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Unleashing the power of inclusion
Attracting and engaging the evolving workforce

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The Leadership Center for Inclusion

BILLIE JEAN KING
Leadership Initiative
Lift. Learn. Lead.

For the past three years, Deloitte and the Billie Jean King Leadership Initiative (BJKLI) have collaborated to conduct targeted research that helps educate and advance how organizations foster inclusion as the workforce continues to evolve.

In our first research paper, *The Radical Transformation of Diversity and Inclusion: The Millennial Influence*[1], we explored how different generations define diversity and inclusion. Millennials tended to define diversity beyond demographic characteristics, viewing it more along the lines of cognitive diversity and the variety of experiences and perspectives that each individual brings to the table, compared to Gen X and boomers, who typically define diversity along more traditional measures (e.g., gender, race, ethnicity).[1] More so than prior generations, millennials emphasized that they see inclusion as fundamental to the way that companies do business.

In our second paper, *The Millennial Majority is Transforming Your Culture*[2], we discussed what millennials truly value in organizational culture. Millennials told us that having a sense of purpose in their work is essential, and that technology, skills alignment, innovation, and well-being are critical components that they expect from an organization, challenging traditional talent processes to benefit everyone in the workplace.

In this third paper, we will further explore how definitions of diversity and inclusion as well as expectations for organizational culture are evolving. Based on the results of our recent survey of more than 1,300 full-time employees from a range of different sized organizations and industries across the United States, we will explore what today's workforce considers when choosing an organization and what influences their career choices. We will explore what they value most in an inclusive culture (defined as "embracing all people, making all people feel valued and feel they belong in their organization") and how inclusion may be impacted in the future. Our key findings include:

80%
of respondents indicated inclusion is important when choosing an employer

39%
of respondents reported that they would leave their current organization for a more inclusive one
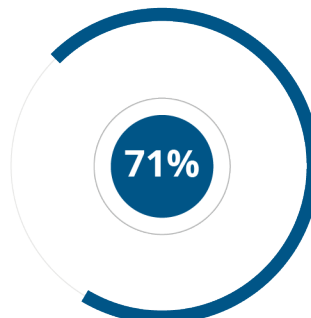
71%
of respondents would prefer an organization that demonstrates inclusive behaviors but inconsistent inclusion programs — as opposed to high-quality inclusion programming, but inconsistent inclusive behaviors
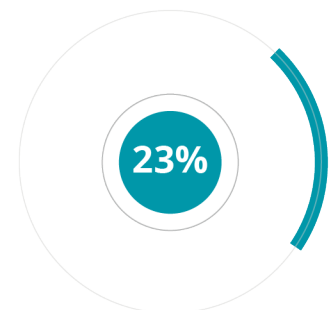
23%
of respondents indicated they have already left an organization for a more inclusive one — including *30% of millennial respondents*

To attract and retain today's top talent, organizations should remain laser-focused on fostering an inclusive culture while being responsive to the needs and priorities of today's workforce. BJKLI's mission is to address the critical issues required to achieve inclusive leadership that will lead to significant changes in how leaders operate in the world. This powerful research collaboration identifies specific opportunities to challenge traditional processes and foster a holistic approach to inclusion that can benefit organizations now and for generations to come.

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Introduction

As technology, globalization, and the evolving workforce continue to shape the future of work, the need for organizations to maximize their recruitment and retention strategies is increasing at a rapid pace.

Millennials, born 1980-1995, are the largest generation in the world, with over 75 million people that will make up 75 percent of the workforce by 2025.[3] For many millennials, inclusion is a non-negotiable in today's workplace — an increasingly important factor for organizations to note, as millennials often change jobs approximately every two years. They often view it as an essential component of business strategy and a factor in deciding whether to stay or to leave an organization.[1] As the largest generation to enter into the workforce, millennials have frequently been at the forefront of challenging the status quo and advancing organizational strategies and culture to the mutual benefit of everyone.

