Barak & Cherin, 1998) and from the Diversity Climate Perceptions Scale (McKay et al., 2007) may be used:

* + There is a mentoring program in use here that identifies and prepares all minority and female employees for promotion.
  + The company spends enough money and time on diversity awareness and related training.
  + The organization offers equal access to training.
  + The organization offers training to manage diverse population.

Moreover, survey responses may be complemented by objective metrics relating to training and development efforts in the organization. These are discussed in more detail in Section 6.4.

*7. Harassment and discrimination:* Does the organization build a culture where harassment, discrimination, and bullying are not tolerated? How do employees experience social interactions in the workplace? Does the organization actively censure these types of behaviors or is it permissive/tolerant to them? Hegarty and Dalton (1995) have developed several items to measure the existence of discrimination (items 1-5) and the discrimination against specific groups (items 6-9):

* + I have experienced the discomfort of discrimination.
  + Not everyone at my level on the organization is treated fairly.
  + Sexual discrimination exists in my organization.
  + Our company sometimes doesn’t follow our stated policies against discrimination.
  + I have heard people at work make negative comments about gays.
  + Some people in my organization are biased against people who are gay.
  + I have heard sexist remarks about women at work.
  + I have heard racist remarks at work.
  + Management talks about diversity but doesn’t really do anything about it.

Additional examples of items assessing more specific experiences of harassment (e.g., sex-based, race-based) are provided by Leskinen and Cortina (2014) and K.T. Schneider et al. (2000).

Moreover, items by Miner-Rubino and Cortina (2007) can be used to assess employee perceptions about the actions that an organization takes to prevent harassment and/or to address it when it does occur. For example:

*To my knowledge, this organization…*

* + investigates harassment complaints no matter who does the harassment.
  + investigates harassment complaints no matter what type of harassment it is.
  + investigates harassment complaints no matter how minor the harassment may seem.
  + investigates harassment complaints no matter who files the complaint.
  + has leaders who take public action to stop obvious harassing comments (for example, offensive comments about particular individuals or groups).
  + punishes people who harass, no matter who they are.
  + has leaders who model respectful behavior toward all employees.
  + makes strong public statements about the seriousness of harassment.
  + has leaders who take quick action to stop even subtle harassing comments (for example, rumors, jokes).

Diversity Policies and Practices

In addition to self-report surveys and objective D&I metrics, we further recommend analyzing an organization’s policies and practices with respect to their D&I status to provide a reliable measurement approach. A good example is the CEI that analyzes in detail an organization’s policies to evaluate the inclusion of LGBTQ employees. Do all employees, independently of their personal background, experience the same benefits? Is there any policy in place to address issues of discrimination and harassment? Are these policies communicated to employees?

Similarly, the WGEA’s [EOCGE citation](https://www.wgea.gov.au/sites/default/files/documents/2020-05-01-2020-21%20Guide%20to%20Citation%20v2.0.pdf)[[5]](#footnote-5) serves a similar purpose when it comes to measuring gender diversity. For instance, this citation comprehensively analyzes whether an organization has a gender equality policy and strategy, and with a dedicated budget. Are there targets to reduce any organization-wide gaps? Is there a variety of non-leave-based measures to support carers? Is there a flexible working policy and/or strategy? Is there a policy and/or strategy on gender-based harassment and discrimination, sexual harassment and bullying, with a formal grievance process in place?

When assessing D&I policies and practices, we also recommend looking at an organization’s professional development strategy to promote a diverse and inclusive workplace. Is there a formal strategy? Are there development, networking, mentoring, and sponsorship programs, and are they targeted to specific groups (e.g., women, minorities)? Is there formal succession planning that provide meaningful opportunities to women and minority groups to advance? Once more, the CEI and the [EOCGE citation](https://www.wgea.gov.au/sites/default/files/documents/2020-05-01-2020-21%20Guide%20to%20Citation%20v2.0.pdf) include comprehensive measurement approaches of professional development geared at promoting D&I.

Moreover, based on our review of the grey literature (Sections 3 and 4) we suggest organizations use objective metrics to monitor and analyze their professional development strategies, practices, and activities. Organizations should collect data on the following indicators, preferably using a range of diversity types (gender, gender identity, sexual orientation, race/ethnicity, age, disability, etc.):

* + Hours of training and associated costs per year per employee.
  + Number of employees in performance and development programs.
  + Number of employees participating in mentoring programs.
  + Number of employees participating in formal sponsorship programs, either as sponsor or protégé.
  + Outcomes of development, networking, mentoring and sponsorship activities (e.g., promotion, retention, turnover rates, and workplace engagement scores).

