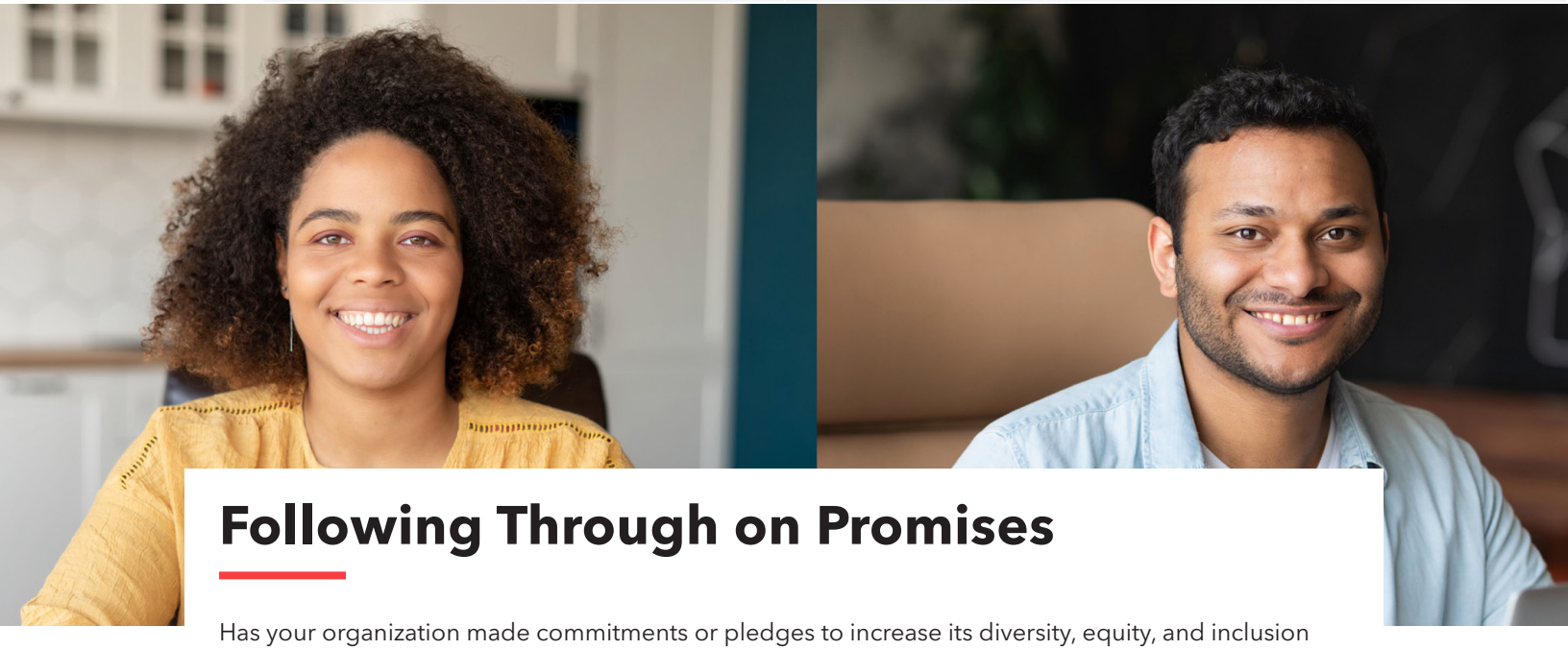
Promises vs. Progress: 2 Keys to Keeping Employees Feeling Good and Staying Put

By Emily Shaffer, PhD, and Brittany Torrez, PhD

CATALYST
WORKPLACES THAT WORK FOR WOMEN



Following Through on Promises

Has your organization made commitments or pledges to increase its diversity, equity, and inclusion (DEI) efforts over these last few years? Maybe some of the following efforts sound familiar:

Your organization promised to increase the number of women and members of marginalized groups on the board and at senior levels.

Your CEO committed to address the gender pay gap.

Your senior leaders and middle managers were told they must upskill on inclusive leadership behaviors.

A few years after many organizations announced grand commitments to DEI, employees, board members, and the media are beginning to question whether organizations are genuine and have followed through on their commitments.[1] Throwing up your hands and saying, "We tried our best," is not going to cut it. So, where does your organization stand?

We surveyed 24,348 employees in more than 20 countries and found that two characteristics—organizational accountability to DEI, together with fair organizational processes—significantly impact employees' ability to thrive.

Two Organizational Practices Are Key to Employee Success

1. Organizational Accountability to DEI

Organizational accountability to DEI means that the policies in place and the actions of senior leaders demonstrate that diversity is valued as a benefit to the organization, that there are processes in place to meet diversity goals, and that senior leaders are held accountable for meeting these goals.

ACCOUNTABILITY IS PRESENT WHEN...

- Senior leaders are held responsible for increasing diversity in the organization and on their teams.
- Employees who make progress toward fostering inclusion are actively rewarded.
- Senior leaders put processes in place to identify inequities in compensation and hold one another accountable to rectify these inequities.

ACCOUNTABILITY IS ABSENT WHEN...

- Goals are set, but no one follows through or updates employees on progress against the goals.
- The organization fails to assess and modify recruitment, hiring, development, and promotion processes to remove biases.
- The organization avoids or dismisses questions about DEI at staff and team meetings.

2. Organizational Fairness

Fair organizational processes mean that transparent processes and structures are in place to ensure that organizational decisions affecting employee outcomes are fair, equitable, timely, and respectful.

FAIRNESS IS PRESENT WHEN...

- Senior leaders create processes to remedy errors in decision-making.
- Senior leaders treat all employees with respect during decision-making and have mechanisms in place for employees to provide input before decisions are made that will affect them.
- Senior leaders provide information about employee outcomes (e.g., performance, policy changes) in a prompt manner.

FAIRNESS IS ABSENT WHEN...

- Processes are opaque for determining promotions, compensation, and development opportunities.
- Senior leaders make internal decisions and changes without providing information about how the decisions were made and/or without giving employees the opportunity to provide input.
- Senior leaders fail to acknowledge when they have made errors in decision-making and/or fail to reevaluate processes to ensure the same error isn't made again.

Organizations Have Room for Improvement

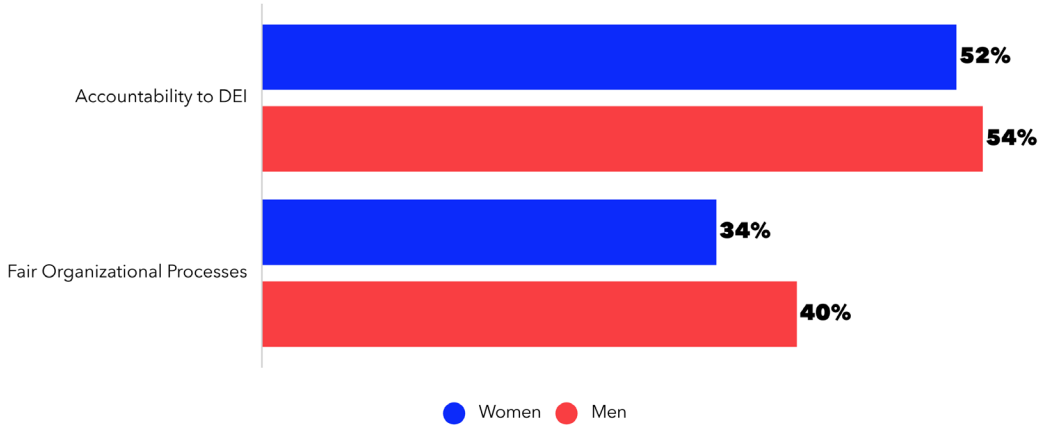
Just over half of employees (**53%**) say that people within their organization are held accountable for DEI.

Only **37%** of employees say that their organization displays fair organizational processes.

Rates Are Even Lower for Employees From Underrepresented Groups[2-15]

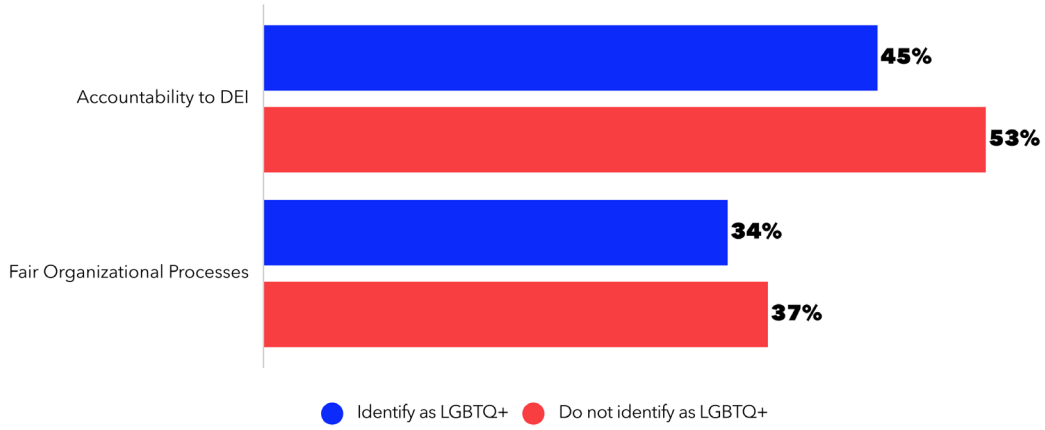
By Gender

Only half of women and men think that their organization holds itself accountable to DEI, and the results are even lower regarding fair organizational processes.