Yet, from the survey results, we discovered that there often remains a disconnect between the expectations of today's workforce and inclusion in organizations.

Many organizations are diligently attempting to embed inclusion into their culture through programming and trainings, but are struggling to gain traction with their people and produce measurable results. Given the significant amount of attention and efforts underway, why are organizations still struggling to meet the needs of today's workforce?

To answer this, we will first explore the impact inclusion has on the perception of an organization and its ability to attract and retain top talent. Second, we will discuss what many in today's workforce prioritize in an inclusive culture. Finally, we will determine what organizations can do to influence the everyday experiences of their people and continue to advance inclusion now and in the future.

The impact of inclusion on retention and engagement

Cultivating and showcasing an inclusive culture is an essential component in talent strategies, and can result in increased creativity, productivity, and innovation.[4]

Every year, many organizations allocate time, resources, and budget towards efforts to foster an inclusive culture — and interest is still increasing. In a recent study[5], Deloitte found that the proportion of executives who cited inclusion as a top priority rose by 32% from 2014 to 2017. Sixty-nine percent of executives rated diversity and inclusion as an important issue. What accounts for this growth? One reason may lie in the continued struggle for organizations to attract and retain top talent. For example, millennials are the most likely generation to switch jobs, with their turnover costing the United States economy approximately $30.5 billion annually. According to a recent Gallup survey[6], 60% of millennials are open to a new job opportunity and 21% say that they have changed jobs within the last year. The overall engagement rate does not fare much better. Only 32% of workers report being engaged in their organizations.[7] Given that today's executives and talent indicate that they view inclusion as a business imperative and critical component of organizational culture, could inclusion specifically impact retention?
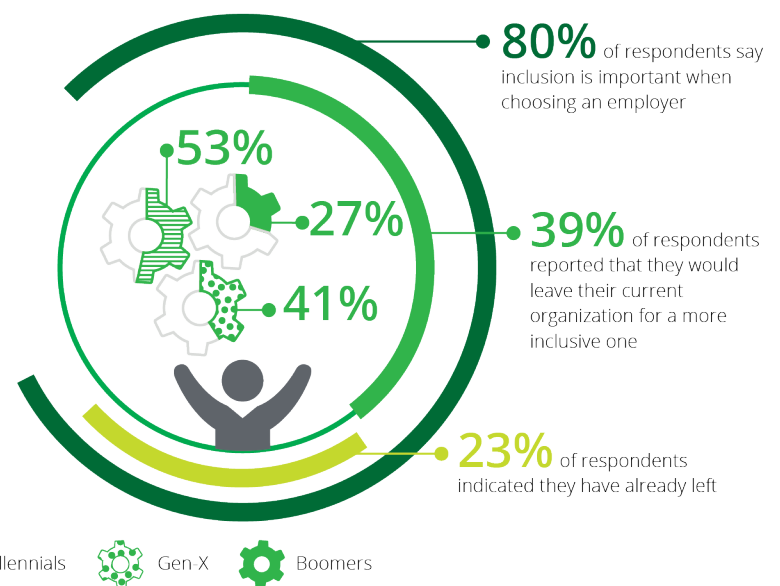
Based on the results of our recent survey of more than 1,300 full-time employees from a range of organizations and industries across the United States, the results of our survey suggest the answer is a resounding yes. We asked respondents whether inclusion influenced their decision when evaluating organizations to work for. Eighty percent reported that inclusion is important when choosing an employer. But, inclusion doesn't just play a critical role in recruitment. Thirty-nine percent

of respondents reported that they would leave their current organization for a more inclusive one. For millennials, inclusion played an even larger role in their retention, with over half the millennials reporting they would leave their current organization for a more inclusive one. Even more astounding, nearly one-third indicated they have already left an organization for a more inclusive one.

