

Diversity and inclusion in engineering measurement

Sixteen measures to drive change through leaders, managers and HR



Foreword

Diversity and inclusion in engineering measurement

As the chair of the Measurement Action Group, it is a pleasure for me to present the Diversity and Inclusion Leadership Group work on diversity and inclusion measures.

Diversity and inclusion measurement is crucial if we are to effect change across the engineering sector. There is an adage which says "what gets measured gets managed". As a sector, we need to become better at measuring diversity and inclusion if we are to make meaningful progress. Without doubt, an inclusive workplace, where everyone can be themselves and where difference is valued, is not only good for business, but also for those that work within them. Evidence from research into culture and inclusion demonstrates that creating the right climate over time benefits organisations.

In fact, research into culture and inclusion in engineering found that inclusion benefits the performance of individual engineers with 80% reporting increased motivation, 68% increased performance and 52% increased commitment to their organisations. Inclusion is a true differentiator in today's competitive and rapidly changing world.

The measures in this booklet were developed to provide a framework to drive change across different organisations, whether it is a large corporation or a small medium enterprise (SME), and irrespective of whether just beginning its journey on inclusion or progressing its maturity.

The measures are validated by the Employers Network of Equality and Inclusion (ENEI) and tested with both large corporate and SME organisations to confirm relevance and proportionality.

Supporting the measures is additional information for senior leaders, HR and engineering managers highlighting the different roles they play in supporting cultural and behavioural change.

I hope all engineering employers find something useful within this booklet to help increase diversity and create the inclusive cultures we strive for in our sector.



Finally, I would like to extend my gratitude to all members of the Diversity and Inclusion Leadership Group for their time and contributions, without which we would not be in a position to share this work. I would also like to thank the Royal Academy of Engineering Diversity and Inclusion Team for their advice, and support in developing an effective measurement framework for use across the sector.

John McCollum

Engineering Director BAE Systems Member of the Diversity and Inclusion Leadership Group Steering Group



Organisations that contributed to the development of the measures























How to use the measurement framework

The Royal Academy of Engineering hopes that as many engineering employers as possible will use the measures in this booklet to take evidence-based action to increase D&I, and to monitor and report progress.

Leaders, managers and HR/people managers across engineering are encouraged to adopt the measures to support coordinated effort to move the profession towards a more diverse and inclusive future.

The 16 measures within the framework cover all stages of the employee lifecycle giving leaders, managers and HR/people managers a clear understanding of action they can take to move the dial on D&I in a positive direction. Each of the lenses associated with each of the measures gives insight into actions each group could take to effect change.

The D&I measurement needs of SMEs were taken into account in the development of the measures to ensure as many as possible are relevant and can be applied. It recognises that, in some cases, the roles of the leader, manager and HR/people manager may intersect and might be delivered by the same person. It also recognises that some measures may not be as relevant to SMEs as they are to larger organisations. For instance, employee engagement/ inclusion may be more relevant to an SME with more focus on ensuring each employee feels engaged, included and motivated to perform – and less focus on gathering data on the diversity of its workforce.

The primary SME focus may be more on qualitative as opposed to quantitative data.

The measures have been developed so organisations can dip in and use whatever fits with their strategy and plans. There is no requirement to work through them chronologically although the more an organisation adopts, the more likely it is to understand, recognise and address barriers to D&I progress.

The Academy will use the measures across all its work on D&I both internally and externally.

Preparing for measurement

Effective monitoring of your workforce is an important tool for measuring performance and progress towards diversity and inclusion goals, and for building an inclusive working environment that helps to produce engineering solutions that are innovative and inclusive to all.

Why monitor?

Diversity monitoring can help to:

- build reputation: the best performing organisations¹ are those that invest most in promoting diversity and inclusion in their workforce;
- improve productivity²: valuing and supporting the diversity of people's backgrounds and lifestyles is important in making the most of the contribution that they can make to organisational performance;

- recruit and retain the best from the widest talent pool;
- identify and address any inequalities in the application of employment policies and facilitate specific adjustments or interventions; and
- reduce risk by helping to avoid damaging and costly employment tribunals or negative publicity.