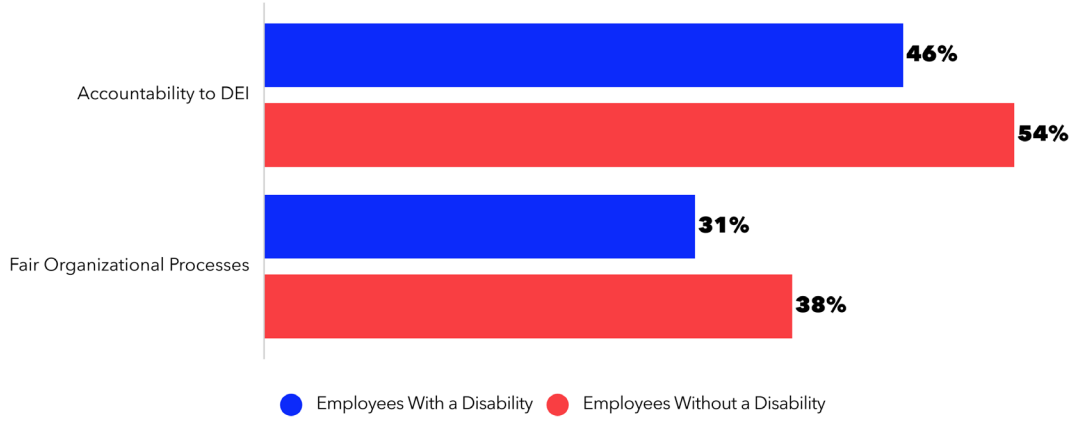
By LGBTQ+ Identity

LGBTQ+ employees report lower organizational accountability to DEI and less fair organizational processes than cisgender straight employees.



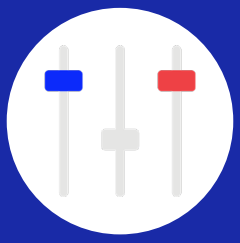
By Ability

Employees who have a disability report lower organizational accountability to DEI and fair organizational processes than employees who do not have a disability.



Organizational Accountability and Fairness Increase Inclusion, Engagement, and Retention[16-21]

Because so few employees have positive assessments of their organization, it's hardly surprising that employees are making demands. Organizations cannot afford to ignore their calls, especially when we see the benefits that can accrue.



Two Practices Are Better Than One

We found that employees who perceive their organization to have high fairness and high accountability to DEI have the highest rates of inclusion,[22] engagement,[23] and intent to stay.[24]

What About Inclusive Leadership?

Yes, we found that inclusive leadership plays a role in these employee experiences. But we also see that organizational accountability and fair organizational processes are significant, even when taking into account the impact of inclusive leadership. This means that instead of taking an either/or approach to leadership and organizational practices, organizations need to take a both/and approach if they're serious about improving employee experiences.

Actions Senior Leaders and DEI Practitioners Should Take

Employees are looking for more than just a great manager. They want to work for a superlative organization committed to DEI and to building a fair workplace. If you are able to push your organization's strategies for measuring and advancing DEI and creating transparent, respectful decision-making processes, you have the power to change how employees experience their workplace. For all employees—but especially women, LGBTQ+ employees, and employees with disabilities—it just might be the difference between choosing to stay and choosing to leave.

Take stock

Conduct an audit of your organization's policies and practices—as well as their effect on diversity and inclusion.[25]

Questions to ask:

- Are policies to reward contributions to diversity, equity, and inclusion implemented as part of performance management systems?
- Do processes for making decisions around organizational policies provide sufficient and sustainable opportunities for employees' voices?
- Do these policies have a track record of promoting inclusion for all employees, particularly for women and members of other marginalized groups?
- Are we clearly communicating our policies and practices with our employees on a regular basis?

Review Boston Scientific's Practice of rewarding employees for meeting DEI goals and Uber's and Ulta Beauty's Practices for creating equitable career advancement processes.

Listen and follow up

Be proactive in creating processes and policies to listen to employees and involve their voices in decision-making. Then, follow up.

Questions to ask:

- What's working well and what is not for employees?
- How does the answer to this question differ depending on employees' racial/ethnic background or gender, for example?

Review Bank of America's Practice for ensuring employees have a voice and are heard.

Engage and iterate

DEI work is not "one and done." Employ evidence-based strategies[26] to learn how to hold your organization accountable to DEI goals, enact change, and iterate.

Questions to ask:

- What processes are in place to collect data consistently on our progress over time?
- What evidence do we have to demonstrate that we're making progress toward our DEI goals? How many women are in leadership positions? What is the racial pay gap?

Review Unilever's Practice for an example of how to successfully reevaluate and refine your organizational processes and Enbridge's Practice to see how to best collect data and track your progress.

Be transparent

It can be exciting to share progress made toward DEI goals, but it's even more important to share lack of progress. Facing these difficult truths makes it easier for organizations to hold themselves accountable, not to mention building trust with employees and credibility with the public.[27]

Questions to ask:

- What processes are in place to share our progress toward our DEI goals on a regular basis?
- With whom are we sharing this progress—managers, C-suite leaders, the public?
- Is there backlash to new policies, processes, or progress? What can we learn from this feedback?

See how Parexel's DEI governance and reporting systems ensure transparency and accountability.

About the Authors

Emily Shaffer, PhD, is a social psychologist whose research has focused on reducing disparities in education and career fields that arise from negative stereotypes about women and people from underrepresented racial and ethnic groups. At Catalyst, Emily leads the Inclusive Workplace Cultures research team and is passionate about using her expertise in stereotyping and prejudice to help create more inclusive and equitable workplaces.

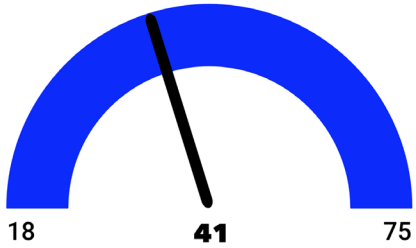
Brittany Torrez, PhD, is a research fellow on the Inclusive Workplace Cultures research team at Catalyst and a doctoral student in Organizational Behavior at the Yale School of Management. Her current research examines the psychological processes and organizational practices that reproduce racial inequality in the workplace.

About the Study

We surveyed 24,348 employees in over 20 countries as part of our *Accelerating Inclusive Leadership* research series. This series delves into the elements of inclusive leadership at work.