These findings may help explain some of the commonly held questions that organizations have about the attraction and retention of today's workforce. An inclusive culture may be able to help mitigate some of these trends. The majority of respondents stated that everyone — their co-workers, themselves, their direct manager, and senior leadership — all have a role to play in inclusion.

We also know the senior leaders can have a great impact on fostering an inclusive culture. Recent research has explored the relationship between inclusion, engagement, and trust, finding that "trust accounts for a significant degree of the relationship between diversity practices and engagement."[8] Trust may play an important role in how today's workforce perceives leadership, culture, and commitment to their organizations. Fostering inclusion often starts with the tone at the top.

Inclusion is essential for engaging and retaining today's workforce

80% of respondents say inclusion is important when choosing an employer

53%

27%

41%

39% of respondents reported that they would leave their current organization for a more inclusive one

23% of respondents indicated they have already left

Millennials   Gen-X   Boomers

4

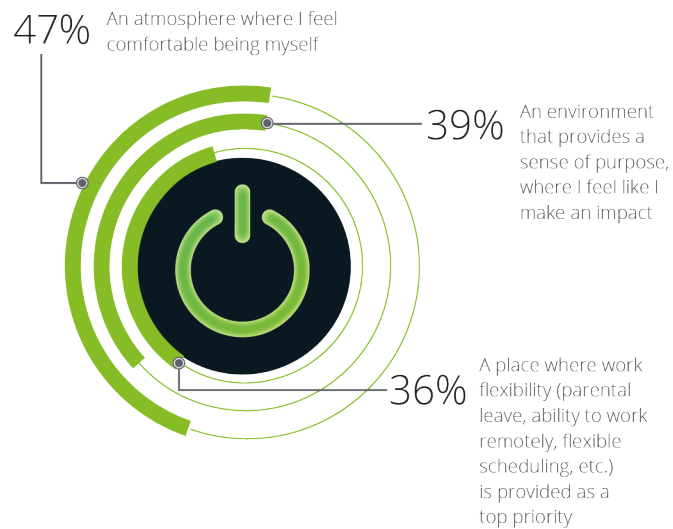# Redefining and recommitting to inclusion

Today's workforce is looking for organizations to go beyond only addressing how inclusion looks, to meaningfully addressing how inclusion feels.

From our previous research, we know that the definitions of diversity and inclusion are changing in the minds of the evolving workforce. For millennials in particular, diversity and inclusion encapsulates the unique attributes and experiences that each individual brings. They are less focused on "demographic" representation compared with previous generations and are more likely to focus on inclusion as an essential component in business strategy. Additionally, when millennials believed their organization was inclusive, they reported feeling more engaged, empowered, and authentic, compared with millennials in organizations that they did not perceive as inclusive.[1]
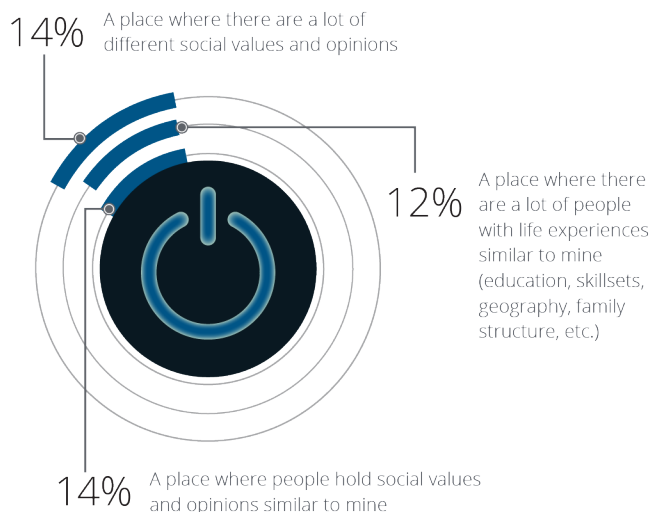
Our survey underlines the continuing disconnect between what today's workforce is seeking and what organizations are providing. When we asked respondents what were the *most important* cultural aspects when choosing an organization to work for, they prioritized criteria that reflects the **experience of an inclusive culture**. The top three aspects cited were "An atmosphere where I feel comfortable being myself" (47%), "An environment that provides a sense of purpose, where I feel like I make an impact" (39%), and "A place where work flexibility (parental leave, ability to work remotely, flexible scheduling, etc.) is provided as a top priority" (36%). These were all rooted in everyday experiences and behaviors. Conversely, across generations, respondents indicated they are not looking for work environments where they are simply surrounded by people with similar experiences or characteristics. When we asked what cultural aspects they valued in an organization, aspects regarding "people with similar life experiences" (12%), "A place where there are a lot of different social values and opinions" (14%), and "similar social values and opinions to mine" (14%), were cited as least important.

