

Key insights

01

The future is intersectional

Data collected from workplaces mirrors the demographic shift we're seeing in the United States. Typically underrepresented populations are proportionately making up more of the workforce. "Diversity" is becoming the norm as underrepresented people solidify their position as integral members of the workforce.

02

The employee experience is not equal

Our experience at work is influenced by demographic traits. In aggregate, those from underrepresented backgrounds experience company culture less positively than employees in a majority group; the disparity is compounded for employees in multiple minority groups (e.g. gender, race, sexual orientation).

03

Inclusion and belonging matter most

Factors relating to belonging, communication, and decision making are found to be strong drivers of [employee engagement](#). A feeling of belonging at a company, (i.e. "I feel like I belong at my company") has the strongest relationship to engagement.

04

Why and how these findings impact your business

Four separate meta-analyses covering hundreds of individual studies demonstrate how workers will underperform relative to their abilities if they are burdened by negative stereotypes.

The future is intersectional

Demographic shifts in the U.S. population underscore how our future is intersectional. Underrepresented minorities are growing in size and influence. The United States will become a majority-minority country (meaning racial and ethnic minorities will make up a majority of the entire population) [sometime between 2041 and 2046, depending on immigration patterns](#). As early as 2019, the majority of children born in America will be from a race that is currently considered “underrepresented.” Similar demographic shifts are happening all over the world.

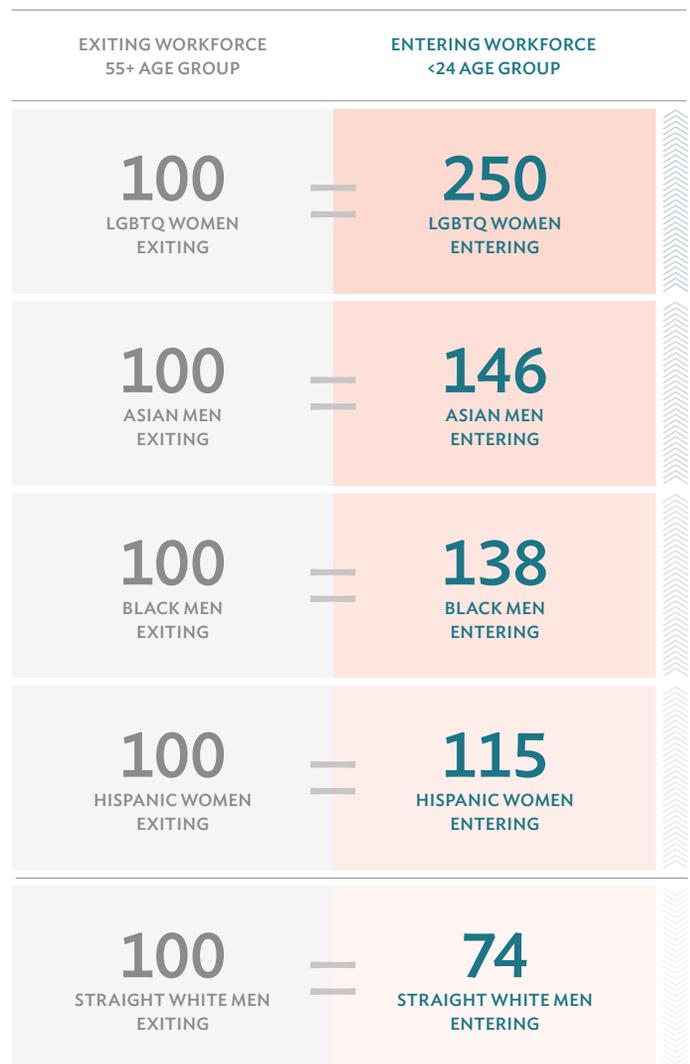
As we reflect on the changing racial and ethnic population, we must consider how other demographic traits are also evolving. [The Public Religion Research Institute suggests that 7% of Millennials self-identify as LGBTQ](#); twice as high as those in older generations. In America, [the 2010 Census Bureau revealed that 19% of Americans have a disability](#).

By comparing our youngest respondents (<24 years old) and our oldest respondents (55+ years old), we can confirm that the demographic shifts in our data reflect the changing workforce makeup. The greatest shift we see is in the majority population: Straight White Men.

Straight White Men make up 34% of all respondents of the youngest people in our data. However, Straight White Men account for 46% of all respondents in our oldest age cohort. As the oldest members of the workforce retire and make way for the younger generations, we can expect to see a workforce that looks dramatically different than what past generations have seen.

Because our future is intersectional, we must consider how our demographic traits intersect and highlight how our unique identities affect our experiences at work. The need to create organizational environments receptive to diversity is greater than before. Being a culture first organization starts with recognizing the difficulty and importance of acknowledging our complex identities.