Demographics

Age



AVERAGE AGE

Gender

53% Men

46% Women

1% Trans or nonbinary

Race/Ethnicity

76% White

24% Underrepresented Racial or Ethnic Group

Sexual Orientation

6% Identify as lesbian, gay, bisexual, queer, pansexual, or asexual

90% Do not identify as lesbian, gay, bisexual, queer, pansexual, or asexual

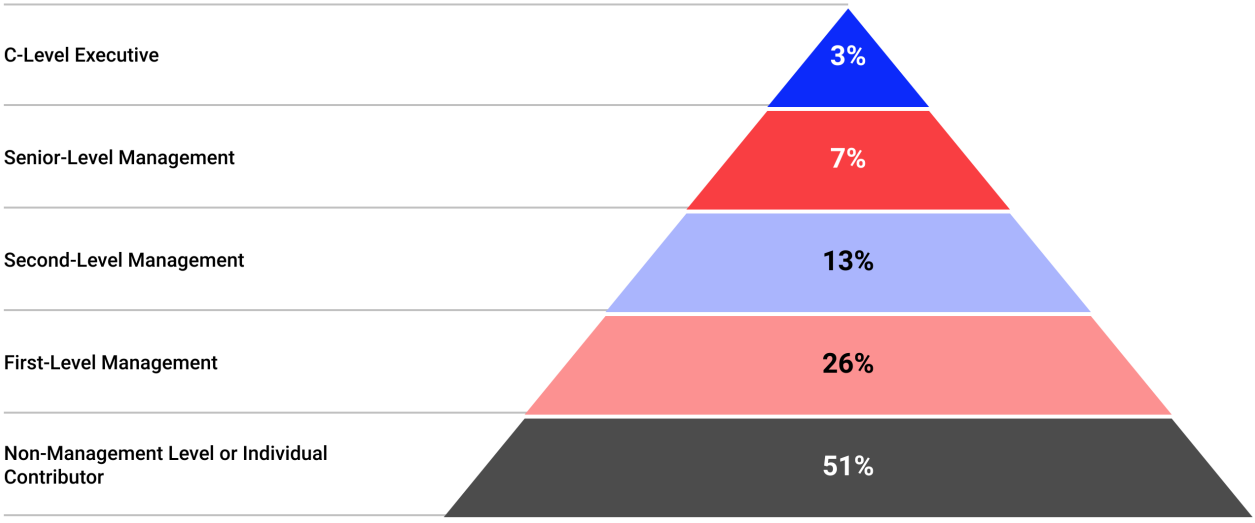
4% Prefer not to say

Ability

5% Identify as having a disability

95% Do not identify as having a disability

Rank



Job Function

20%
Marketing and Sales

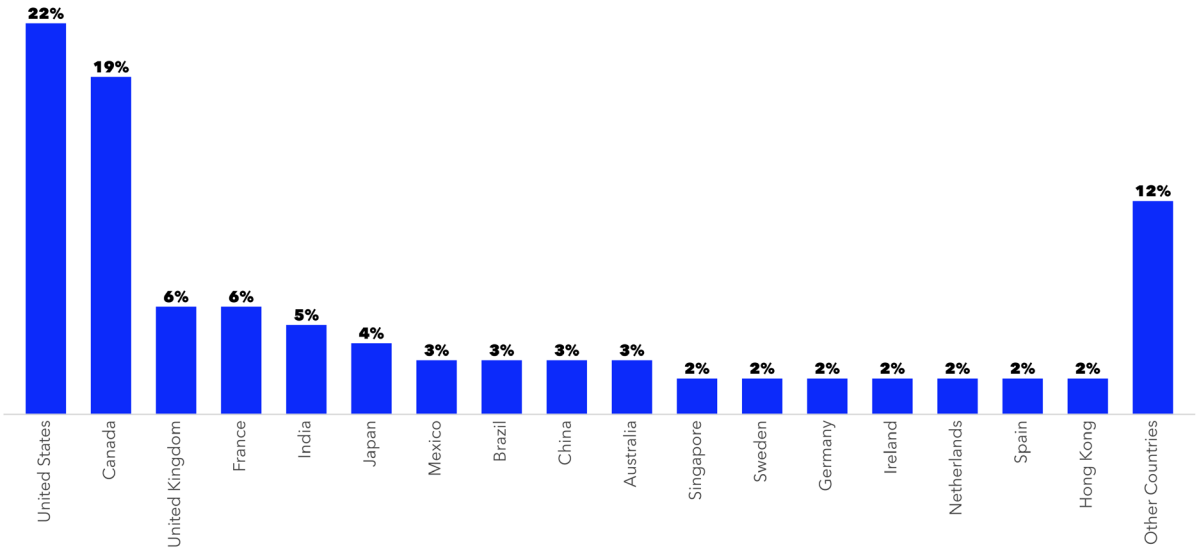
13%
Administration / General Management

12%
Finance / Accounting / Purchasing

11%
Operations Management / Manufacturing

10%
Other Technical Role

Countries



Methodology

Recruitment and Sample: Participants in this survey were recruited either through an online panel service company or through their company's participation in the Catalyst Inclusion Accelerator. See Demographics chart for more information about the sample. Race and/or ethnicity data was available for participants in Australia, Canada, Ireland, the United States, and the United Kingdom. As a result, information related to race and/or ethnicity reflects a subset of the sample.

Procedure: After consenting to participate in the survey, respondents were asked to answer questions about their experiences of inclusion and perceptions of their managers and organizations. Respondents were asked to consider their experiences at their organization in the last 12 months when responding to the survey questions.

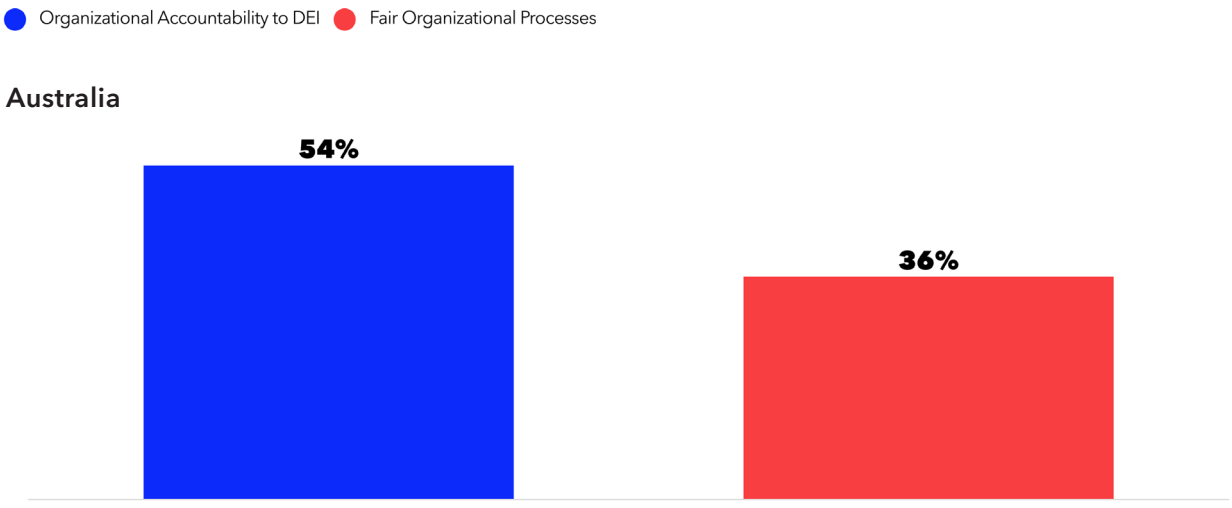
Analysis: We employed several statistical analyses to investigate the impact of participants' organizational experiences on employee outcomes. We conducted hierarchical linear regression, one-way ANOVA, t-tests, and logistic regression. All analyses were performed in IBM SPSS version 25. Due to the large sample size, we used a stricter alpha level of < .001 (unless otherwise noted) to determine statistical significance.

Country Data: Descriptive information about the experiences of organizational accountability to DEI and fair organizational processes by country and other demographics of interest are reported in the tables below.

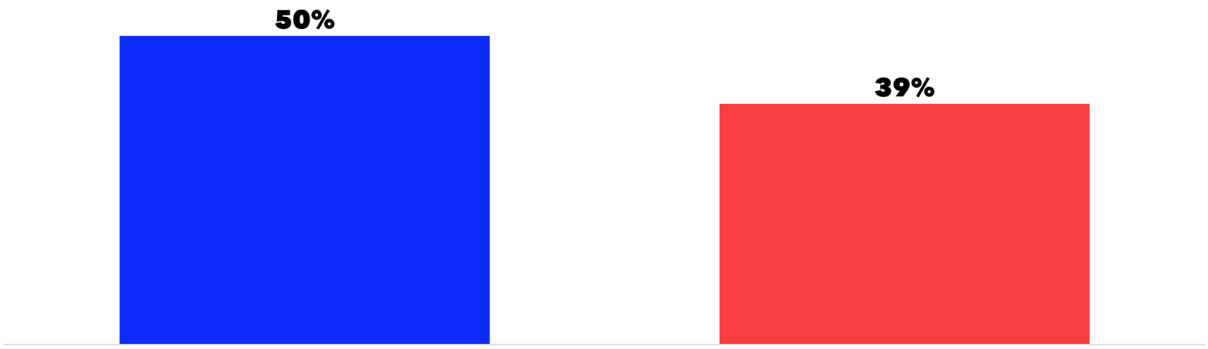
Experiences of Organizational Accountability to DEI and Fair Organizational Processes

By Country

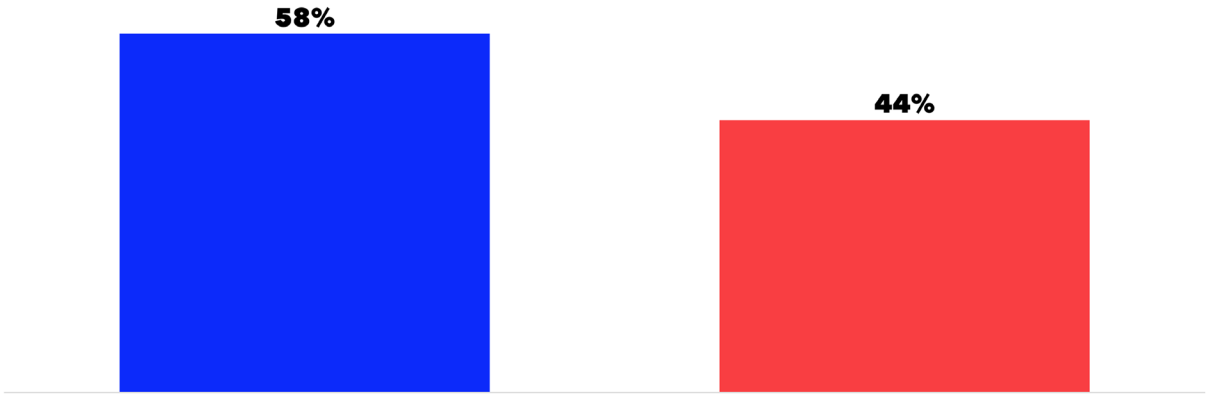
Percentage of Employees Indicating "Mostly" or to a "Great Extent" Accountable to DEI and "Often" or "Always" Have Fair Organizational Processes by Country



