International Labour Organization

Transforming enterprises through diversity and inclusion

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▶ Preface

For more than 100 years, the International Labour Organization (ILO) has promoted decent and productive work for women and men in conditions of freedom, dignity, economic security and equal opportunity. The ILO strives to promote more inclusive workplaces and address discrimination on all grounds, notably gender, ethnicity, race, indigenous status, disability, HIV status, sexual orientation and gender identity, by ensuring equal opportunities and treatment at work. The work of the ILO in this area contributes to the 2030 Agenda for Sustainable Development and the pledge to leave no one behind. By setting international labour standards and providing technical guidance and capacity-building to constituents, the ILO has contributed to the development and application of inclusive legislation, policies and good business practices and the advancement of equality and non-discrimination in the workplace.

While every person has the right to equal treatment and opportunities at work, regardless of any attributes other than ability to do the job, the reality today is mixed. Inclusive organizational cultures where all individuals can thrive and unleash their talents on an equal basis still face significant barriers. Discriminatory practices continue to stifle workplaces, holding back productivity and talent and eroding cohesiveness, which in turn hampers competitiveness and growth. Persistent multiple layers of discrimination and stigma further impact people's opportunities, contributions at work and returns from work, undermining their well-being. Often, workplace discrimination, biases and abuse of power relationships mirror societal beliefs and values, which can be obstacles to the achievement of workplace equality, diversity and inclusion unless there is leadership and accountability at all levels.

The cost of exclusion and the benefits of inclusion have been demonstrated time and again. The ILO, through its global research on Women in Business and Management, has examined the business case for women's participation in decision-making positions in 2015 and 2019. Many other reputable organizations have measured and quantified the benefits of diverse teams. The positive impact of equality of treatment and opportunities and diversity at all levels and in all its forms is no longer in question, and enterprises have responded by doing much more than ever to promote diversity within their ranks. However, promoting diversity alone does not deliver benefits of higher productivity, increased innovation and creativity and better decision-making. Diversity needs to be firmly paired with inclusion. Employees need to feel they are valued, respected, fairly treated and empowered through inclusive business practices, inclusive organizational culture and inclusive leadership. It is inclusion that drives equality of outcomes for people at work from all backgrounds.

In this report, the ILO explores the complexity of equality, diversity and inclusion by tapping into the experience of staff, managers and senior executives worldwide. The Bureau for Employers' Activities (ACT/EMP) and the Gender, Equality, Diversity and Inclusion Branch (GEDI) of the International Labour Office partnered with employer and business membership organizations and diversity networks, including the ILO Global Business and Disability Network, to gather comprehensive data on employee's experiences of enterprise-level diversity and inclusion practices and experiences.

This report was prepared during the coronavirus disease (COVID-19) pandemic, which exposed and exacerbated existing inequalities in our economies and societies. While efforts on equality, diversity and inclusion may have been deprioritized during these times of immense disruption and existential challenges, it does remain on the business agenda. It has taken centre stage in policy debates, and it is embedded into the "build back better" post-recovery narrative.

As countries around the world continue to grapple with the COVID-19 pandemic for the third year, it is our hope that this report contributes to inclusive and resilient recovery efforts led by policymakers, labour market institutions, businesses and workers, academia, international organizations and other stakeholders. As called for in the ILO Global Call to Action for a human-centred

recovery from the COVID-19 crisis that is inclusive, sustainable and resilient, it is essential for the public and private sectors to execute a transformative agenda for equality, diversity and inclusion aimed at eliminating violence and harassment in the world of work and discrimination on all grounds.

An equal, diverse and inclusive workplace is a key driver of resilience. With the empirical evidence presented in this report, we stand ready to support constituents in their actions and efforts to meet the challenge to achieve transformative change and maximize human potential, productivity and well-being.

Deborah France-Massin

Director

ILO Bureau for Employers' Activities (ACT/EMP)

Manuela Tomei

Director

ILO Conditions of Work and Equality Department (WORKQUALITY)

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Gillian Shapiro, a global diversity and inclusion expert who has worked with a number of global organizations to improve their business performance by increasing employee diversity and inclusion (D&I), authored the report. She also shaped the survey questionnaire, co-analysed the findings and conducted an extensive literature review on enterprise D&I practices. Linda Vega Orozco, an economist, contributed to the report's development, including the data analysis and data visualization, and extracting critical findings from the primary data collection.

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▶ Abbreviations and acronyms

CEO	chief executive officer
D&I	diversity and inclusion
ESG	environmental, social and governance
GDP	gross domestic product
ILO	International Labour Organization
ISO	International Standards Organization
LGBTQI+	lesbian, gay, bisexual, transgender (someone whose gender identity differs from the sex they were assigned at birth), questioning (someone who is exploring their identity), intersex (someone who was born with sex characteristics that do not fit typical binary notions of male or female bodies), + (covers other sexual and gender identities).
OECD	Organisation for Economic Co-operation and Development
PwC	PricewaterhouseCoopers
SDG	Sustainable Development Goal
SME	small and medium-sized enterprise
UN	United Nations

Executive summary

This report presents the findings from one of the most comprehensive studies on equality, diversity and inclusion conducted by the International Labour Organization (ILO) during a period of immense disruption as the impact of the coronavirus disease (COVID-19) pandemic was felt worldwide. It contributes new understanding and insights to better support enterprises in creating powerful and comprehensive change in eliminating all forms of discrimination within the workplace and promoting equality, diversity and inclusion. It builds on the wealth of existing research showing the critical role of diversity and inclusion (D&I) in the high performance of the workforce, businesses, economies and societies globally.