Straight White Men make up 46% of people exiting the workforce but only 34% of the people entering the workforce.



The employee experience is not equal

The fight for equality begins by battling many people’s first emotional response to the diversity conversation: “I’m not biased.” Bias exists in all of us; fear, shame, and uncertainty about how to mitigate our biases is a major hurdle into accepting the current reality: the employee experience is not equal.

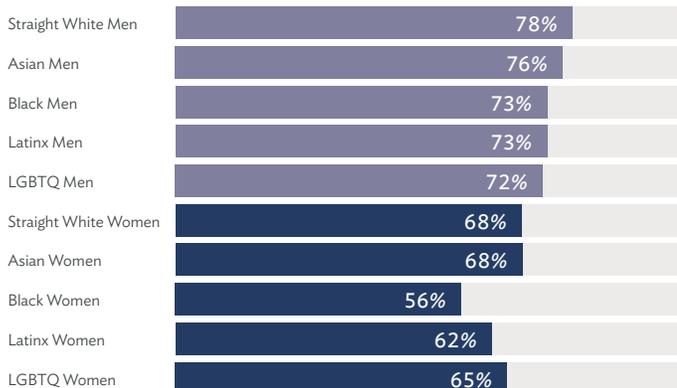
Despite massive efforts from organizations to create fair and equitable company cultures, the overall picture of company culture in the organizations that we surveyed is one where minorities report lower favorability across every item measured. This is a manifestation of bias, prejudice and stereotyping.

Experiences of fairness, decision making, and voice are among the largest disparities in the employee experience. They also illuminate how nuanced our findings are; the intersection of gender, race, and sexual orientation impact these aspects in interesting and unique ways. Although Men score higher than Women, Straight White Women have higher perceptions of fairness than Black Men and LGBTQ Men. Different intersectional groups of women (Black Women, Latinx Women, LGBTQ Women) score lowest across many survey items.

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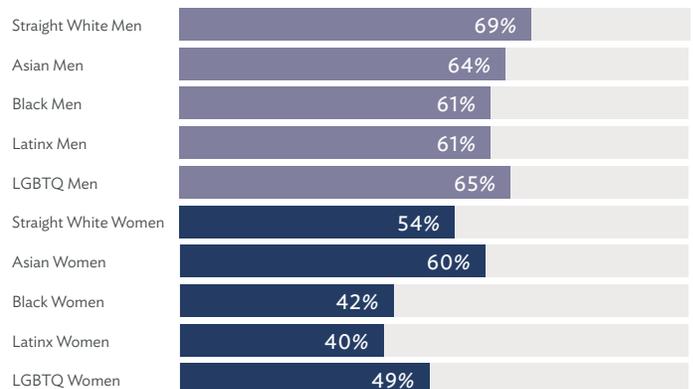
VOICE

I can voice a contrary opinion without fear of negative consequences



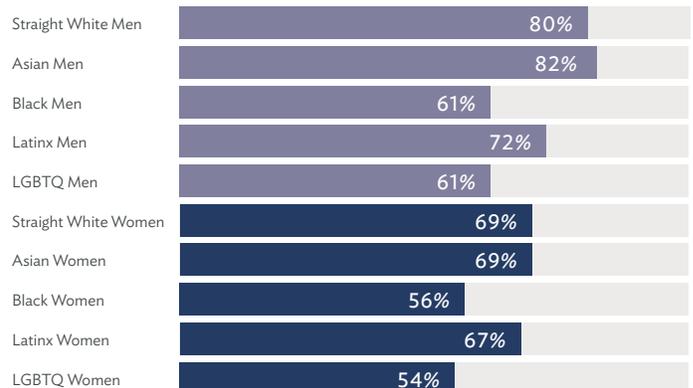
DECISION MAKING

Perspectives like mine are included in the decision making at my company



FAIRNESS

People from all backgrounds have equal opportunities to succeed at my company



Inclusion and belonging matter most

Representation and perceptions of diversity are not clearly linked

We believe that a large tech company influence within our sample caused Asians to score the highest in company diversity because they are visibly represented in the tech industry. However, Asians experience the biggest gap between perceived “company diversity” and “team diversity,” perhaps because the [Bamboo ceiling](#) denies them equal opportunities to leadership positions or that their representation feels concentrated in specific functions, such as engineering.

The Middle Eastern cohort surprised us as well – they are an underrepresented group that were among the highest scoring population around perceptions of diversity. Our theory is that the US Census does not recognize Middle Eastern as a race or ethnicity; this causes those of Middle Eastern descent to be mis-categorized. Our Diversity and Inclusion Survey explicitly lists Middle Eastern as an option that acknowledges and honors this part of their identity.