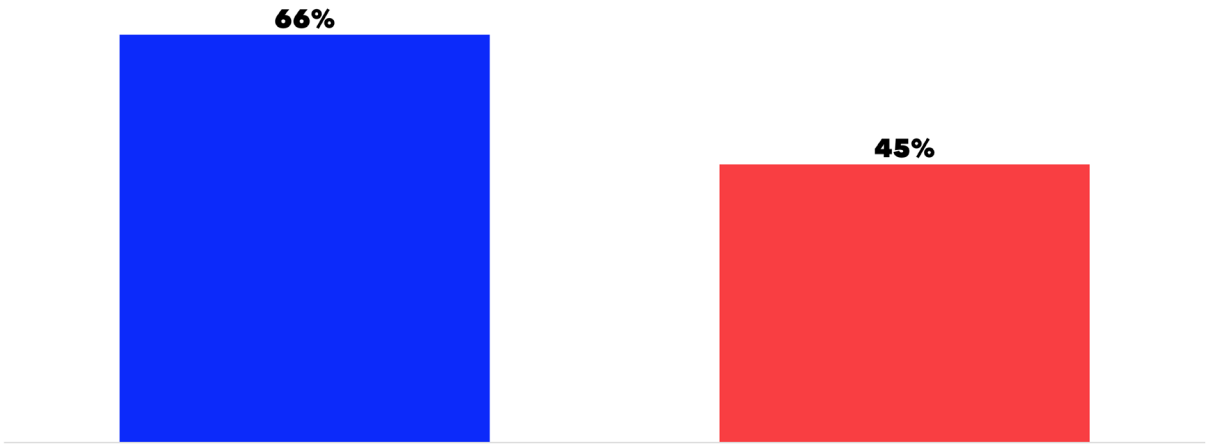
Brazil



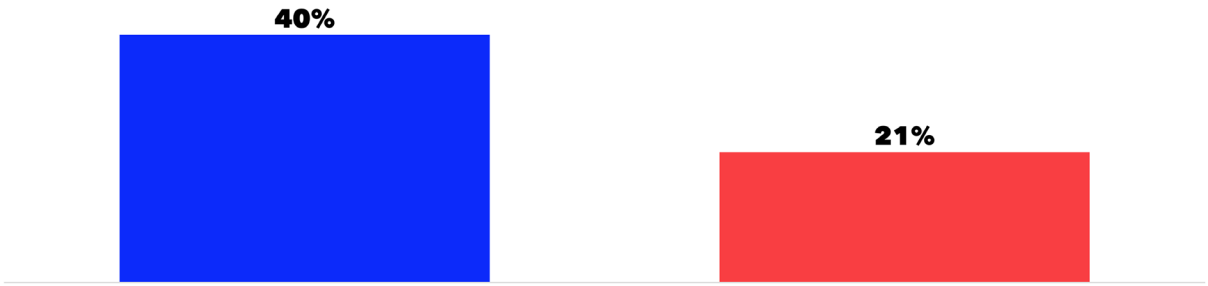
Canada



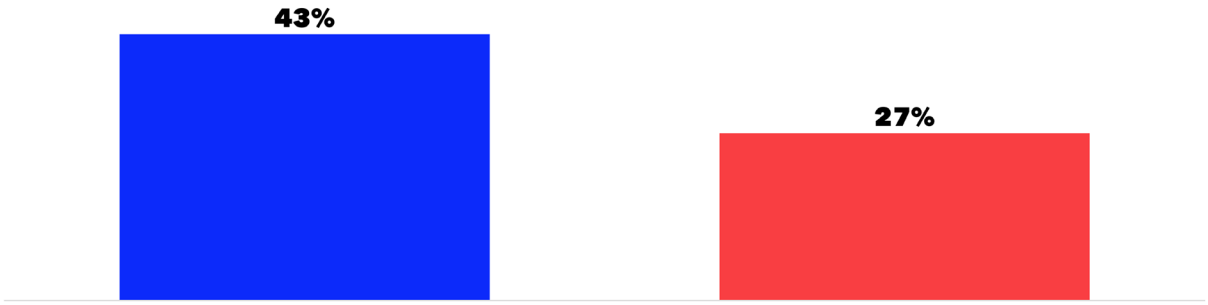
China



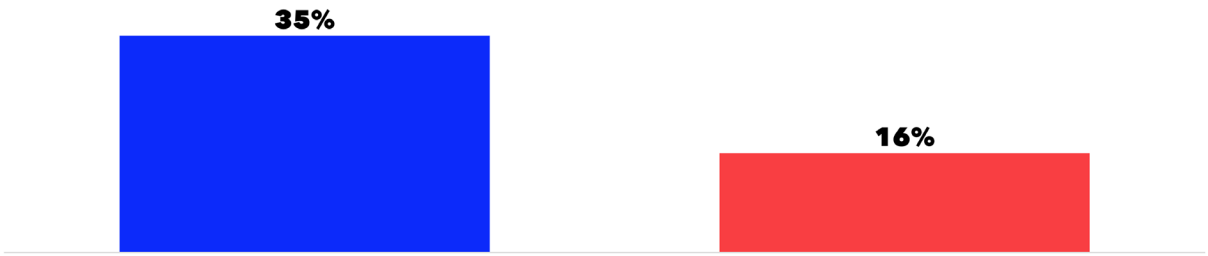
France



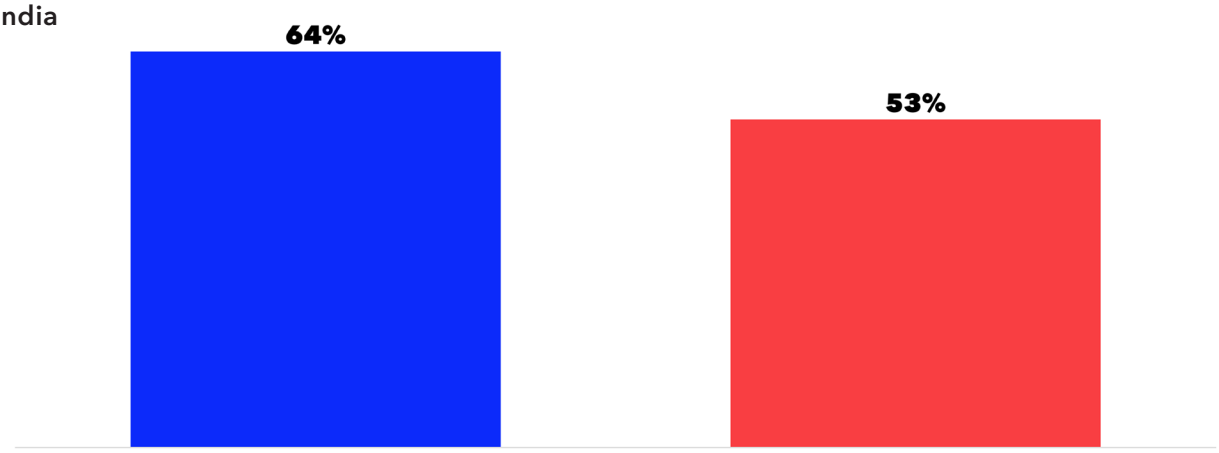
Germany

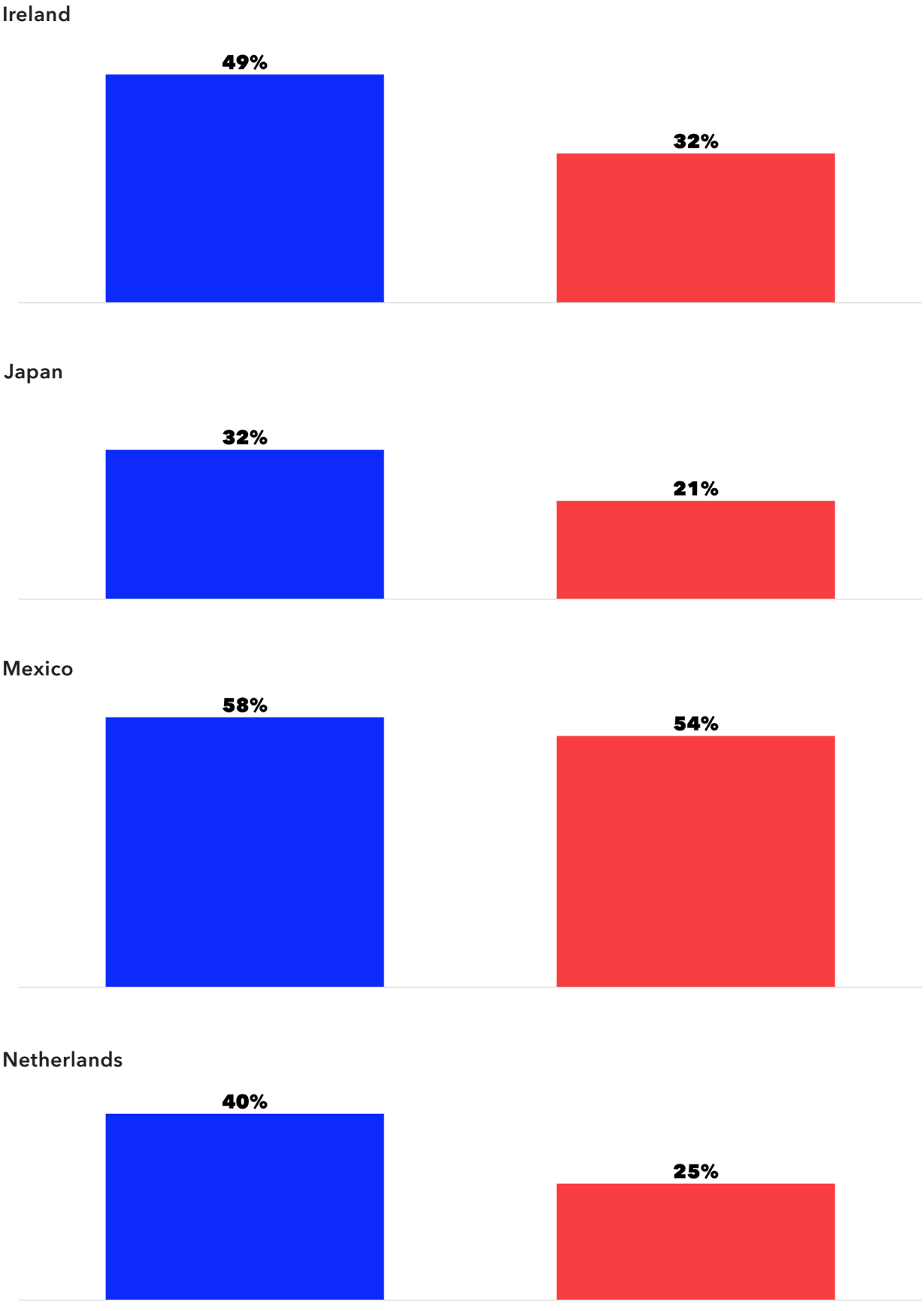


Hong Kong

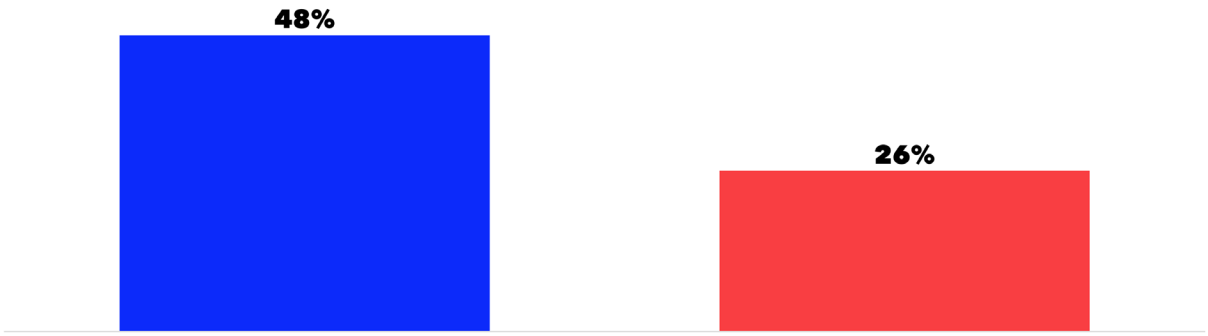


India

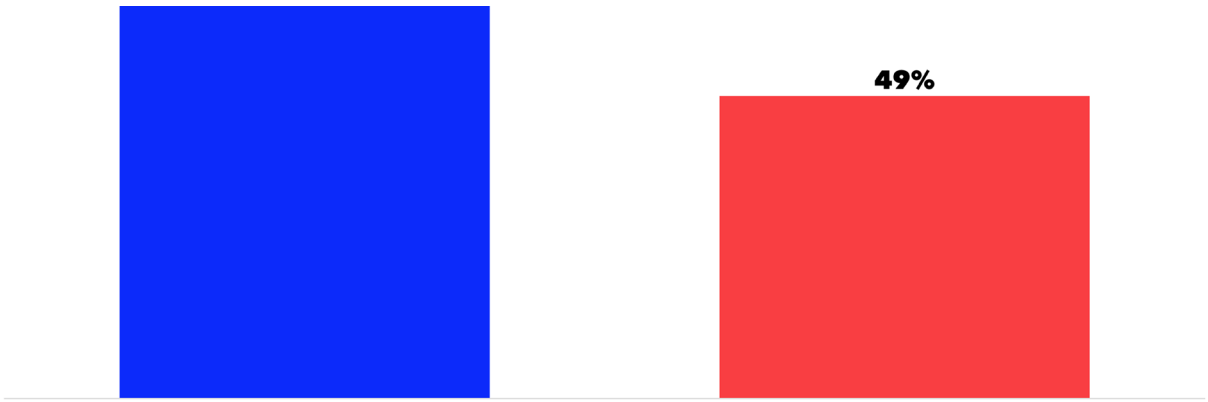