What are the diversity characteristics?

The Equality Act 2010 sets out nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex, pregnancy and maternity, and sexual orientation, which should be used when collecting diversity data. Other useful categories include caring responsibilities, working pattern, geographic location and socioeconomic background.

¹ McKinsey research "Delivering through diversity" <u>www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity</u>

^{2 &}quot;Creating cultures where all engineers thrive" Royal Academy of Engineering 2017 <u>www.raeng.org.uk/inclusivecultures</u>

How and when should diversity data be collected?

- It is good practice to ask for diversity information at the recruitment stage.
- Annual data refreshes ensure that the information is current, as people's characteristics can change.



What are the general principles for collecting diversity data?

- Explain why you are collecting the information, eg. to ensure that the organisation's workforce is representative of the local/UK population; to ensure that it has a diverse pool of talent.
- Emphasise privacy and confidentiality and the data protection aspects such as how the information will be stored and used.
- Work with in-house data protection teams, employee representative groups and employee networks on large scale data gathering exercises.
- Use a 'Prefer not to say' option. This will help to increase the response rate, highlight where there might be resistance/concerns, and it can be built into ongoing communications to encourage completion.

How and when do I use the diversity data?

Diversity data should be used to monitor impact and outcome for different groups at all stages of the employee life cycle, such as recruitment; performance management and appraisal; career progression or promotion; and leavers.

This information can then be used in promoting the organisation and the work that it is doing to achieve a diverse and inclusive culture within it. This can be done by including it in an annual report, publicising on social media, and including within publications linked to the organisation both internally and externally. This will have an impact on the brand of the organisation by demonstrating its commitment to diversity and inclusion.

Measurement themes

Leadership

Measures 1-4

- Percentage of diverse direct reports at all levels
- Percentage of leaders or people managers with strategic D&I objectives in their performance measures
- Percentage of leader or manager roles with inclusive behaviours defined as a required competency
- Percentage of those in leadership roles who are active and visible D&I advocates and role models



Attraction & recruitment

Measures 5-9

- Percentage of diverse applicants at each stage of the recruitment process
- Percentage of interviewers that have completed company recruitment training that includes D&I and bias awareness
- Percentage of diverse interviewers or assessors conducting assessment days or panels
- Percentage of advertised roles that are inclusive by design, specification and the absence of bias
- 9 Percentage of advertised roles that use a range of channels to attract candidates

Retention

Measures 10-13

- Percentage of joiners compared to percentage of leavers, by diversity characteristic
- Percentage of employees that indicate a positive employee experience, by diversity characteristic
- Percentage of formal flexible working requests approved
- Percentage of bullying and harassment, grievance and disciplinary cases upheld





Progression

Measures 14-16

- Percentage of employees who have progressed (via grade change, out-of-cycle pay increase or significant responsibility increase) by diversity characteristic
- Percentage of roles filled by internal candidates rather than external candidates, by diversity characteristic
- Percentage of each diversity characteristic that takes up training and development opportunities, compared to representation in the workforce

Leadership





Four key measures to drive change

- Percentage of diverse direct reports at all levels
- Percentage of leaders or people managers with strategic D&I objectives in their performance measures
- Percentage of leader or manager roles with inclusive behaviours defined as a required competency
- Percentage of those in leadership roles who are active and visible D&I advocates and role models

Developing
a diverse and
inclusive culture
depends on measuring
an organisation's
leadership commitment
and accountability
at all levels

Leadership key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Workforce - representation

 Percentage of representation in first line reports at all levels from most senior level downwards.

- Review representation in the senior team and first line reports.
- Communicate why data collection is needed and how it's used.
- Compare with strategy/ targets, taking account of external drivers such as national/regional demographics.
- Review succession plans.
- Challenge and act on lack of representation, including through positive action.

- Review representation first line reports and succession plans.
- Compare with strategy/ targets, taking account of external drivers such as demographics.
- Challenge and act on lack of representation, including through positive action (eg. holding a female only development event).

