

# ROI: THE ESSENTIAL ERG TOOL...

## “DIVERSITY ROI (DROI®) ANALYSIS IN ERG/BRG WORK”

Presented By:

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Performance – Metrics -- ROI

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# ERGS/BRGS DEFINED

- **Employee Resource Groups (ERGs)** - the formation of employee-initiated support groups to provide employees who share common interests, lifestyles and beliefs with the opportunity to meet, network and provide encouragement and support for each other.
- **Business Resource Groups (BRGs)** - similar to employee groups but are also aligned with the company's business objectives, are a catalyst for the company's talent recruitment and retention strategy and produce measurable results that tie back to company, agency or institutional objectives.

# HUBBARD ERG/BRG TRANSITIONAL STAGES

**Awareness and Start-up**

**Foundation and Strategy Building**

**Integrating Culture and Systems**

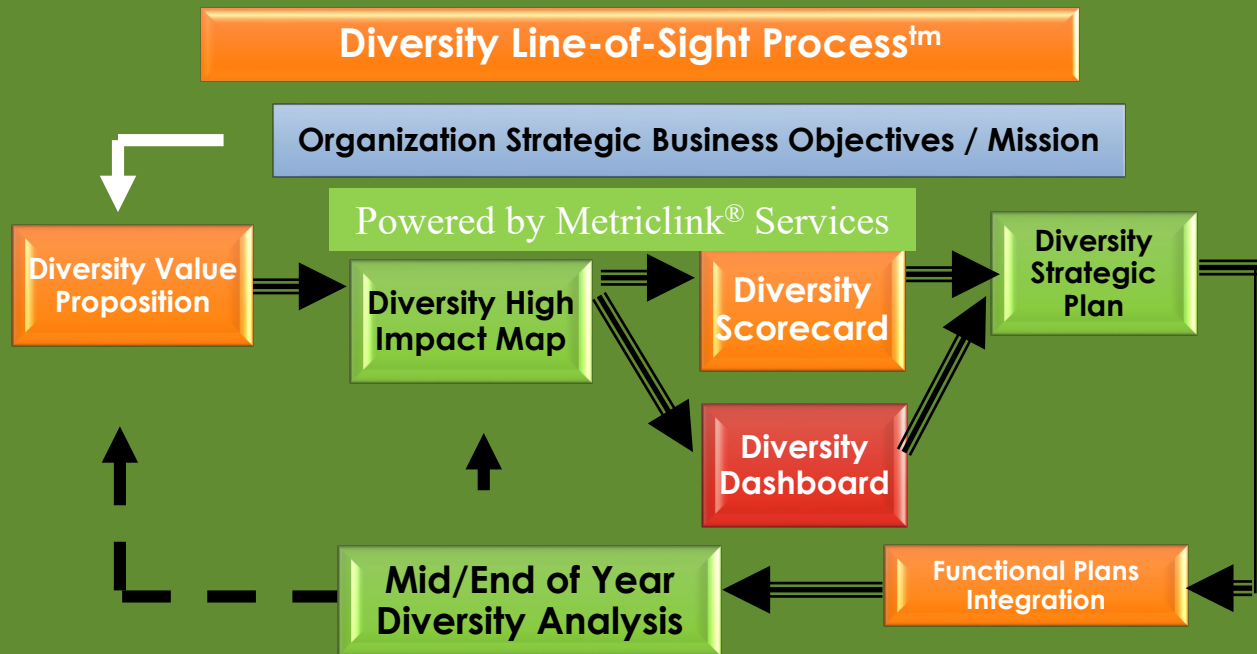
**Building Strategic Capability**

**Innovation and Breakthrough Performance**



STRATEGIES THAT ARE  
SUPPORTED BY A  
STRONG BUSINESS  
CASE

# HUBBARD DIVERSITY LINE OF SIGHT MODEL™



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# HUBBARD SPIN-RO-VA METHOD

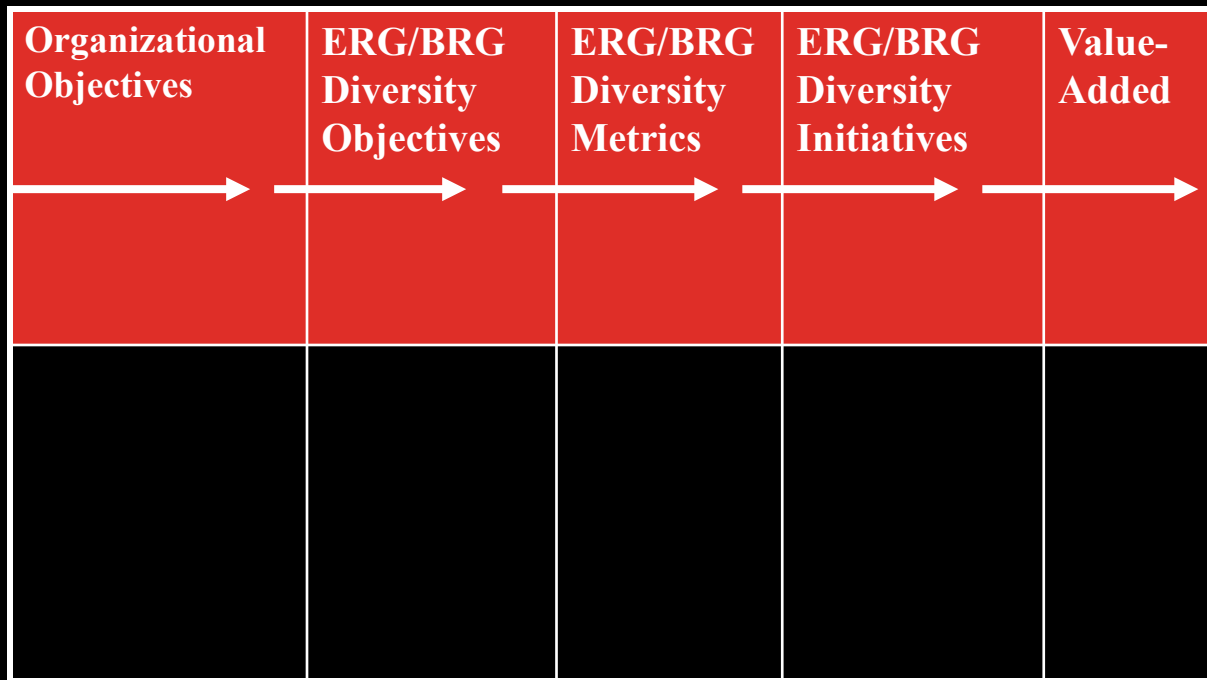


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- Situation
- Problem
- Impact
- Need
- Resolution/Outcome
- Value-Added

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# HUBBARD DIVERSITY HIGH IMPACT MAP (LINKS)



# IMPACT AND ROI VS. ACTIVITY DATA

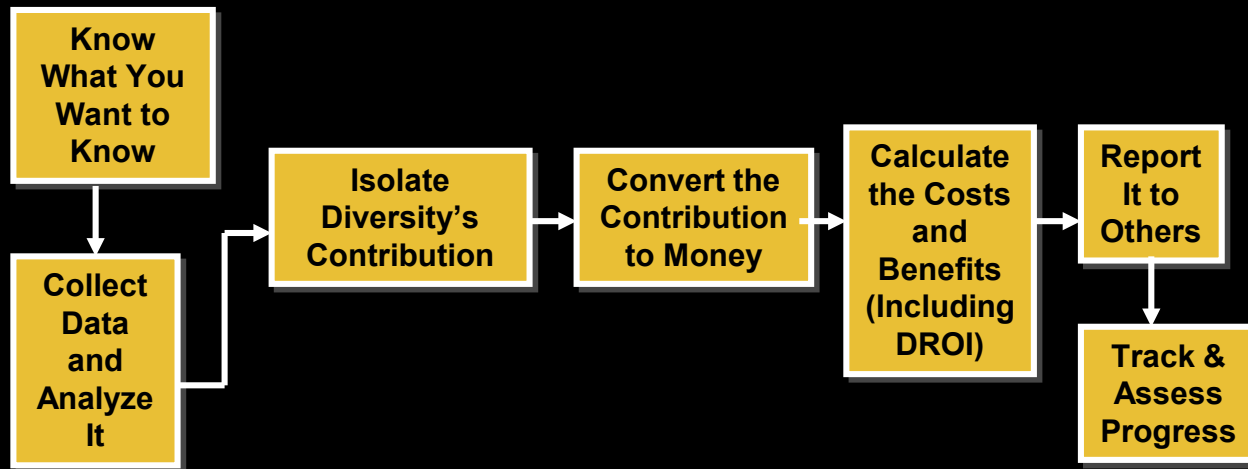
## Hubbard Diversity ROI Investment Impact Chain