Ireland
49%
32%
Japan
32%
21%
Mexico
58%
54%
Netherlands
40%
25%

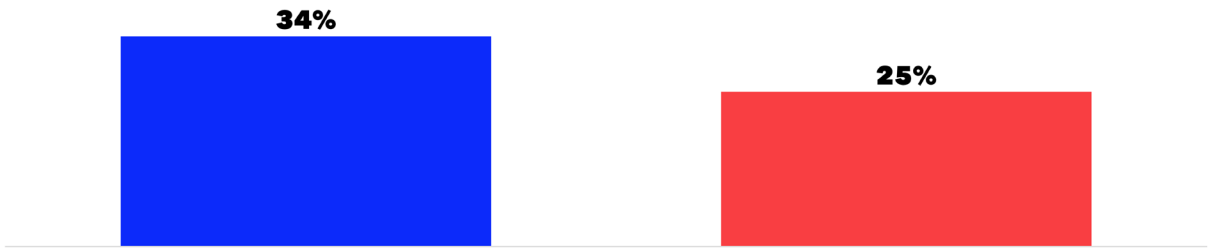
Singapore



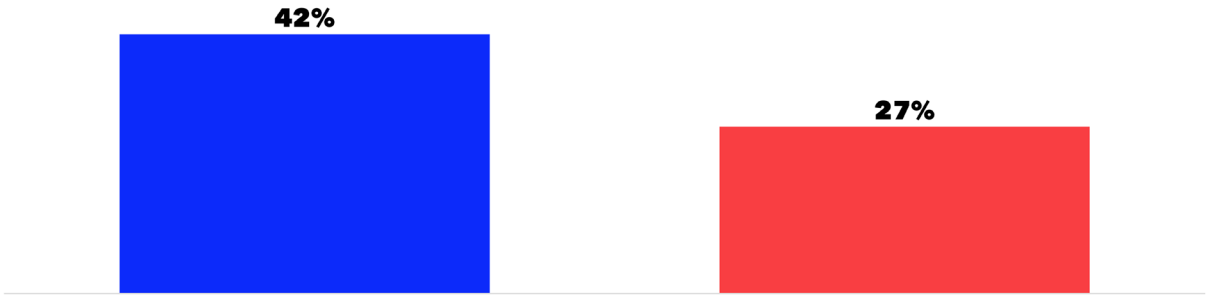
Spain



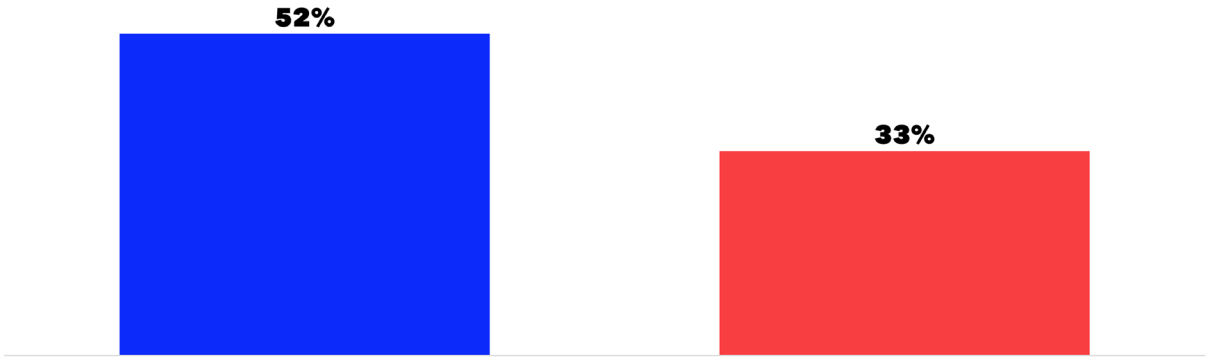
Sweden



United Kingdom



United States

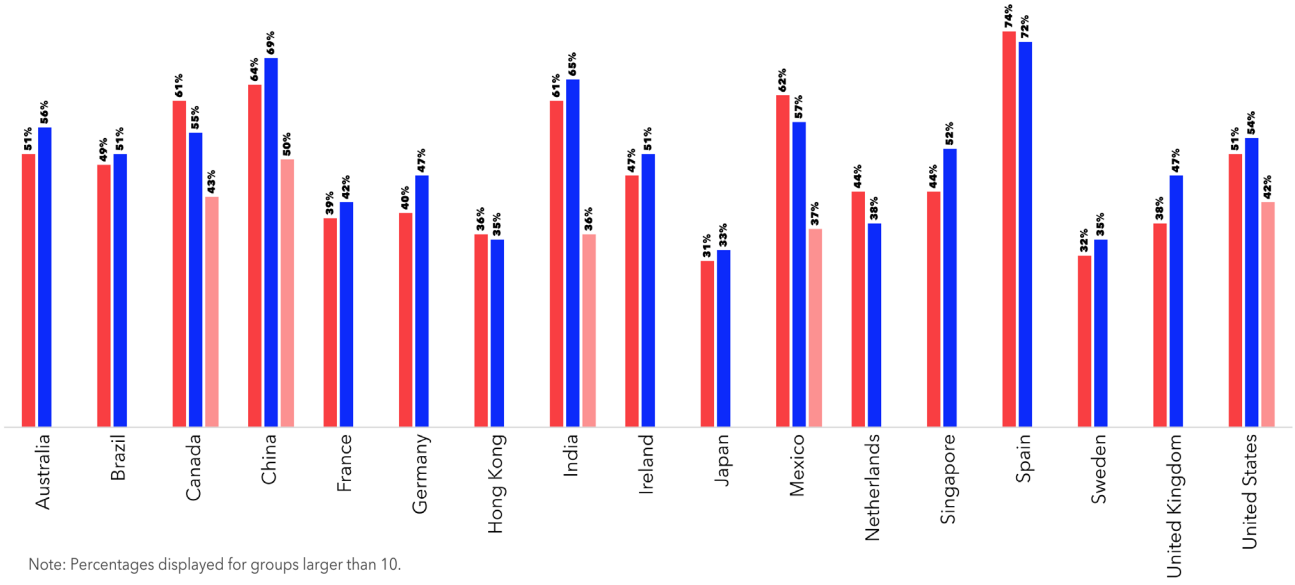


By Gender

Percentage of Employees Indicating "Mostly" or to a "Great