Which aspects of a workplace culture do you value most when choosing an organization for which to work

Most important

47% An atmosphere where I feel comfortable being myself

39% An environment that provides a sense of purpose, where I feel like I make an impact

36% A place where work flexibility (parental leave, ability to work remotely, flexible scheduling, etc.) is provided as a top priority

Less important

14% A place where there are a lot of different social values and opinions

12% A place where there are a lot of people with life experiences similar to mine (education, skillsets, geography, family structure, etc.)

14% A place where people hold social values and opinions similar to mine

What is most important in an inclusive culture? Across many generations, today's workforce is seeking a culture of:

1 Authenticity

Where they can feel comfortable being themselves, leveraging their unique strengths, and sharing their perspectives. Many look for their co-workers and leaders to do the same.

2 Flexibility

Choosing where and when their work gets done and having flexibility with other aspects of their lives.

3 Purpose

Making an impact and understanding how their work fits into the big picture.

Today's workforce looks for an environment where they can be themselves. When they do not experience that at an organization, they are often willing to leave. Authenticity in particular emerged as a leading factor in career choices. Of the 23% of respondents who indicated they had left an organization for one with a more inclusive culture, the most frequently selected reason for leaving was "the atmosphere did not make me comfortable being myself" (33%), while the least cited reason for leaving was "there were not a lot of people of different demographic groups" (12%), suggesting that inclusion is increasingly about how people feel and the experience of an inclusive culture.

Today's workforce is often seeking organizations that value authenticity, where they can feel a sense of belonging, can connect with others, and grow without having to compromise who they are in the process. Even if an organization or a team has representation from a variety of demographic groups and different backgrounds — does that necessarily make it inclusive? Diverse teams are absolutely important, but **inclusion unleashes the power of diversity**, fostering an organizational culture where everyone feels comfortable speaking up and being themselves. Today's workforce is looking for organizations to go beyond addressing how inclusion *looks* but also addressing how inclusion *feels*.

Organizations today often remain fixated on metrics and categorizing individuals by demographic attributes instead of investing and measuring engagement and experiences.

But, today's workforce is looking for more. When asked what would make their current organizations more inclusive, respondents prioritized how their leaders and peers behaved in the workplace. Many do not want inclusion to be solely a programmatic initiative or an add-on, but inclusion should be a fundamental aspect of corporate culture, embedded throughout their experiences. Yet, many organizations continue to focus solely on programming and training without evaluating or facilitating ways to embed inclusion as foundational to the daily experiences, interactions, and behaviors of their people.

Our survey respondents have told us that inclusion is an important factor in determining whether they will stay at or leave an organization. Many do not want to just participate in a program or activity and leave the inclusion conversation at the door. Instead, they want inclusion to be fundamental to their daily experiences and are willing to leave an organization to get it. It is critical for businesses today to recalibrate how they approach inclusion to truly unleash the power of diversity.

When we asked, "Are programs enough?" Respondents say no...