- Ensure data monitoring in place at all levels.
- Support all levels in pushing for diverse succession plans.





Leadership key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Strategic D&I objectives

2. Percentage of leaders or people managers with strategic D&I objectives in their performance measures.

- Create D&I strategy, set D&I aspirational targets and priorities and allocate resources.
- Integrate D&I strategy into company strategy, policies and processes.
- Translate D&l Strategy into objectives for senior team and organisation.
- Measure, review and reward performance against objectives.

- Cascade own D&I objectives into appropriate objectives for first reports.
- Measure performance against D&I objectives in equal way to all other performance objectives.
- Verify that performance appraisals at all levels contain D&I objectives.
- Verify that performance against these objectives is measured.
- Ensure that reward structures integrate recognition for D&I.
- Provide reports to senior team.

Inclusive leadership behaviours

- 3. Percentage of leader or manager roles with inclusive leadership behaviours defined as a required competency.
- Undertake learning and development for required D&I behavioural competencies.
- Provide mentoring or buddying.
- Measure and regularly review performance of self, senior team and organisation against inclusive leadership behaviours.
- Undertake learning and development for required D&I behavioural competencies.
- Provide mentoring or buddying for new team members.
- Regularly review performance of self and team against inclusive (leadership) behaviours.

- Define expected inclusive behaviours (IBs) as part of leadership competency set.
- Verify that all leader and manager roles have IBs in competency set.
- Provide training to individuals to meet IBs.

Leadership key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

D&I advocates and role models

 Percentage of those in leadership roles who are active and visible D&I advocates and role models.

- Speak out as D&I advocate, internally and externally.
- Mentor or sponsor underrepresentation.
- Champion for network groups.
- Ensure sufficient D&I expertise and capacity exists in organisation.
- Communicate and quantify success and progress, internally and externally.
- Celebrate and reward progress.

- Support D&I strategy through actions.
- Mentor staff from underrepresented groups.
- Support staff in engaging with D&I networks.
- Communicate and quantify success and progress.
- Celebrate and reward progress.

- Promote D&I accomplishment.
- Engage in external benchmarking for independent validation of D&I activity.
- Communicate and quantify success and progress.
- Celebrate and reward progress.



Attraction & recruitment



Five key measures to drive change

- Percentage of diverse applicants at each stage of the recruitment process
- Percentage of interviewers that have completed company recruitment training that includes D&I and bias awareness
- Percentage of diverse interviewers or assessors conducting assessment days or panels
- Percentage of advertised roles that are inclusive by design, specification and the absence of bias
- Percentage of advertised roles that use a range of channels to attract candidates



To achieve a diverse workforce, it is essential to measure the diversity of an organisation's existing and potential talent

Attraction/ recruitment key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Recruitment data

- 5. Percentage of diverse applicants at each stage of the recruitment process:
 - application
 - shortlist
 - interview
 - hire.

- Have clear business case, values, targets articulated and set tone from the top.
- Set objectives to drive diverse shortlists with those accountable for the process and monitor progress with those responsible.
- Understand and apply value of D&I.
- Understand individual bias and be aware of implications during recruitment.
- Ensure a fair process free from bias, instruct self to be open minded and be objective and curious.
- Push for diverse role spec, attraction pools, and shortlists.
- Refuse to interview unless short list requirements met.

- Monitor each stage of application to see if you have an increase in drop outs from underrepresented groups.
- Provide reports and flag recruiters with adverse impact (bias) as well as highlight good practice recruiters.

Recruitment interviewers - training

- 6. Percentage of interviewers that have completed company recruitment training that includes D&I and bias awareness.
- Ensure training applies to those who make recruitment decisions.
- Mandate requirement, request reports on those trained, authorise HR to prevent Line Managers from recruiting if they do not attend.
- Attend D&I training and take steps to develop knowledge, skills and habits to be an inclusive leader who embraces difference.
- Ensure that D&I and bias awareness training is completed and that records are kept up to date.
- Measure impact of training through analysis of recruitment panel results.
- Implement consequences such as restricting from interviewing and hiring for non-attendance.