Extent" Accountable to DEI and "Often" or "Always" Have Fair Organizational Processes by Gender

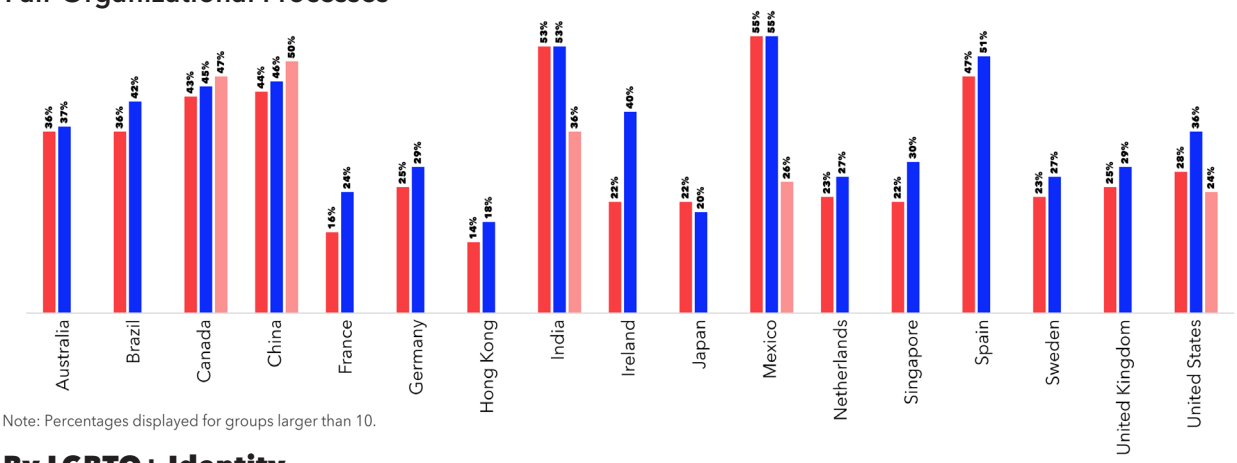
Women Men Trans or Nonbinary

Organizational Accountability to DEI



Note: Percentages displayed for groups larger than 10.

Fair Organizational Processes



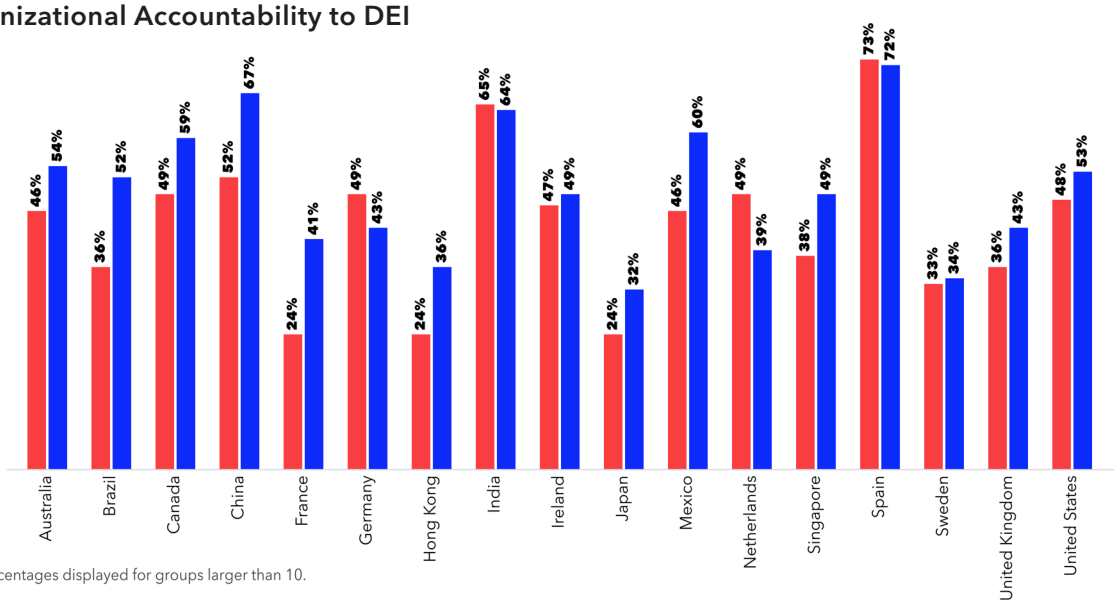
Note: Percentages displayed for groups larger than 10.