When asked which aspects of inclusion are present at their current organization, nearly half of respondents say that their current organizations have leaders and/or co-workers from different demographic groups and life experiences

But when asked what would make their organizations more inclusive, respondents wanted to see their leaders and co-workers demonstrate inclusion in their everyday behaviors, interactions, and decision-making

71% of respondents valued working for an organization with leadership that consistently demonstrates inclusive behaviors over one with mixed quantity or quality of inclusion initiatives offered — as opposed to working for an organization with high-quality inclusion programming, but inconsistent inclusive leadership behaviors

69% Millennials

69% Gen X

74% Boomers

These findings are cross-generational

Survey respondents do not want inclusion to be solely a programmatic initiative or add-on. Rather, inclusion should be a fundamental aspect of their experience and felt throughout everyday aspects and behaviors.

Recommendations: integrating inclusion for today's workforce

From our survey, the responses indicated that inclusion is both about how inclusion **looks** and how it **feels**. Many in today's workforce are seeking organizations where inclusion is rooted in their daily experiences. Additionally, they do not view programs as the only way to foster an inclusive culture. They want to see their leaders and peers demonstrate inclusion in their behaviors. So how can organizations be more responsive to the needs of today's workforce and continue to advance inclusion in impactful and meaningful ways?

Recommendations for organizations:

Reinforcing the tone at the top

For inclusion to advance in an organization, it is essential for a consistent commitment from the top. Our findings reinforce this. Respondents indicated that senior leadership had a large impact on fostering an inclusive culture.

Embedding inclusion into the organizational culture

Today's workforce is often looking for organizations to go beyond positioning inclusion as an add-on or something "separate and distinct" from the overall HR or Talent strategy. Instead, they are seeking organizations that are integrating inclusion into their overall business objectives and throughout their organizational culture.

Focusing on the experience of how an inclusive culture feels

Many in today's workforce have indicated that they are prioritizing the experiential aspects of an inclusive culture, focusing not just on how inclusion looks, but also how it feels in their everyday interactions, and empowered to be truly authentic in the workplace.

Evaluations and performance

Organizations can showcase that inclusive behaviors are a vital component of leadership — that being a leader, by definition, means being an *inclusive leader*.

To truly emphasize the importance and weight for leaders to model inclusion, organizations should consider including demonstrable inclusive behaviors in performance expectation frameworks for leaders to underscore the importance of *walking the talk*, such as:

- Mentoring and sponsoring a broad range of individuals throughout the organization from a variety of backgrounds and experiences
- Embedding inclusion strategies in key aspects of the talent lifecycle, including recruitment, assignments, and succession planning
- Building diverse teams by seeking out individuals with a variety of perspectives and skillsets, and enabling them to play to their unique strengths
- Enabling team members to invest in their personal well-being in ways most meaningful to them
- Demonstrating the importance of authenticity, transparency and building a sense of community

Education and awareness

Organizations need to reevaluate their programs to advance inclusion. Instead of siloing inclusion and only focusing on programming, inclusive behaviors should be clearly articulated and reinforced throughout the development experiences for all professionals .

Expanding their focus beyond select demographic groups, inclusion education and awareness efforts can provide guidance on the experience of modeling inclusive behaviors, emotional maturity, and authenticity. To truly foster an inclusive culture across an organization, educational programming needs to *raise levels of awareness and education around unconscious biases* as well as how to recognize the opportunities for inclusive behaviors in everyday interactions.

Employee engagement

While many organizations have traditionally approached fostering an inclusive culture by providing opportunities to connect individuals with similar backgrounds and attributes, from our survey results, many *respondents are looking for more*. To truly foster an inclusive culture, organizations should strive to bring a mix of diverse groups of professionals together to engage and connect on a variety of topics aligned with common passions and interests.

Organizations should embrace the *intersectionality[9] of their people*, recognizing that each individual has a number of distinct and unique identities, strengths, and experiences that overlap and intersect in different ways that all contribute to one's unique and authentic self.

Additionally, organizations can enable and encourage their professionals to connect on common passions and interests. Such opportunities can positively impact employee engagement and productivity as well as inspire creativity and innovation by driving broader diversity of thought.