New perspectives on D&I

This report focuses on the approach and extent to which enterprises are taking measures to promote D&I in order to achieve equality for all employees and realize business benefits through differences and similarities of individuals. Previous studies on D&I have mainly included large, often multinational companies in Western and high-income economies, with a focus on gender and the perspective from the executive level. This study presents a picture of D&I in enterprises through the eyes of the workforce, including the perspectives of staff, managers and senior executives across groups with diverse personal characteristics, including age, disability, ethnicity, race, religion, gender, sexual orientation and gender identity and people living with HIV, with a focus on enterprises within lower-middle-income and upper-middle-income economies.

Many enterprises lack diversity across the organizational hierarchy, but we actively sought out a diverse mix of respondents at each hierarchical level. Overall, survey respondents include men (57 per cent), women (43 per cent), persons who identify as lesbian, gay, bisexual, transgender, queer, intersex or other (LGBTQI+) (17 per cent), persons who belong to minoritized ethnic/racial/religious groups (26 per cent), persons with disabilities (9 per cent) and persons living with HIV (3 per cent). Twenty per cent of respondents are aged 45+, 30 per cent are aged 35–44 and 50 per cent are aged 18–34. More than half of the respondents (58 per cent) work in small and medium-sized enterprises (SMEs) and 73 per cent work in national enterprises.

This study draws on the findings of the global D&I survey conducted between July and September 2021 with 12,087 employees in 75 countries covering enterprises across different sectors and size in five regions as well as a comprehensive review of existing studies and literature on D&I in the workplace. We examine approaches to and experiences of D&I in mainly lower-middle-income and upper-middle-income countries compared with the existing body of knowledge and good practice on D&I. In drawing all new and existing insights on D&I together, we consider what is needed to achieve even greater benefit for employees and employers from D&I going forward.

Overcoming inclusion as a privilege of seniority is key to fully realizing the business benefits it offers

With new perspectives comes the opportunity for reflection, learning and forging a new path. In contrast to some existing research, this study shows that an employee's level in the enterprise hierarchy is a bigger differentiating factor on the experience of inclusion at work than an employees's background or personal characteristics. Full inclusion and the business benefits of inclusion, including increased productivity, commitment, innovation and well-being, are predominately being realized for employees at the most senior levels. While our survey population included a roughly even proportion of people from a variety of backgrounds at staff, manager and senior executive levels, most workplaces globally continue to be challenged to build diversity at middle and senior levels. If inclusion remains a privilege experienced only by those at senior levels, enterprises risk missing out on the considerable benefits they could reap if inclusion was experienced by the workforce at all levels regardless of their personal characteristics.

Measuring inclusion is key to progress on D&I but only a third of enterprises currently do this

While an enterprise may be successful in attracting and recruiting a diverse mix of employees, inclusion is a critical element that influences equality. That is, the extent to which employees from minoritized groups are retained, able to thrive and fully contribute at work in a discrimination-free environment. Inclusion results when individuals experience a balance of belonging (forming and maintaining a strong sense of acceptance by others and connections and stable relationships with others) and individuation (being seen, understood and valued as an individual without having to hide or adapt aspects of themselves to fit in).

Multiple studies have shown high levels of both diversity and inclusion within enterprises are associated with increased innovation, productivity and performance. Being able to measure inclusion is therefore key in helping enterprises identify the actions they can take to further improve and reap the benefits of D&I. Yet, only a third of survey respondents say that progress on D&I is measured where they work and used to identify future priorities and actions.

This study presents a framework for measuring inclusion at work at three levels. First, we test the degree to which employees say they feel included at work. Second, we consider three factors identified in the wider literature as contributing to both belonging and individuation that create inclusion, that is the extent to which employees feel: (1) respected for who they are and the skills and experience they bring and experience a sense of belonging at work; (2) supported to perform well in their roles; and (3) rewarded and developed at work, all in an environment that supports equal opportunity and treatment. Third, we examine the extent to which employees experience the positive benefits of inclusion referred to in the wider literature as potentially making a significant contribution to overall business performance. These benefits include an increased sense of well-being, ambition for career development, higher levels of productivity, performance, commitment, collaboration and opportunities to contribute to better ways of doing things where they work.

Enterprises will benefit from additional information, tools and resources to measure D&I. Despite the complexities of measuring inclusion, our study shows that it can be done. By doing so, enterprises will be able to identify the level of inclusion they have achieved, factors that promote inclusion, gaps and actions needed to achieve inclusion across the workforce as a whole and for diverse groups.