By LGBTQ+ Identity

Percentage of Employees Indicating "Mostly" or to a "Great Extent" Accountable to DEI and "Often" or "Always" Have Fair Organizational Processes By LGBTQ+ Identity

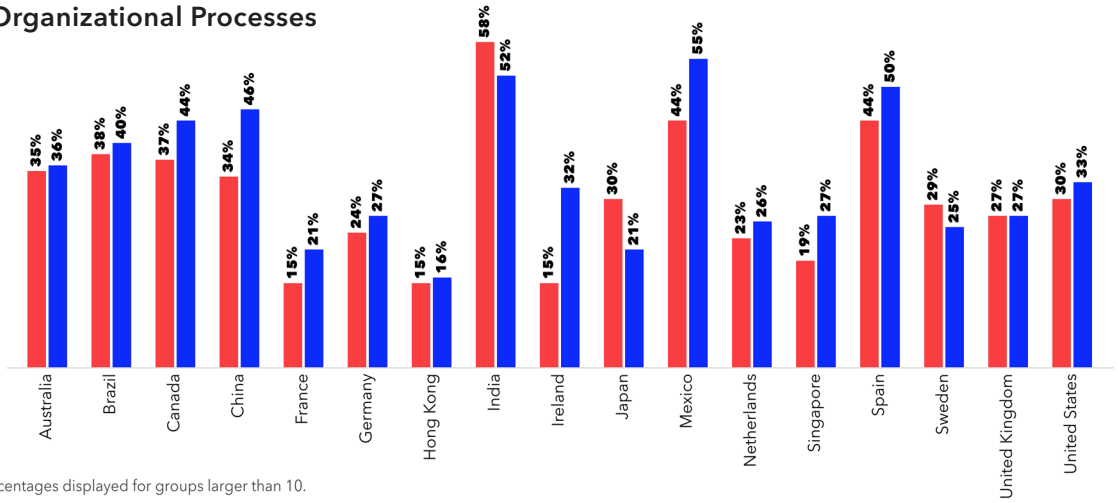
Identify as LGBTQ+ Do not identify as LGBTQ+

Organizational Accountability to DEI



Note: Percentages displayed for groups larger than 10.

Fair Organizational Processes



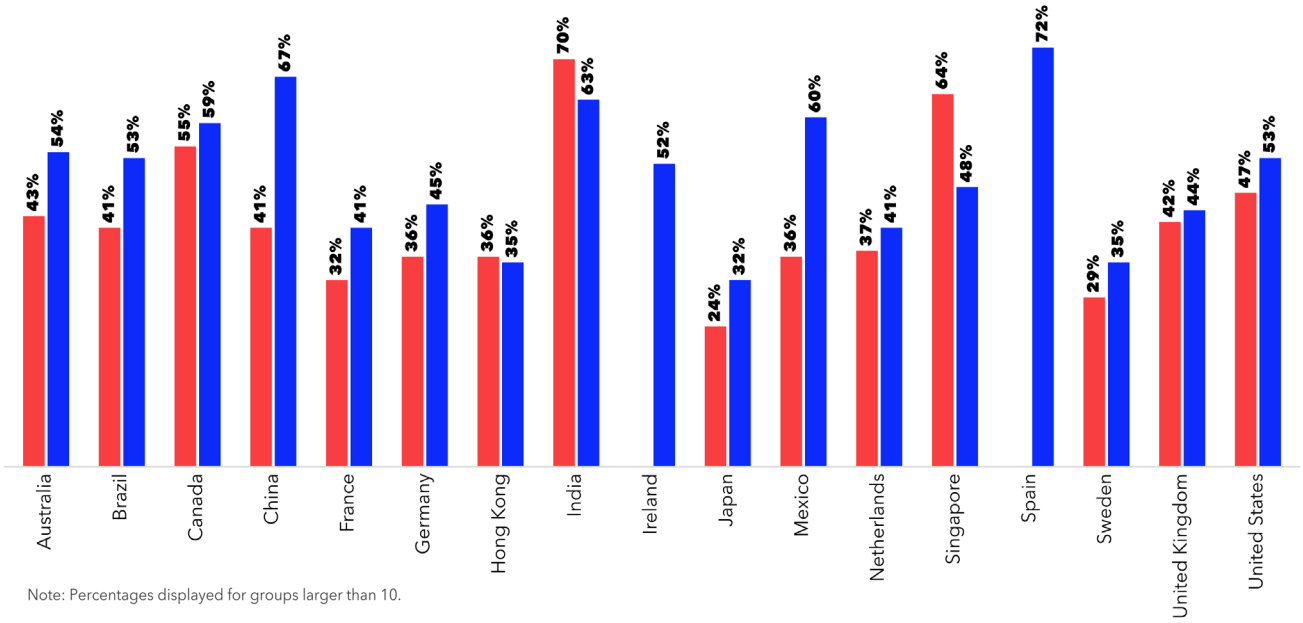
Note: Percentages displayed for groups larger than 10.

By Ability

Percentage of Employees Indicating "Mostly" or to a "Great Extent" Accountable to DEI and "Often" or "Always" Have Fair Organizational Processes by Ability

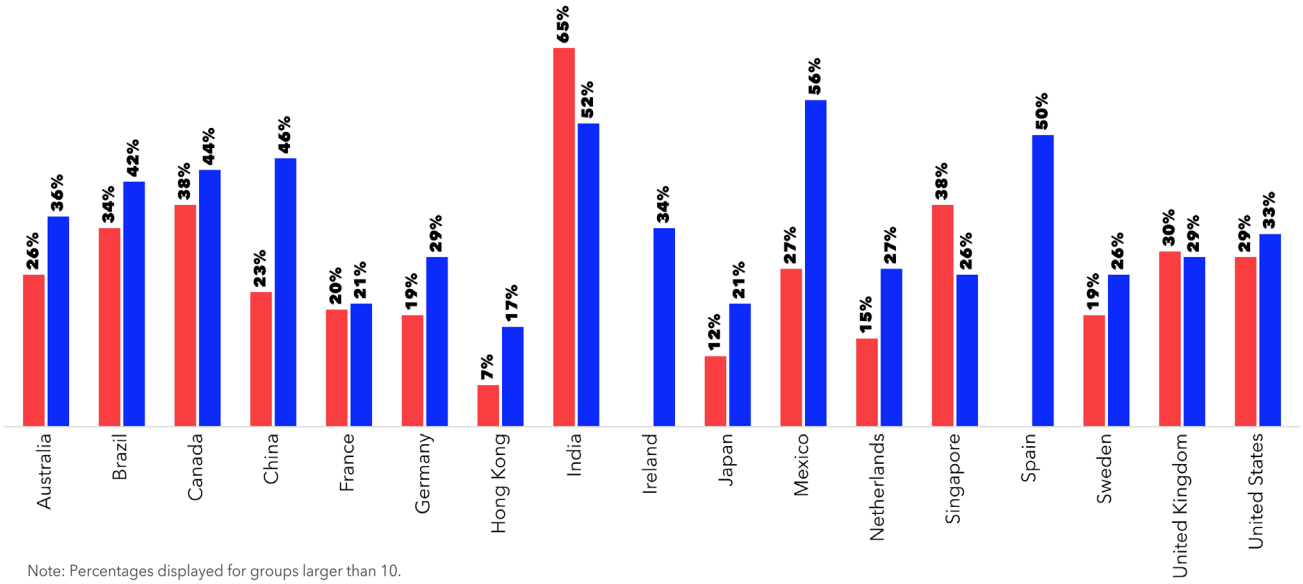
Has a disability Does not have a disability

Organizational Accountability to DEI



Note: Percentages displayed for groups larger than 10.

Fair Organizational Processes



Note: Percentages displayed for groups larger than 10.