Hubbard Diversity ROI Investment Impact Chain				
Input		Process		Impact
Resources	Activities	Outputs	Outcomes	Value-Added
<ul style="list-style-type: none"> <li>• Time</li> <li>• Money</li> <li>• Technology</li> <li>• Human Capital</li> </ul>	<ul style="list-style-type: none"> <li>• Training</li> <li>• Mentoring</li> <li>• Awareness Building</li> <li>• Skill Development</li> </ul>	<ul style="list-style-type: none"> <li>• # Trained</li> <li>• # Sessions Held</li> <li>• # Attended</li> <li>• # Events Conducted</li> </ul>	<ul style="list-style-type: none"> <li>• Increased Sales</li> <li>• Decreased Costs</li> <li>• Increased Retention</li> <li>• Increased Satisfaction</li> <li>• Improved Productivity</li> <li>• Increased Engagement</li> <li>• Increased Diversity &amp; Inclusion Competent Employees</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Objectives Accomplished</li> <li>• Mission Objectives Achieved</li> <li>• Competitive Advantage Created</li> <li>• Enhanced Brand Image</li> <li>• New Market Segments Created</li> <li>• Extend/Expand Product Line</li> <li>• Diversity Friendly Environment</li> <li>• Great Place to Work</li> <li>• High Performing Workplace</li> </ul>

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# HUBBARD DIVERSITY ROI ANALYSIS MODEL



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# HUBBARD ERG/BRG ROI ANALYSIS MODEL

Based on the Book: "How to Calculate ERG/BRG Return on Investment" by Dr. Edward E. Hubbard , 1999, 2004





# CALCULATING DIVERSITY ROI

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Demonstrating Your Financial Impact on the Bottom-line

# DROI CALCULATION EXERCISE

The ROI calculation is simple.

$$\text{BCR} = \frac{\text{Program Benefits}}{\text{Program Costs}}$$

$$\text{ROI} = \frac{\text{Net Program Benefits}}{\text{Program Costs}} \times 100$$

# SAMPLE ERG/BRG ROI METRICS<sup>13</sup> & AREAS

- **Sample ERG metrics by key Scorecard areas**
  - **Workforce**
    - Talent Pipeline Enhancement Initiatives Achieved
    - #/% ERG/BRG Members who are Promotion-Ready
    - #/% Intern Conversions to Full-time
  - **Workplace**
    - % Increase in Employee Retention due to ERG/BRG Initiatives
  - **Marketplace**
    - #/% New Product Developed by Target Market Segment
- **Innovation:**
  - #/% Products Generating \$25K+ due to ERG/BRG Initiatives
- **Intellectual Assets:**
  - #/% Patents Held By Women / Minorities

# POTENTIAL INTANGIBLE BENEFITS

- Increased Job Satisfaction
- Increased Organizational Commitment
- Improved Teamwork
- Improved Customer Service
- Reduced Complaints
- Reduced Conflicts
- Reduced Stress
- Other \_\_\_\_\_

# COMMON PITFALLS

- Lack of Strategic Business Alignment
- Lack of Needs Analysis
- Lack of Behaviorally-specific Actions and Accountability Metrics

# TRACKING PROGRESS

- Use ROI-based D&I Analytics
- Use Dashboards
- Use Scorecards
- Use S.O.S.

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# ERG/BRG DIVERSITY ROI CASE STUDY

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# IDENTIFY DIVERSITY OBJECTIVES LINKED TO BUSINESS CHALLENGES

- Reduce the number of voluntary turnovers among women and people of color by 20%
- Reduce turnover cost by 10%
- Increase Chinese patient market share by 15%

# IDENTIFY ERG/BRG OBJECTIVES LINKED TO DIVERSITY STRATEGY

- Access to Chinese Physicians
- Chinese Patient Knowledge of XYZ product
- # of Prescriptions written for Chinese patients for XYZ product

# IDENTIFY ERG/BRG OBJECTIVES LINKED TO DIVERSITY STRATEGY

- Access to Chinese Physicians
  - Asian Culture Group “Ride-a-Long” Initiative with Sales Reps
- Chinese Patient Knowledge of XYZ product
  - Asian Culture Group “Patient Literacy Initiative” – Product Literature Translation

# CALCULATING DIVERSITY ROI<sup>21</sup> DATA WILL ALLOW YOU TO.....

- Assess progress, urgency, and impact
- Increase awareness, skill, and productivity
- Improve structures, processes and systems
- Discontinue / expand initiatives
- Approve diversity initiatives/projects (if pilots)
- Build database on diversity results
- Enhance management understanding and support
- Improve measurement skills of diversity staff
- Achieve corporate, business unit and individual goals