Overall levels of inclusion are high and there's a strong sense of belonging yet one in four people do not feel valued at work, impacting the experience of the benefits of inclusion

The experience of inclusion by respondents in our survey is high with 83 per cent reporting that they feel included at work most or all of the time. Their sense of belonging with others where they work is also high at 83 per cent.

The experience of factors that support individual needs, while still high, is less strong. Around two thirds of respondents report feeling fairly rewarded for their work and supported to advance their careers or that decisions about promotion are made fairly and transparently. A quarter of respondents are also ambivalent or disagree that they feel valued for being their authentic self where they work without having to excessively adapt to fit in.

The respondents report a lower level of individual needs being met, which may account for the lower level they report of experiencing benefits of inclusion. Only around half of respondents report high levels of well-being and ambition for career development and around two thirds feel encouraged to speak up about better ways of doing things and a strong sense of commitment to where they work.

There is a pattern of respondents from some minoritized groups in our study reporting a small but consistently less positive experience of factors contributing to inclusion. Seventy-one per cent of women say that their perspectives are sought out and considered in decision-making where they work compared with 74 per cent of men. Seventy-nine per cent of respondents with a disability say they experience a positive sense of connection and belonging with others where they work compared with 84 per cent of respondents without a disability. Eighty-one per cent of

respondents living with HIV say they are generally treated with respect compared with 86 per cent of respondents not living with HIV.

Conversely, hierarchy is a much stronger differentiating factor. It is only respondents at the most senior levels in this study that report the highest levels of inclusion. Ninety-two per cent of senior executives say they feel included at work compared with 76 per cent of staff level respondents. Fifty-nine per cent of staff level respondents agree or strongly agree that they are rewarded fairly for their work and contributions and that they are encouraged and supported to advance their career compared with 80 per cent of senior executive level respondents. Eighty-six per cent of senior executives report that their perspectives matter as part of decision-making where they work compared with only two thirds of staff level respondents.

Wider evidence shows that women, people with disabilities and people from minoritized ethnic/racial/religious groups are more likely to be clustered and often stuck at more junior levels in enterprises. This has important implications for the performance of enterprises, which may be missing out on the benefits of D&I, including increased levels of commitment, engagement, innovation and productivity. Not only is it critical to ensure increased diversity at the top levels, where inclusion is highest, it is also important to promote inclusion for everyone, regardless of their personal characteristics, at staff and manager levels.

More support is needed to build greater understanding of the impact of intersectionality – considering different personal characteristics, such as ethnicity/race and gender, as well as an employee's level in the enterprise hierarchy – on inclusion and how enterprises can benefit from inclusion. Steps should focus on encouraging enterprises to broaden the focus of action on D&I across multiple minoritized groups and hierarchical levels.

Four principles help to achieve transformational change on D&I globally across all workforce groups and levels

Our study tested the impact of a range of actions and approaches to D&I linked in the literature to achieving transformational and sustainable change on D&I. Our findings show that there are four key principles based on best practice guidance that are impactful in creating inclusion and that are applicable globally. The principles highlight the importance of focusing on behaviour and culture change in D&I actions and approaches as well as policies and practices. When these principles are applied, employees report higher levels of inclusion regardless of personal characteristics, hierarchical level or enterprise sector, size or region. They also report higher levels of experiencing the benefits of inclusion that have the potential to impact positively on business performance. The four principles are summarised below.

First, when respondents report that **D&I is a priority and part of the strategy and culture** where they work, embedded in values and behaviours as well as policies and processes, respondents globally are 21 per cent more likely to agree that they are encouraged and supported to advance their career, and they are 15 per cent more likely to speak up about new or better ways of doing things.

Second, when there is **representation of minoritized groups in top management**, this has a positive impact on inclusion across all employee groups and an even greater impact among respondents who are from the same minoritized group that is well represented in top management. For example, when women are represented in critical mass in at least 40 per cent of top management positions, women across all levels are 9 per cent more likely to feel included, 10 per cent more likely to feel encouraged and supported to advance their career and 12 per cent more likely to report high levels of well-being at work.

Third, when **senior leaders and all managers and staff are held accountable as role models for D&I** in their everyday actions and behaviours and work together to co-create the approach to D&I, survey respondents are 11 per cent more likely to report feeling committed to their company and to experience high levels of collaboration with colleagues.

Finally, higher levels of inclusion and the benefits of inclusion for employees and their employers are only fully realized when **actions are applied across the employee life cycle from recruitment through development and retention and targeted at creating both a strong sense of**

belonging and enabling everyone to be themselves at work with their individual needs seen, understood, cared about and, wherever possible, met. For example, when there are goals and actions in place to recruit and develop people from minoritized backgrounds, respondents are 8 per cent more likely to agree that opportunities and decisions about promotions are made fairly and transparently and 7 per cent more likely to feel encouraged and supported to advance their career. When there is a D&I policy in place, respondents are 9 per cent more likely to agree they are generally treated with respect and 18 per cent more likely to feel supported to work flexibly.