Attraction/ recruitment kev measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective HR/people

management perspective

Diversity of recruitment interviewers

- **7.** Percentage of diverse interviewers or assessors conducting assessment days or panels.
- Ensure there is a spread of diversity in leadership and recruiting roles.
- Support HR to ensure diverse panels.
- Bring diversity to the selection process, and challenge the panel you are on if it is homogenous.
- Find alternative panellists to support diverse panel needs.
- Avoid one-to-one interviewing and seek to have 50:50 male female split.

- Make sure that the panel put forward is diverse and, where it isn't, make suggestions to alter this.
- Remind panel of best practice and implications of bias on decision making.

Inclusive job design and role specifications

- 8. Percentage of advertised roles that are inclusive by design, specification and the absence of bias (inclination or prejudice for or against a group or person).
- Ensure HR and those making recruitment decisions are aware of bias and how to limit its impact in recruitment.
- Promote good practice expectation and ensure inclusive job descriptions are shared across the organisation.
- Ensure personal specifications on job descriptions are assessed for bias, such as use of language, stereotypical views of leadership styles.
- Promote opportunities for flexible working.
- Define what is expected of recruiters and hiring managers with guidance on inclusive design and specification of roles.
- Ensure inclusive leadership behaviours, skills and competences are included in specification.

Attraction/ recruitment key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Measures and actions to attract a diverse range of candidates

9. Percentage of advertised roles that use a range of channels to attract candidates.

 Setting recruitment strategy e.g. targets for addressing a lack of representation and ensure consistency across the organisation. This should cover external and internal roles. Review diversity in reports to identify positive action and approaches needed by key agencies and focus recruiters.

- Seek out a diversity of advertising channels and make connections with groups and agencies focused on accessing underrepresented and diverse candidates.
- Seek to advertise roles in a diversity of medias to attract a wide diversity of applicants.
- Communicate how candidates can get in touch to make adjustments to the interview process to fit with their requirements in relation to disability and monitor the effectiveness of this process.



Retention





Four key measures to drive change

- Percentage of joiners compared to percentage of leavers, by diversity characteristic
- Percentage of employees that indicate a positive employee experience, by diversity characteristic
- Percentage of formal flexible working requests approved
- Percentage of bullying and harassment, grievance and disciplinary cases upheld

Measuring the impact of key employee processes is key to retaining diverse and inclusive talent

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Workforce turnover by diversity characteristics

10. Percentage of joiners compared to percentage of leavers, by diversity characteristic

- Sponsor and enable D&I activity.
- Ensure that unconscious bias training is provided and undertaken – lead by example.
- Ensure D&I strategy is clear on the need for data collection and how it will be used in the organisation.
- Recognise the linkage between health and wellbeing.

- Undertake exit interviews for leavers.
- Review development plans and objectives to ensure equality of opportunity is in place.
- Challenge and act on lack of representation.
- Seek to understand employee views and have regular check ins on health and well being, work life balance and engagement etc.

- Ensure data monitoring is in place to support all levels.
- Review representation of those joining and leaving and undertake interviews as to why they are leaving.
- Undertake analysis of proportionally how many individuals from diverse talent join the organisation and investigate why.
- Look at elements such as length of service for leavers, whether people are dropping off after a certain length of time.
- Challenge and act on any highlighted issues.



Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Staff perceptions and employee engagement

- 11. Percentage of employees that indicate a positive employee experience by diversity characteristic.
- Set 'tone from top' regarding importance of engagement/ D&I and sponsor activity to improve this.
- Provide resources for this.
- Translate D&I and Engagement Strategy into objectives for senior team and organisation.
- Measure, review and reward performance against objectives.
- Undertake analysis on scores for own team, to understand what issues people might have and what's working well.
 Develop action plan to support improvements and communicate this.
- Mentor/support individuals, gain insights into issues - as well as providing support.
- Set objectives for team(s) based on analysis.
- Helping employees balance personal and professional life and work demands.
- Aligning employees and personal goals with corporate purpose.