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1. Quiroz-Gutierrez, M. (2021, May 6). American companies pledged $50 billion to Black communities. Most of it hasn't materialized. *Fortune;* Ryan, T. & Fiatte, T. (2022, January 17). These companies are following through on their promises on diversity, equity, and inclusion. *Fortune*; Stevens, P. (2020, June 11). Companies are making bold promises about greater diversity, but there's a long way to go. *CNBC*.
2. A one-way between subjects ANOVA investigated the impact of gender (men, women, trans or nonbinary) on organizational accountability to DEI. The main effect of gender was significant, $F(2, 21818) = 14.57$, $p < .001$. Tukey's HSD test for multiple comparisons found that the mean for men ($M = 3.73$) was significantly different than the mean for women ($M = 3.66$), $p < .001$, 95% C.I. = [.038, .105]. There was no significant difference between men and trans or nonbinary employees, nor was there a difference between women and trans or nonbinary employees.
3. A one-way between subjects ANOVA investigated the impact of gender (men, women, trans or nonbinary) on fair organizational processes. The main effect of gender was significant, $F(2, 23401) = 44.85$, $p < .001$. Tukey's HSD test for multiple comparisons found that the mean for men ($M = 3.63$) was significantly different than the mean for women ($M = 3.54$), $p < .001$, 95% C.I. = [.073, .122]. There was no significant difference between men and trans or nonbinary employees, nor was there a difference between women and trans or nonbinary employees.
4. A chi-square test of independence found that the percentage of men compared to the percentage of women who indicated their organization was mostly or to a great extent accountable to DEI was marginally significant, $X^2 (1) = 8.54$, $p = .003$.
5. A chi-square test of independence found that the percentage of men compared to the percentage of women who indicated their organization was often or always fair was significantly different, $X^2 (1) = 77.32$, $p < .001$.
6. An independent samples t-test was run to examine the difference in organizational accountability to DEI between LGBTQ+ employees and cisgender straight employees. The mean for LGBTQ+ employees ($M = 3.54$) was significantly lower than the mean for employees who are cisgender straight employees ($M = 3.70$), t(22078) = -5.62, $p < .001$. (Should the t,df, and p value for this analysis be the ones reported out for equal variances not assumed because Levene's Test for Equal Variances is significant.)
7. An independent samples t-test was run to examine the difference in fair organizational processes between LGBTQ+ employees and cisgender straight employees. The mean for LGBTQ+ employees ($M = 3.51$) was significantly lower than the mean for cisgender straight employees ($M = 3.59$), t(23690) = -3.66, $p < .001$.
8. Participants were categorized as LGBTQ+ if they indicated that they were lesbian, gay, bisexual, queer, or asexual regarding sexual orientation OR if they indicated that they were transgender or nonbinary regarding gender. Participants were categorized as cisgender heterosexual if they indicated man or woman with regard to gender and did not indicate that they were lesbian, gay, bisexual, queer, or asexual regarding sexual orientation.
9. A chi-square test of independence found that there was a significant difference in the percentage of LGBTQ+ employees who indicated their organization was mostly or to a great extent accountable to DEI compared to the percentage of those who are cisgender straight employees, $X^2 (1) = 39.79$, $p < .001$.
10. A chi-square test of independence found that there was a marginally significant difference in the percentage of LGBTQ+ employees who indicated their organization was often or always fair compared to the percentage of cisgender straight employees, $X^2 (1) = 7.98$, $p = .005$.
11. Participants were categorized as having a disability if they indicated that they had a physical, learning, cognitive, or another disability.
12. An independent samples t-test was run to examine the difference in organizational accountability to DEI between employees with a disability and those who do not have a disability. The mean for employees with a disability ($M = 3.57$) was significantly lower than the mean for employees without a disability ($M = 3.71$), t(20933) = -4.35, $p < .001$.
13. An independent samples t-test was run to examine the difference in fair organizational processes for employees with a disability and those who do not have a disability. The mean for employees with a disability ($M = 3.46$) was significantly lower than the mean for employees without a disability ($M = 3.60$), t(22391) = -6.28, $p < .001$.
14. A chi-square test of independence found that the percentage of employees with a disability compared to the percentage of employees without a disability who indicated their organization was mostly or to a great extent accountable to DEI was significantly different, $X^2 (1) = 26.99$, $p < .001$.
15. A chi-square test of independence found that the percentage of employees with a disability compared to the percentage of employees without a disability who indicated their organization was often or always fair was significantly different, $X^2 (1) = 20.67$, $p < .001$.
16. A logistic regression was conducted to examine how organizational accountability to DEI shapes inclusion. The logistic regression was statistically significant: $X2 (1) = 2317.90$, $p < .001$, Nagelkerke R Square = 0.13. When employees report high organizational accountability to DEI, they are twice as likely to report experiencing inclusion, $b = .71$, Exp(B) = 2.03, $p < .001$.
17. A logistic regression was conducted to examine how organizational accountability to DEI shapes engagement. The logistic regression was statistically significant: $X2 (1) = 2883.37$, $p < .001$, Nagelkerke R Square = 0.17. When employees report high organizational accountability to DEI, they are twice as likely to report being engaged at work, $b = .77$, Exp(B) = 2.17, $p < .001$.
18. A logistic regression was conducted to examine how organizational accountability to DEI shapes intentions to stay. The logistic regression was statistically significant: $X2 (1) = 1510.20$, $p < .001$, Nagelkerke R Square = 0.09. When employees report high organizational accountability to DEI, they are nearly twice as likely to report intentions to stay, $b = .52$, Exp(B) = 1.7, $p < .001$.
19. A logistic regression was conducted to examine how fair organizational processes shape inclusion. The logistic regression was statistically significant: $X2 (1) = 5946.38$, $p < .001$, Nagelkerke R Square = 0.30. When employees report high fair organizational processes, they are nearly five times as likely to report experiencing inclusion, $b = 1.57$, Exp(B) = 4.83, $p < .001$.
20. A logistic regression was conducted to examine how fair organizational processes shape engagement. The logistic regression was statistically significant: $X2 (1) = 5708.39$, $p < .001$, Nagelkerke R Square = 0.30. When employees report high fair organizational processes, they are nearly three times as likely to report being engaged at work, $b = 1.57$, Exp(B) = 4.83, $p < .001$.
21. A logistic regression was conducted to examine how fair organizational processes shape intentions to stay. The logistic regression was statistically significant: $X2 (1) = 3444.19$, $p < .001$, Nagelkerke R Square = 0.18. When employees report high fair organizational processes, they are nearly three times as likely to report intentions to stay, $b = 1.07$, Exp(B) = 2.92, $p < .001$.

22. A two-way between subjects ANOVA examined the impact of organizational accountability to DEI (high vs. low) and fair organizational processes (high vs. low) on inclusion. The main effect of organizational accountability to DEI was significant, $F(1, 22076) = 693.75$, $p < .001$, such that employees who said their organization had high accountability to DEI reported more positive experiences of inclusion ($M = 4.03$) than those who said their organization had low accountability to DEI ($M = 3.78$). The main effect of fair organizational processes was also significant, $F(1, 22076) = 3441.67$, $p < .001$, such that employees who said their organization had high fairness reported more positive experiences of inclusion ($M = 4.18$) than did those who said their organization had low fairness ($M = 3.63$). These main effects were qualified by a significant interaction, $F(1, 22076) = 100.01$, $p < .001$. Employees who reported both high organizational accountability to DEI and high fair organizational processes had the highest inclusion scores ($M = 4.26$; LLCI = 4.24, ULCI = 4.27), followed by those who reported low organizational accountability to DEI but high fair organizational processes ($M = 4.10$; LLCI = 4.07, ULCI = 4.13), then high organizational accountability to DEI but low fair organizational processes ($M = 3.80$; LLCI = 3.79, ULCI = 3.82), and finally low organizational accountability to DEI and low fair organizational processes ($M = 3.46$; LLCI = 3.45, ULCI = 3.48).
23. A two-way between subjects ANOVA examined the impact of organizational accountability to DEI (high vs. low) and fair organizational processes (high vs. low) on engagement. The main effect of organizational accountability to DEI was significant, $F(1, 22076) = 828.96$, $p < .001$, such that employees who said their organization had high accountability to DEI reported more engagement ($M = 4.39$) than those who said their organization had low accountability to DEI ($M = 4.07$). The main effect of fair organizational processes was also significant, $F(1, 22076) = 2763.00$, $p < .001$, such that employees who said their organization had high fairness reported more engagement ($M = 4.52$) than did those who said their organization had low fairness ($M = 3.94$). These main effects were qualified by a significant interaction, $F(1, 22076) = 165.97$, $p < .001$. Employees who reported both high organizational accountability to DEI and high fair organizational processes had the highest engagement scores ($M = 4.61$; LLCI = 4.60, ULCI = 4.63), followed by those who reported low organizational accountability to DEI but high fair organizational processes ($M = 4.44$; LLCI = 4.40, ULCI = 4.47), then high organizational accountability to DEI but low fair organizational processes ($M = 4.17$; LLCI = 4.15, ULCI = 4.19), and finally low organizational accountability to DEI and low fair organizational processes ($M = 3.71$; LLCI = 3.69, ULCI = 3.72).
24. A two-way between subjects ANOVA examined the impact of organizational accountability to DEI (high vs. low) and fair organizational processes (high vs. low) on intent to stay. The main effect of organizational accountability to DEI was significant, $F(1, 22076) = 285.54$, $p < .001$, such that employees who said their organization had high accountability to DEI reported more intent to stay ($M = 3.99$) than those who said their organization had low accountability to DEI ($M = 3.73$). The main effect of fair organizational processes was also significant, $F(1, 22076) = 1235.72$, $p < .001$, such that employees who said their organization had high fairness reported more intent to stay ($M = 4.13$) than did those who said their organization had low fairness ($M = 3.58$). These main effects were qualified by a significant interaction, $F(1, 22076) = 29.00$, $p < .001$. Employees who reported both high organizational accountability to DEI and high fair organizational processes had the highest intent to stay ($M = 4.22$; LLCI = 4.20, ULCI = 4.24), followed by those who reported low accountability to DEI but high fair organizational processes ($M = 4.04$; LLCI = 4.00, ULCI = 4.09), then high organizational accountability to DEI but low fair organizational processes ($M = 3.76$; LLCI = 3.73, ULCI = 3.78), and finally low organizational accountability to DEI and low fair organizational processes ($M = 3.41$; LLCI = 3.39, ULCI = 3.43).
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