More action is needed to encourage and enable a broader mix of enterprises to apply the principles of transformational change on D&I more widely

Despite the positive impact of the four principles of transformational change on D&I, there is plenty of scope for them to be applied more widely. Only half of respondents say that D&I actions are sufficiently resourced and clearly identifiable in the strategy and culture where they work. Only a quarter of respondents report a critical mass of women (40–60 per cent) in top management positions and a third of respondents report that there is zero representation of people with disabilities at senior levels. Only 12 per cent of respondents report that people from minoritized ethnic/racial/religious backgrounds hold about a third of top management positions where they work. A third of respondents work in enterprises with no D&I policy in place.

The study also shows that the four principles of transformational change on D&I are applied more in some enterprises, predominately multinationals, than in SMEs, and the focus is on some groups more than others. Around half of all respondents report that D&I policies focus on gender and age where they work, a third refer to ethnicity/race/religion and disability, a quarter to sexual orientation and only 18 per cent say they consider people living with HIV. Respondents working in Asia and the Pacific report the highest levels of inclusion compared with all other regions and are most likely to report that the four principles of transformational change on D&I are applied where they work.

More action is needed to generate greater awareness of the four principles linked with creating transformational change on D&I within enterprises, the potential benefits of D&I to employers and workers as well as the economies and societies in which enterprises are operating. Action is also needed to strengthen the internal capabilities to apply the transformational approach in practice. Case studies focusing in particular on how SMEs in developing countries across a range of sectors are implementing and benefiting from a transformational approach to D&I are needed to support awareness and capability-building.

Driving transformational change on D&I needs to come from multiple sources

To better understand how the uneven implementation of transformational change on D&I can be addressed, we consider what drives enterprises to take action on D&I. Our results show that it is not a question of whether enterprises are influenced by the business benefits or by legal and values-based arguments to implement transformational approaches to D&I. Rather, it is all these drivers combined.

National or local laws, policies and programmes are identified by just under half of respondents globally as a top factor driving enterprise action to promote D&I. Our findings show that, contrary to what has been argued in other studies, laws and policies make a contribution in driving enterprise actions that go beyond the bare minimum level and support sustainable and transformational change on D&I. Enterprises that are motivated by meeting legal obligations are 13 per cent more likely to ensure that D&I actions are sufficiently resourced and clearly identifiable in the company strategy and culture.

Enterprises motivated by the business benefits of increasing innovation are 15 per cent more likely to have top leaders that communicate D&I as one of the top priorities in the company and regularly report on progress. However, only a third of respondents say that the need to improve innovation is a motivating factor driving action on D&I where they work.

Two thirds of respondents report that heightened awareness of inequalities in society, brought about in part by the pandemic, has contributed to more focus and action on D&I where they work. About two thirds of respondents globally agree or strongly agree that their experience of living through the pandemic has increased their expectation of their employer to promote D&I. Significantly more respondents from minoritized groups share this expectation. Respondents living with HIV and people who are LGBTQI+ are 11 per cent more likely to agree or strongly agree compared with respondents living without HIV or who are heterosexual, and respondents from minoritized ethnic, racial or religious backgrounds are 9 per cent more likely to agree or strongly agree compared with those from majority ethnic, racial or religious backgrounds.

Although, only a third of respondents say that enterprise values that supports D&I as the right thing to do drives action where they work, where this is the case, respondents are also more likely to report aspects of a transformational approach to D&I are in place. These respondents are 11 per cent more likely to say that senior leaders and all employees are held accountable as role models for D&I and 10 per cent more likely to say D&I is one of the top business priorities where they work.

There is an important role for enterprises, representative business organizations and labour market institutions to act and stimulate progress towards a transformational approach to D&I. As awareness of inequalities continues to be heightened during the pandemic and beyond, and likely to be reinforced by the consequences of climate change and political and economic uncertainty, there is a growing need for enterprises to define and be increasingly aware about their values on D&I, and how this aligns with the values of their workforce.

1 Introduction

▶ Introduction

For more than 100 years, non-discrimination and equal opportunities have been enshrined in the mandate of the International Labour Organization (ILO). The Philadelphia Declaration (1944) affirms the right of all human beings, irrespective of race, creed or sex, to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity. Numerous international labour standards promote non-discrimination and equality of opportunity and treatment in employment.[1] A core focus of the work of the ILO has been assisting member States to develop inclusive legislation and policies as well as research and practical guidance for employers and workers to enable them to reap the advantages of a diverse workforce.[2]

Over the past three decades, the gender gap in labour force participation rates has narrowed; labour mobility globally, regionally and within countries has increased the racial and ethnic diversity of the workforce; enhanced efforts have been made to include people with disabilities in the workplace; and there has been an increase in global awareness that all working people to have the right to a dignified and respectful workplace, regardless of their sexual orientation, gender identity or HIV status (real or perceived). Demographic change is also transforming the workforce landscape with enterprises today managing a more multigenerational workforce (ILO 2019a; ILO 2019b).