- Undertake analysis to understand any population that have higher or lower engagement scores and undertake a review to understand why this is.
- Develop D&I and engagement action plan on the results.
- Provide reports to senior team.



Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Flexible working

- 12. Percentage of formal flexible working requests approved
- Set the 'tone from the top' and role model to ensure that culture is supporting flexibility.
- Include flexible working in strategy documents to demonstrate importance to the organisation.
- Align employees and personal goals with corporate purpose.
- Build a strong and diverse employee experience and brand.
- Champion integrating social, community, corporate programs and agree work time allowance.

- Champion and role model flexible working, challenging negative assumptions where necessary.
- Support team members by not disadvantaging those who need to work flexibly such as by putting meetings in 'core hours', ensuring development opportunities are available, and talking to team members about what works for them and the team. Having twoway open and supportive conversations with the team.
- Review of the number of flexible working requests by diverse group and monitor the levels of informal approaches by engaging with managers.
- Challenge business processes to explore where flexibility is possible.
- Define expected inclusive leadership behaviours(ILBs).
- Verify that all leader and manager roles have ILBs in competency set.
- Provide training to individuals to meet ILBs.
- Ensure initiatives are in place to retain diverse employees.
- Understand and support educate and train managers to understand and support employees with care or outside of work needs.



Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Bullying and harassment

- 13. Percentage of bullying and harassment, grievance and disciplinary cases that are upheld, by demographic group.
- Be clear that bullying and harassment will not be accepted and encourage reporting and transparency.
- Clear leadership and 'tone from the top' demonstrating authentic leadership and following the company's values.
- Adopt a 'zero intolerance' position on harassment, visibly challenge inappropriate comments.
- Provide training and awareness following any bullying or harassment cases – with appropriate sensitivity but ensure issues are not hidden.
- Create "quiet/private" rooms in the workplace and encourage their use.

- Undertake analysis to understand which areas, functions, departments or diverse groups have bullying and harassment claims; review to understand why and what improvements are required.
- Other cases can and should be analysed as well, such as grievances, LTS, trends.
- Ensure there is suitable training provided.



Progression





Three key measures to drive change

- Percentage of employees who have progressed (via grade change, out-of-cycle pay increase or significant responsibility increase) by diversity characteristic
- Percentage of roles filled by internal candidates rather than external candidates, by diversity characteristic
- Percentage of each diversity characteristic that takes up training and development opportunities, compared to representation in the workforce

Measurement
of talent
development
and advancement
is essential to have
equitable progression
in an organisation

Progression key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Career progression

14. Percentage of employees who have progressed, via grade change, out-of-cycle pay increase or significant responsibility increase, by diversity characteristic

- Consider selection criteria for identifying individuals for promotion to ensure you are considering everyone fairly and objectively.
- Review representation on succession and talent plans.
- Ensure criteria for selection for progression do not restrict diverse candidates.
- Consider diversity of needs, preferences and personality in promotion or selection processes.
- Consider diversity of needs, preferences and personality in promotion or selection processes.
- Monitor the internal mobility of diverse groups compared to the norm on a regular basis to ensure equity is created for diverse groups.



Progression key measures

Organisation leader perspective (Board or equivalent senior team)

Manager perspective

HR/people management perspective

Recruitment - internal v external appointments

15. Percentage of roles filled by internal candidates rather than external candidates, by diversity characteristic Ensure unrepresented groups are being identified and are progressed through the organisation in accordance with the D&I strategy.

- Actively identify, encourage and support for internal progression.
- Consider applicants from non-traditional functional backgrounds.

 The application experience of process for internal candidates is fair and inclusive.

Take up of training and development

16. Percentage of each diversity characteristic that takes up training and development opportunities, compared to representation in the workforce.

 Ensure unrepresented groups are being identified and receiving development through the organisation in accordance with the D&I strategy.