> These recommendations are a starting point for organizations to explore and reevaluate how inclusion has been traditionally approached. As the workforce continues to evolve, now is the time for organizations to embrace change by embedding inclusion throughout the daily experiences of their people, acknowledging that, with each generation becoming increasingly diverse than the generation preceding it. Fostering an inclusive culture will become both about how inclusion looks as well as how inclusion makes employees feel.

Conclusion

Inclusion is an essential component for attracting and engaging today's workforce. Our respondents have told us that inclusion is not a nice-to-have but often a critical factor in determining whether they will stay or leave an organization. They expect organizations to not only implement programs, but today's workforce also wants to experience inclusion in their daily interactions and experiences with their leaders and peers. Many in today's workforce are seeking inclusive cultures where they can be themselves, have flexibility, and engage in purposeful work.

While programs remain one way to embed inclusion into culture, organizations should also recognize that in order to be truly inclusive, programs are likely not enough. Instead, by reinforcing the tone at the top, creating unique ways for individuals to connect across differences to find common ground, and raising levels of awareness around inclusive behaviors, organizations can foster a culture where inclusion is embedded into everyday interactions. This approach reinforces that, in today's workplace, everyone benefits from — and everyone has a role to play — in fostering an inclusive culture.

From our previous research, we know that perspectives regarding what inclusion is and what the workforce values will likely continue to evolve — but the one constant that remains is the importance this evolving workforce continues to place on inclusion as a priority. To be viewed as an employer of choice, organizations should reexamine their approaches to inclusion and recognize that inclusion is foundational to culture, applies to everyone, and is vital for organizations now and in the future.

Meet the authors

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Deb is Vice Chairman, Chief Inclusion Officer
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In her role as National Managing Partner of
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Brent is the National Director of Deloitte's
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As a Lead in Marketing and Communications
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Before this role, Eliza drove Deloitte's
marketing efforts, including spearheading a
program for executive-level women.

Additional information

About BJKLI

The Billie Jean King Leadership Initiative (BJKLI) is a nonprofit organization founded by Billie Jean King in partnership with Teneo as part of an effort to encourage companies, corporations, and individuals to embrace those with diverse personalities, backgrounds and lifestyles for the positive and unique contributions they bring to the workforce. The BJKLI's three pillars–Lift, Learn, and Lead–are dedicated to inspiring those in positions of power to promote diverse identities and challenge the status quo. As a result of the shared commitment to moving the needle on inclusion in global business environments, the Billie Jean King Leadership Initiative (BJKLI) and Deloitte have joined forces to identify the issues impacting today's diverse workforce. To learn more about the BJKLI and to find out ways your organization can get involved please visit BJKLI.

Survey Methodology

The survey gathered online responses April 13-20, 2017 from more than 1,300 full-time employees from different sized companies across the United States. The online questionnaire measured demographic subgroups upfront to ensure a significant sample size for statistical validity.

Inclusion Definitions

- **Inclusion:** Respect for and appreciation of differences in demographic characteristics such as race, ethnicity, gender, age, national origin, disability, sexual orientation, and/or non-demographic characteristics such as religion, education, experiences, communication style, or work habits.

- **Inclusive:** Embracing all people; making all people feel valued and they belong in their organization.

- **Inclusion initiatives:** Efforts to help all people feel that they are valued and belong in their organization.

Contact Us

To discuss any of the ideas presented here, please send an email to:
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Endnotes

1.   Deloitte. *The Radical Transformation of Diversity and Inclusion: The Millennial Influence.* (2015).

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7.   Gallup. "Employee Engagement in U.S. Stagnant in 2015." (2016).

8.   Downey, Stephanie; van der Werff, Lisa; Thomas, Kecia; Plaut, Victoria. "The role of diversity practices and inclusion in promoting trust and employee engagement." *Journal of Applied Social Psychology* (2015).

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