If this is true, this is a powerful reminder that the demographic choices we list send a signal about whether someone belongs in an organization. We encourage you to customize (typically by broadening) your demographic choices to be inclusive to all races and ethnicities in your organization.

Increasing minority representation in an organization is an important objective that belongs in a portfolio of diversity management strategies. However, our data does not show clear links between the amount of representation in an organization and their perception of company or team diversity. Furthermore, statistical tests that look at underlying patterns showed that diversity had low to moderate [correlation to engagement markers](#) like recommendation, pride, motivation, and intent to stay.

RANK	REPRESENTATION IN SURVEY DATA	MY COMPANY VALUES DIVERSITY	MY COMPANY BUILDS DIVERSE TEAMS
1	WHITE	ASIAN	MIDDLE EASTERN
2	ASIAN	MIDDLE EASTERN	PACIFIC ISLANDER
3	HISPANIC/LATINX	WHITE	HISPANIC/LATINX
4	BLACK/AFRICAN-AMERICAN	HISPANIC/LATINX	WHITE
5	MIDDLE EASTERN	PACIFIC ISLANDER	ASIAN
6	PACIFIC ISLANDER	NATIVE AMERICAN/ALASKAN NATIVE	BLACK/AFRICAN-AMERICAN
7	NATIVE AMERICAN/ALASKAN NATIVE	BLACK/AFRICAN-AMERICAN	NATIVE AMERICAN/ALASKAN NATIVE

There is no clear link between representation and one’s perception of diversity.

Belonging is the most correlated to engagement

The survey questions that have the highest impact and correlation to employee engagement are:

RANK	QUESTION
1	I feel like I belong at my company
2	I am satisfied with how decisions are made at my company
3	I feel respected at my company
4	At my company, there is open and honest two-way communication
5	Even when something bad happens (e.g., when I get critical feedback from my manager, I have a negative social interaction with a peer, etc.), I don't question whether or not I belong at my company

These feelings are associated with factors we term Belonging, Communication and Decision Making. These are factors that are more closely aligned with the concept of inclusion, rather than diversity. They speak more to the way people feel they are treated as individuals versus how they directly perceive the diversity of their organization.

Belonging

During the development of the survey template, we anticipated that survey items from the Belonging factor would strongly correlate to engagement. When the results confirmed our suspicion, we developed an e-book, [6 Ways to Foster Belonging in the Workplace](#) to help others understand the impact that Belonging can have at driving engagement within an organization.

“I feel like I belong at my company” and “I feel respected at my company” are the clearest measures of outright belonging in the Diversity and Inclusion Survey template. When survey respondents feel that they belong and are

respected, they are highly likely to recommend their company, be motivated (by putting in discretionary effort), and express their intent to stay.

“Even when something bad happens, (e.g., when I get critical feedback from a manager, I have a negative social interaction with a peer, etc) I don't question whether or not I belong” is a measure of [Belonging Uncertainty](#). Companies like Pinterest have had success in creating diverse and inclusive practices, in part by [tackling Belonging Uncertainty as early as 2016](#). These intervention strategies, adapted from lab research, offer promising innovations that can be applied in all types of organizations.

Decision Making

When measuring the underlying pattern between each survey item and our engagement index, “I am satisfied with how decisions are made at my company” had the second highest correlation.

Companies can foster an inclusive culture by affording employees the ability to see how important decisions are made. Employees across the business are more likely to be engaged when they have visibility into decision making, especially decisions that directly affect their work.

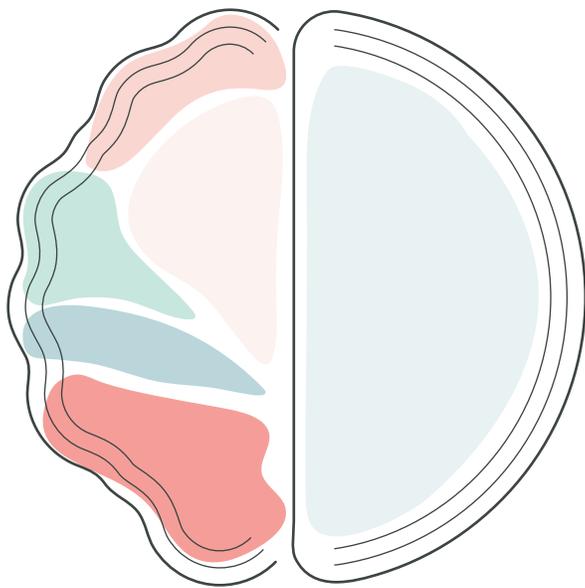
Communication

“At my company, there is open and honest two-way communication” is a survey item that was pulled from Culture Amp's Engagement Survey template. Culture Amp has already established this item as a strong driver of engagement from surveying employees at 1,200+ companies in 120 industries.