- Review demographics of candidates for training and development opportunities within the team.
- Identify any trends that suggest underrepresentation and determine reasons why and address.
- Monitor and report on the number of employees undertaking career development opportunity by diverse group as a proportion of existing workforce and external workforce statistics.
- Review course/training feedback and split this by demographic groups to identify any disproportionate impacts.
- D&I is integrated into overall learning and education programmes.
- D&I learning opportunities are developed in accessible formats.



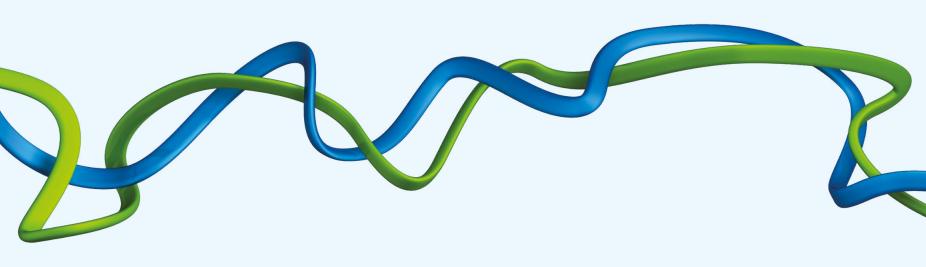
Resources

Resources that influenced the development of the measures that organisations may find helpful

- Canadian Institute of Diversity and Inclusion
 "What gets measured gets done"
 <u>ccdi.ca/media/1071/ccdi-report-what-gets-measured-gets-done.pdf</u>
- **2.** WISE "10 Steps" www.wisecampaign.org.uk/consultancy/industry-led-ten-steps
- 3. A strategy for inclusiveness, well-being and diversity in engineering workplaces www.wgea.gov.au/sites/default/files/Inclusiveness Wellbeing Diversity
 Strategy.pdf
- 4. Business in the Community Gender Campaign
 Project 28-40 research
 gender.bitc.org.uk/all-resources/research-articles/project-28-40-report

- Diversity Metrics, Measurement and Evaluation by Marc Brennan workforcediversitynetwork.com/ res articles DiversityMetricsMeasurementEvaluation.aspx
- 6. Employers Network of Equality and Inclusion Driving Performance Through Diversity www.enei.org.uk/resources/reports/ inclusive-leadership-driving-performance-through-diversity/
- RICS
 Inclusive Employer Quality Mark
 Self-Assessment
 www.rics.org/uk/about-rics/responsible-business/inclusive-employer/ieqm-self-assessment/
- **8.** Centre for global inclusion Global Diversity & Inclusion Benchmarks <u>centreforglobalinclusion.org/</u> <u>downloads/</u>

- 9. British Standards Institute BS 76005:2017 Valuing people through diversity and inclusion. Code of practice for organizations www.bsigroup.com/en-GB/
- 10. Royal Academy of Engineering Creating culture where all engineers can thrive www.raeng.org.uk/publications/reports/creating-cultures-where-all-engineers-thrive



Royal Academy of Engineering

As the UK's national academy for engineering and technology, we bring together the most successful and talented engineers from academia and business – our Fellows – to advance and promote excellence in engineering for the benefit of society.

We harness their experience and expertise to provide independent advice to government, to deliver programmes that help exceptional engineering researchers and innovators realise their potential, to engage the public with engineering and to provide leadership for the profession.

We have three strategic priorities:

- Make the UK the leading nation for engineering innovation and businesses
- Address the engineering skills and diversity challenge
- Position engineering at the heart of society

We bring together engineers, policy makers, entrepreneurs, business leaders, academics, educators and the public in pursuit of these goals.

Engineering is a global profession, so we work with partners across the world to advance engineering's contribution to society on an international, as well as a national scale.





Royal Academy of Engineering

Diversity and Inclusion Programme Strategy 2016-2020

The Royal Academy of Engineering is leading a programme to increase diversity and inclusion across the engineering profession.

Vision:

An inclusive engineering profession that inspires attracts and retains people from diverse backgrounds and reflects UK society.

Mission:

Leading the engineering profession to challenge the status quo, stimulate cultural change and improve diversity and inclusion.



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