With globalization and increasingly diverse workplaces, managing and reaping the benefits of the diverse backgrounds, characteristics and experiences of the workforce has emerged as a common imperative and challenge for enterprises. Diverse workers in an open and inclusive organizational culture bring their unique perspectives and ideas to the table, helping to create enterprises that can be more innovative, productive and resilient. As such, harnessing the power of diversity and inclusion (D&I) is now seen not only as a moral issue or as an issue of human resources but also one of strategic importance to propel the economic and competitive success of enterprises. Furthermore, D&I directly contributes to achieving equality of opportunity and treatment in the workplace at all stages of the employment relationship, including recruitment, retention, promotion, remuneration and access to training and skills development.

In June 2021, the International Labour Conference adopted a resolution concerning a global call to action for a human-centred recovery from the coronavirus disease (COVID-19) crisis that is inclusive, sustainable and resilient. The resolution calls on constituents – governments, employers and workers organizations – to execute a transformative agenda for equality, diversity and inclusion across the public and private sectors, which aims to eliminate discrimination on all grounds, including race, colour, sex, religion, political opinion, national extraction and social origin, and taking into account the specific circumstances and vulnerabilities of migrants, indigenous and tribal peoples, people of African descent, ethnic minorities, older persons, persons with disabilities and persons living with HIV/AIDS.

With increased demand from constituents for the ILO to develop an in-depth and comprehensive understanding and approach to diversity and inclusion, the ILO completed its first extensive global study, on diversity and inclusion (D&I) in enterprises with a focus on low- and middle-income countries. The study was completed during a period of significant disruption and change in which the impact of the COVID-19 pandemic, was felt worldwide.

1 The ILO conventions addressing non-discrimination and equality of opportunity and treatment in employment include: Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111); Workers with Family Responsibilities Convention, 1981 (No. 156); Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159); Indigenous and Tribal Peoples Convention, 1989 (No. 169); Maternity Protection Convention, 2000 (No. 183); HIV and AIDS Recommendation, 2010 (No. 2000); and Elimination of Violence and Harassment in the World of Work, 2019 (No. 190).

2 The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998, commits ILO member States to respect and promote principles and rights in four categories, one of which is non-discrimination in employment and occupation. Appendix IV provides a list of relevant ILO resources, research, guide and knowledge products on diversity and inclusion.

While the pandemic has heralded a move to remote working on a scale and at speed previously unimaginable, benefitting some of the workforce, it has also exacerbated existing social and workplace inequalities in some cases and brought them into sharp focus.

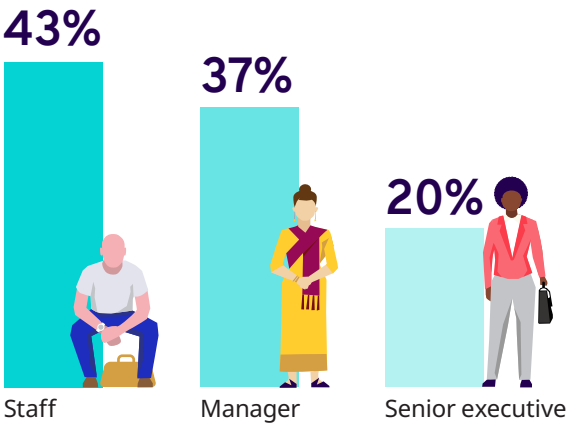
It is against this backdrop that we present a view of D&I in enterprises through the eyes of staff, managers and senior executives. The findings are drawn from the ILO global survey on D&I conducted between July and September 2021 with 12,087 staff, managers and senior executives in 75 countries across five regions covering different sectors and sizes of enterprises. We include a comprehensive review of existing studies and literature on D&I in the workplace.

▶ Scope of ILO survey on diversity and inclusion

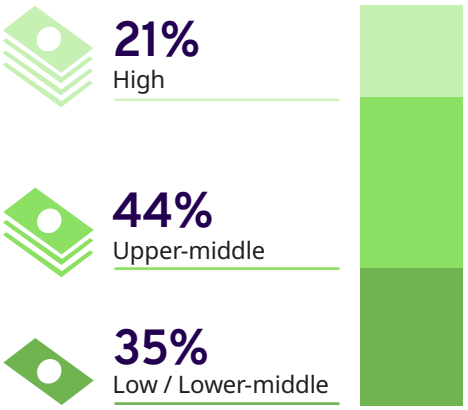
Survey responses:
12,087

Country coverage:
75

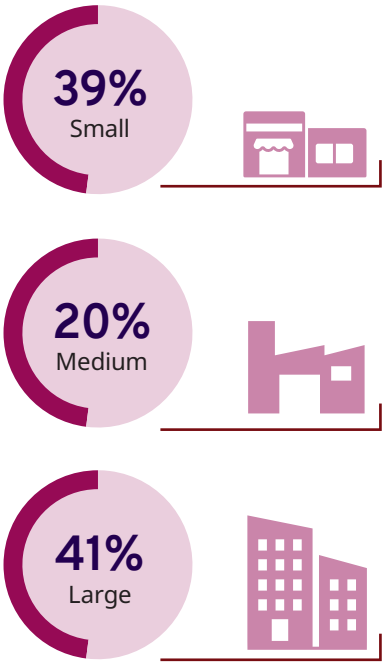
Level of hierarchy:



Economic level:



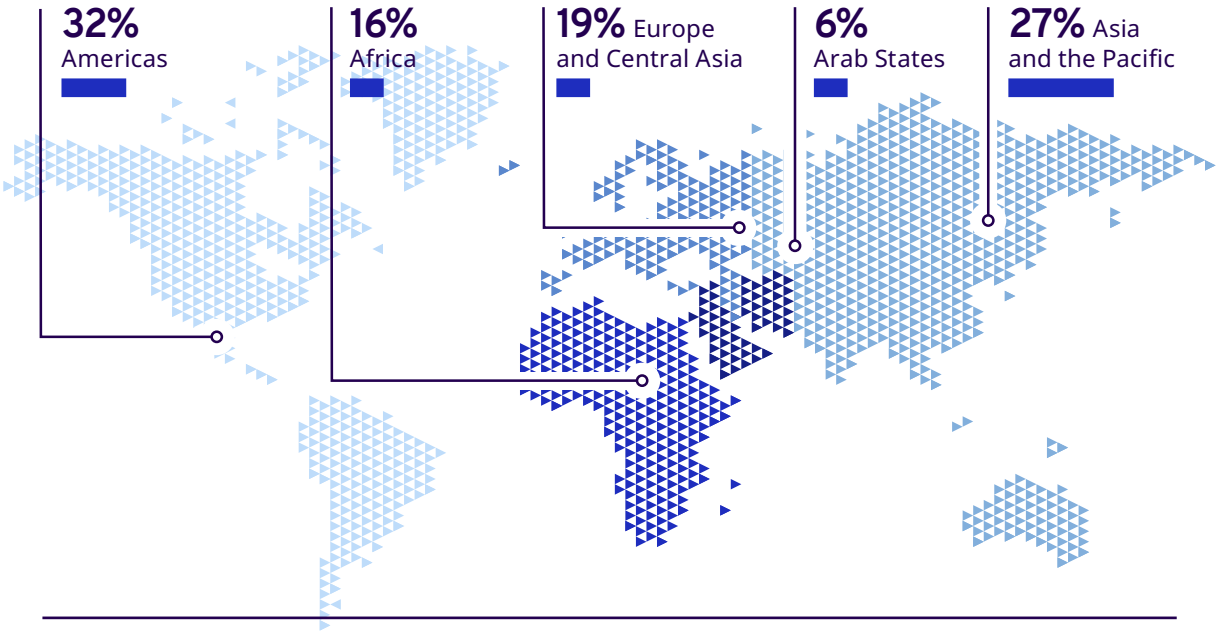
Enterprise size:



Economic sectors:

14%	Other service activities
12%	Manufacturing
9%	Education
8%	Administrative or support services
8%	Shop-keeping, sales or trade activities
7%	Financial or insurance activities
7%	Construction
7%	Information and communications
6%	Human health or social work
4%	Professional, scientific or technical activities
3%	Hotels or restaurants
15%	Others

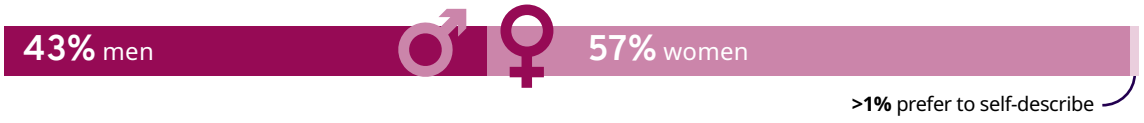
Regional data:



Demographic groups:

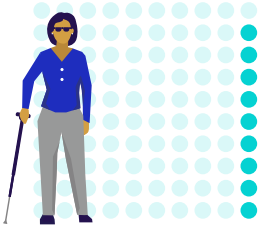
Age:

Gender:



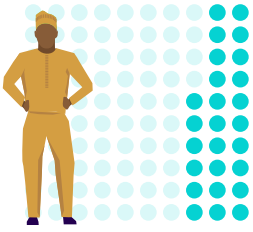
>1% prefer to self-describe

Disability status:



- **91%** No disability
- **9%** Disability

Ethnic, racial and/ or religious minority:



- **74%** No minority
- **26%** Minority

HIV status:

- **97%** No HIV
- **3%** HIV

Sexual orientation:

- **83%** Heterosexual
- **17%** LGBTQI+

▶ Creating new insights on D&I

This report focuses on the approach and extent to which enterprises are taking measures to promote D&I in order to achieve equality for all employees and realize the business benefits through differences and similarities of individuals. Our study seeks to create new understanding and insights to better support enterprises going forward in creating powerful and comprehensive improvements to D&I policies and strategies.