It was a conscious decision to use this item in our Diversity and Inclusion Survey because we saw statistically meaningful differences between gender and race/ethnicity. We are taking note of similar disparities between majority and minority groups across sexual orientation, socioeconomic status, veteran status and disability status.

Why and how these findings impact your business

Our future holds intersectionality as an important concept in understanding how to create diverse and inclusive cultures. The employee experience is significantly affected by our ever-intersectional identities, thus, there is an increasing business risk of ignoring these trends. To understand why marginalized groups will negatively impact your business, leaders at all levels in the organization should familiarize themselves with the concept and impact of stereotype threat.



Stereotype threat is the worry that one could confirm a negative stereotype in the eyes of others, and even in one's own eyes. Cues in the environment and culture can signal that their identity could be a reason they are evaluated negatively. It is one of the key reasons why employee feedback does not easily flow to marginalized groups; [The Mentor's Dilemma](#) explains the difficulties with regards to giving and receiving critical feedback across the racial divide. This research posits the mechanisms causing Black employees to score lower in factors like Voice and Belonging.

We have enough research: The Mentor's Dilemma is [one of more than 400 studies](#) that have found that stereotype threat can cause people to underperform relative to their ability. Four separate meta-analyses (Walton & Cohen 2003, Nguyen & Ryan 2008, Walton & Spencer 2009, Taylor & Walton 2011) covering these studies have led to an academic convergence that stereotype threat can have a significant impact in the lives and outcomes of individuals and the organizations in which they work. Correspondingly, cues that remove stereotype threat cause groups to perform better.

Due to stereotype threat, the cost of ignoring diversity and inclusion will increase over time. As we explore new methods for reducing stereotype threat, combined with intersectional data analyses, we will better understand the business impact of recognizing Diversity, Inclusion, and Intersectionality as key components of a Culture First strategy.

The state of diversity, inclusion, and intersectionality

A focus on diversity and inclusion is increasingly seen as a moral imperative and a competitive response to changing workplaces. Every month we see more articles written on the topic (The Harvard Business Review have published a recent collection [here](#)).

The way intersectionality creates multiple minorities should remind us that groups of people are ultimately composed of more complex individuals. The number of possible combinations can make this work complex and difficult to draw clear findings, but it is imperative that our research take this difficult lens.

We will continue to highlight how the employee experience differs among other demographic traits. We have information on single parents, those from lower socio-economic backgrounds, people with disabilities, veterans, and responses across 20 countries and growing. Our data will measure our collective progress on reducing disparity gaps, but we don't expect any "new" findings in the coming years. It's a matter of fact: the employee experience is not equal.

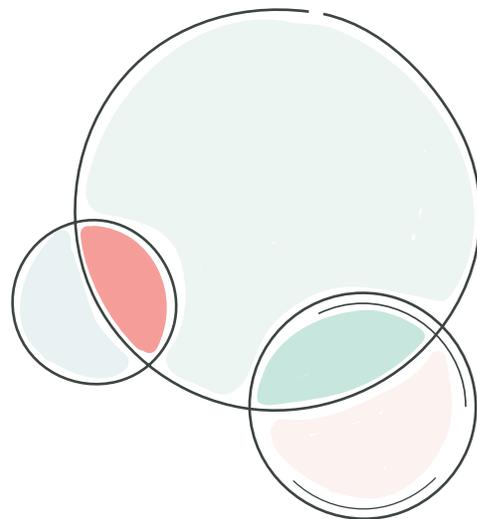
Our data suggests that the most successful approach to attracting and retaining a diverse workforce will be to focus on creating a workplace that makes people feel they belong. Without this, no matter how much diversity you might achieve by the numbers, you may quickly find people feeling disconnected, disengaged and prone to leaving your organization.

Moving Beyond "Diversity ROI"

In this report, we have not directly explored the relationship between D&I and financial performance. While this can be useful for getting buy-in from leaders focused on bottom-line measures, it's important that we begin moving beyond measuring "Diversity ROI."

Historically underrepresented people do not need a "business reason" to exist.

Instead, we prefer to highlight how our findings create a need to gather employee feedback on diversity, inclusion, and intersectionality. Because our future is intersectional, the employee experience is not equal, and belonging matters most, the Culture Amp and Paradigm Diversity and Inclusion Survey is a solution that focuses on how to leverage diversity as a business strength.





Build a more inclusive workplace

The Diversity & Inclusion Survey helps you to measure the employee experience of all groups and highlights where you may have blind spots. It measures the employee experience across the seven constructs of inclusion: fairness, opportunities and resources, decision making, voice, belonging, diversity, and contribution to a broader purpose.

[Learn more >](#)

cultureamp.com/diversity-inclusion