Benchmarking

Various measures emphasize benchmarking techniques. Based on this literature, we recommend the use of D&I benchmarking to compare organizations with respect to each other. Such benchmarking will allow organizations to make more sense of their D&I measurements. To facilitate comparisons, benchmarking should take an organization’s industry, size, and location into consideration. However, we suggest that cross-organizational comparisons be used with care, as D&I data tends to be context-specific, and comparisons may prove unreliable.

Additional advantages may come from including benchmarking techniques when measuring D&I. First, it may facilitate the interpretation of survey results, which are often rated on Likert scales ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Assuming as an example that an organization receives a score of 3.5 (out of possible 5) regarding its inclusiveness. Without comparing this score to other organizations, the score would only provide limited information about how well an organization does regarding D&I. What does a score of 3.5 out of 5 means? A possibility for an organization to avoid this problem would be to use benchmarking and compare its results with those of other organizations. If this is not possible, another option would be for an organization to compare diversity scores between its departments and work teams. Second, benchmarking may also facilitate the interpretation of objective D&I criteria by comparing employees’ demographic characteristics. Third, benchmarking may catalyze change, as organizations may use this tool to develop a baseline, track D&I progress over time, and monitor business strategy and employee diversity objectives.

Tracking Progress Over Time

As a final point, it is important to mention that achieving a diverse and inclusive workplace is not a one-off event and static process – it requires employers to review their workforce and respond to their changing needs continually. Therefore, organizations must develop a long-term strategy, agree on specific and measurable D&I goals and targets, and take meaningful actions to integrate them into their business practices. Moreover, employers must establish a formal plan to regularly measure their progress towards achieving D&I goals and use this data-driven approach to inform their future decision-making. This measurement can be accompanied by diversity initiatives and workshops within the organization. Despite having formal plans and goals in place, we also recommend some flexibility to adapt these plans and goals to integrate the changes in an organization’s business environment. For example, it would be important for organizations to analyze how the current increase in working-from-home arrangements influenced different employees and their well-being and performance.

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| Table 1. Approaches to the Measurement of Diversity and Inclusion (D&I). |
| **Benchmarking and Scorecards**  Includes generating company rankings based on organizational performance against key D&I areas (policies, practices, programs, etc.). The goal is often to determine the best places to work and to become an employer of choice. |
| **Traditional or Foundational Metrics**  Includes measures to track D&I efforts and outcomes relevant to the local context and business leaders. Examples include:   * Measuring workforce representation (e.g., data on minority employees). * Measuring representation in employee recruitment, retention, and advancement (e.g., tracking promotions awarded to employees from monitored groups compared with promotions to non-monitored groups). * Documentation of diversity policies and practices (e.g., training, mentoring, leadership development for minority groups). * Other employment data (e.g., turnover rates among diverse groups, pay disparities, money spent on minorities). |
| Additional Sophisticated Measures  Includes using measures that go beyond the assessment of objective D&I indicators. They aim to capture subjective workforce experiences and perceptions (e.g., employee sense of belonging) encompassing a broad range of D&I-related aspects:   * Employees’ perceptions about D&I. * Employees’ feelings and emotions related to equity and inclusion. * Career development in relation to training, diversity, and leadership positions. * Reduction of negative incidents in the workplace (e.g., instances of racial and sexual harassment). * Relationships between staff and labor relations. * Job satisfaction. * Measures of productivity, innovation, and creativity. * Underlying determinants of employee engagement (e.g., performance on exit interviews, absenteeism, tardiness). |

1. The EOCGE citation application process involves a comprehensive and extensive assessment of each of these seven areas that are supportive of gender equality in the workplace. For example, the ‘Leadership, strategy, and accountability’ area encompasses 12 criteria with multiple subitems within each criterion. As such, the complete WGEA citation criteria are not presented in this article. Instead, we ask the reader to access the complete set of criteria via the WGEA’s citation guide found here:

   <https://www.wgea.gov.au/sites/default/files/documents/EOCGE%20Guide%20to%20Citation.pdf>. [↑](#footnote-ref-1)
2. When calculating the D&I score, each metric—except the four datapoints in the Controversies pillar—is weighted depending on the level of reporting. [↑](#footnote-ref-2)
3. The Eikon platform is a set of software products provided by Refinitiv for financial professionals to monitor and analyze financial information. [↑](#footnote-ref-3)
4. We advise that before using, adopting, or adapting any instrument—or its items—presented in this article, end-users explicitly obtain permission directly from the copyright holder (i.e., the original developers of the questionnaire). Scale author(s) must be acknowledged and cited in your research work. [↑](#footnote-ref-4)
5. The WGEA’s EOCGE citation guide is a comprehensive and lengthy document. To save space, we have included a direct link to the document rather than included it in this article. [↑](#footnote-ref-5)