In seeking new insights on D&I, we cover new ground. The breadth of our study differs from most other studies and recommendations for good practice to date on D&I. Much existing work has been directed mainly at large, often multinational companies in Western and high-income economies, and it has been concentrated on gender rather than on employees from a range of diverse groups. It has gathered insights on D&I predominately from human resources and the executive level rather than at the manager and staff levels. This body of existing work formed the starting point in designing the survey and building the framework for the analysis of the results. This study provides an analysis of survey responses from staff, managers and senior executives across gender identity, age, ethnicity, race, religious background, sexual orientation, disability and HIV status.[3] Approximately 80 per cent of survey respondents are from lower-middle-income and upper-middle-income economies, three quarters work in national or local enterprises and more than one third work in small businesses. The survey responses span Africa, the Americas, Arab States, Asia and the Pacific, and Europe and Central Asia from enterprises across 18 sectors (figure 1 shows the country share of survey respondents by region).[4]

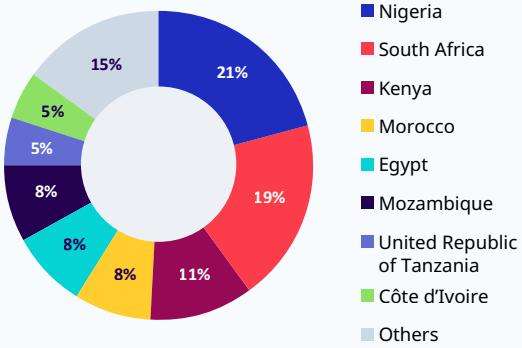
Our study presents a picture of D&I through the eyes of the workforce. It shares the extent and ways in which inclusion is experienced by the workforce across enterprises; what actions are taken to promote D&I as well as their impact; and what they perceive drives their enterprises to develop D&I. We examine approaches to and experiences of D&I in mainly lower-middle-income and upper-middle-income countries compared with the existing body of knowledge and good practice on D&I. In drawing all new and existing insights on D&I together, we consider what is needed to achieve even greater benefit for employees and employers from D&I going forward.

3 The study's methodology can be found in Appendix I and a breakdown of survey respondents is provided in Appendix III.

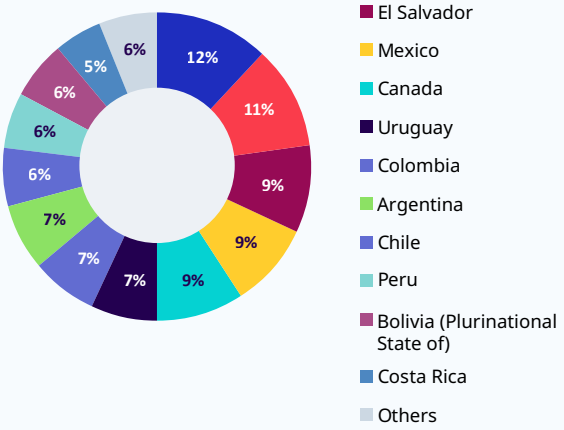
4 Mozambique is the only low-income country in our sample with more than 100 survey responses.

▶ Figure 1. Percentage of respondents to the ILO survey on D&I, by region

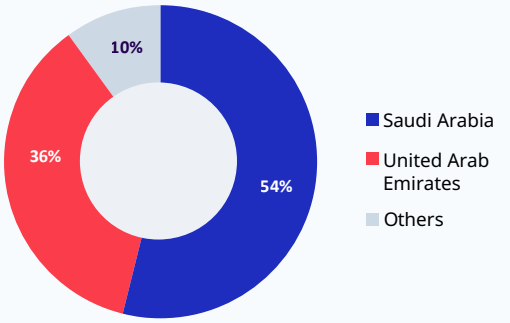
Panel A. Africa



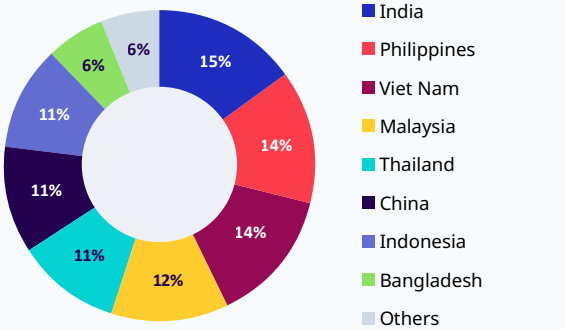
Panel B. Americas



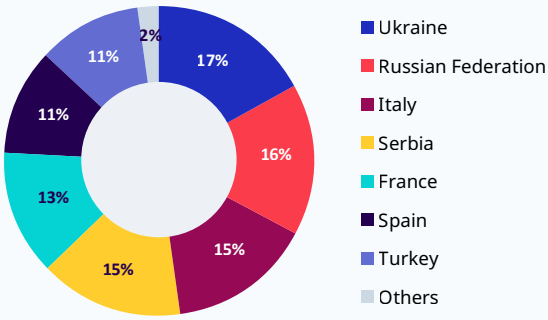
Panel C. Arab States



Panel D. Asia and the Pacific



Panel E. Europe and Central Asia



Source: ILO survey on D&I, 2021.

Note: Others (countries not named in these figures) totalled less than 100 responses each.