58 Books including: “How to Calculate ERG/BRG ROI Impact”



Hubbard ERG and BRG  
Leaders and Members ROI  
Certification Training  
Workshop

# Q&A AND HOW TO REACH US

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- Web: [www.HubbardNHubbardInc.com](http://www.HubbardNHubbardInc.com)
- Products Web: [www.DiversitySuperstore.com](http://www.DiversitySuperstore.com)
- ERG and BRG ROI Institute
- [www.ergandbrgroiinstitute.com/](http://www.ergandbrgroiinstitute.com/)
- Hubbard ERG and BRG Leaders and Members ROI Certification Training Workshop Call:
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# ABOUT THE PRESENTER: DR. EDWARD E. HUBBARD, PH.D.



- Dr. Edward E. Hubbard is President and CEO of Hubbard & Hubbard, Inc., Petaluma, CA, an international organization and human performance consulting corporation that specializes in techniques for applied business performance improvement, Diversity Return on Investment (DROI®) measurement and analytics, instructional design and strategic organizational development. He is also Chairman, The Hubbard ERG and BRG ROI Institute.
- He is the author of more than **58** Business-related books including the ground-breaking books: "The Diversity Scorecard", "How to Calculate Diversity Return on Investment", "Diversity Training Return on Investment", "The Manager's Pocket Guide to Diversity Management", "The Diversity Discipline", and many others.
- Dr. Hubbard was an honoree at the Inaugural International Society of Diversity and Inclusion Professionals Living Legends of Diversity Award Ceremony in Rio Grande, Puerto Rico where he received the "Living Legends of Diversity Award" for creating the "Diversity ROI Analytics" and "Diversity Measurement Fields and the associated Disciplines". He is one of only 18 people in the world who have received this Award.
- A 1.5 Minute YouTube Introduction of Dr. Hubbard and His Diversity and Inclusion Return on Investment (DROI®) Measurement Work as a "Legend in the Diversity and Inclusion fields can be seen by Clicking the link below:
- <http://www.youtube.com/watch?v=ZoVqbM9wtY8>
- Dr. Hubbard received the "Excellence in Global Leadership Award" from the World HRD Congress as Pioneer and Founder of the Diversity ROI Analytics and Measurement fields. The highest individual professional award given.

# ABOUT THE PRESENTER: DR. EDWARD E. HUBBARD, PH.D.



- The American Society for Training and Development (ASTD, now ATD) inducted Dr. Ed Hubbard into the prestigious "ASTD New Guard for 2003". The July/August 2007 Issue of Profiles in Diversity Journal featured Dr. Hubbard as the "Diversity Pioneer" in Diversity Measurement. Dr. Hubbard serves on the Harvard Business Review, Diversity Executive Magazine and Strategic Diversity & Inclusion Management (SDIM) magazine Editorial Advisory Boards.
- Dr. Hubbard served as Director, Developmental Education and Black Studies Instructor, The Ohio State University, Newark.
- Part of Dr. Hubbard's career was spent as a Lecturer at Dennison University. He also taught and worked with other Colleges and Universities here in the U.S. such as Missouri State University, Kent State University (where he serves as the Diversity Leadership and ROI Metrics Instructor of Kent's Institute for Excellence), in Canada at the University of Calgary, the U.K. at the University of Bradford in Leeds, England, the Pacific Rim, and elsewhere.
- A sample of Dr. Hubbard's corporate experience includes Programming Analyst and Manager, Battelle Memorial Institute, Systems Analyst, Informatics Corporation, Systems Engineer, Xerox Corporation, Organization Development and Education Specialist, Mead Corporation, Director of Compensation, Training, Organizational Development, and Communications for the 17 Billion Dollar McKesson Corporation in San Francisco, California.
- Dr. Hubbard is an expert in Organizational Behavior, Organizational Analysis, Applied Performance Improvement and ROI Measurement Strategies, Strategic Planning, Diversity Measurement and Analytics, and Strategic Organizational Change Methodologies. He holds a Practitioner Certification and Master Practitioner Certification in Neurolinguistic Programming (NLP), a Neuro-science discipline.
- Dr. Hubbard earned Bachelors, Masters Degrees from The Ohio State University and earned a Ph.D. with Honors in Business Administration.