▶ Report structure

We begin by setting out the key concepts underpinning this study. Based on an extensive review of literature, we provide an overview of what D&I in the workplace is, its role, benefits and importance in supporting the physical and mental health and well-being, potential and performance of workforce members from all backgrounds and enterprises as well as wider economies and society. We review current thinking on good practice within enterprises that helps to deliver on the benefits of D&I through a transformational approach. We consider how D&I in the workplace is both influenced by and influences the wider context in which enterprises operate nationally and globally. Finally, we consider the complex nature of changes required to build greater D&I in enterprises globally.

The report provides new insights on D&I by responding to four key questions.

I What factors contribute to different employee groups across different enterprises feeling included at work?

The global review of D&I starts with a focus on inclusion. Understanding and measuring inclusion, while challenging, is key to ensuring diverse employees experience equality and can flourish at work. The focus of Chapter 2 on understanding and measuring inclusion is to present and build on theories of workplace inclusion as well as studies to date. It sets out a framework for measuring the experience of inclusion in the workforce at three levels, by considering:

1. the overall feeling of inclusion;
2. experience of factors identified as contributing to inclusion;
3. experience of outcomes linked to inclusion that benefit both employees and their employers.

We use this framework to build an overall picture of the extent to which inclusion is experienced by the workforce across diverse groups, hierarchical levels and enterprises globally.

II What actions and approaches to D&I in the workplace have the most impact, considering different employee groups and enterprises?

In Chapter 3 on building inclusion, we review the degree to which the actions and approaches set out in studies, literature and guides as good practice and critical to achieving sustainable and transformational change on D&I are being undertaken by enterprises in this study and the impact they are having on diverse groups within the workforce.

III What drives enterprises to implement actions promoting D&I that really make a difference?

Chapter 4 on driving action on D&I within enterprises focuses on what is influencing enterprises to take action to promote D&I, considering the impact of the business benefits, national laws and programmes, enterprise values as well as the changes brought about by COVID-19.

IV What approaches and actions are most needed now to realize the benefits of D&I for workforce and enterprises?

Chapter 5 on unlocking the potential of D&I sets out the key conclusions and way forward to better support enterprises in creating powerful and comprehensive change on D&I that brings benefits for all members of the workforce and for business.

▶ The development of D&I in enterprises globally

Although the terms equality, diversity and inclusion are often used together, they are in fact different, closely related concepts, each impacting on the other (box 1). While the ILO defines equal opportunities and treatment, it does not have a formally adopted definition of D&I. The definitions used within this report on D&I are based on an extensive review of definitions used in other studies and the wider literature.

▶ Box 1. What do equality, diversity and inclusion mean?

Equality focuses on ensuring every person can flourish at work, experiencing equal opportunities and treatment. That is, all persons, regardless of their personal characteristics can participate in and contribute according to their capacity without interference of discrimination or bias. Equality recognises that each person has different circumstances, that historically, some groups of people have experienced discrimination and that reaching equal outcomes will not be achieved by treating everyone the same. Equality and reaching equal outcomes require the allocation of resources and opportunities according to circumstance and need.

Diversity in the workplace refers to the similarities and differences that exist between people and that can impact employment and business opportunities and outcomes. Diversity refers not only to similarities and differences linked to personal characteristics such as age, disability, gender, gender identity, ethnicity, race, religion, sexual orientation and people living with HIV but also similarities and differences such as values, workstyles, caring responsibilities, hierarchical levels and work roles. Each person has multiple groups they identify with which can change over time, potentially influencing and shifting their employment opportunities and outcomes.

Inclusion is relational. It refers to the experience people have in the workplace and the extent to which they feel valued for who they are, the skills and experience they bring and the extent to which they have a strong sense of belonging with others at work. A person's feeling of inclusion at work is related to their personal characteristics, their own behaviour and that of others and the environment they are in. Creating an inclusive workplace culture and environment enables diverse employees to experience equality, thrive, increases employee engagement and influences business performance.

Introducing equality and diversity

The concept of diversity in the workplace first grew in the United States in the late 1980s and quickly spread in the 1990s to other Western economies (Brazzel 2003). It began to replace 'equal opportunities', the term used to describe enterprise approaches to anti-discrimination policies and practices. The perception of a link between the equal opportunities approach and limitations in achieving progress, change and benefits for individuals and enterprises led to the rise of the diversity approach (Austin and Shapiro 1996). Equal opportunity was seen as mainly focused on implementing the minimal actions required to comply with legislative requirements with less specific business benefits. The diversity approach, it was argued, aimed at building benefits for both business and individual workers and would be more attractive to enterprises and therefore more likely to be implemented.

Since its introduction, definitions of diversity have generally focused on the personal characteristics of groups in enterprises. For example, in Africa, especially sub-Saharan Africa, focus on diversity within companies generally centres on ethnicity,

gender and religion (Appiah et al. 2018). Globally, the personal characteristics most commonly applied in definitions of diversity are gender, ethnicity, race, age, sexual orientation and disability. More recently, definitions of diversity have expanded further to include other aspects of identity, such as skills[5], cognitive styles or values (Hewlett et al. 2013). Understanding of diversity has also developed to recognize that the experience of individuals at work is often influenced by more than one dimension of their personal characteristics, referred to as intersectionality, such as their race and gender (Crenshaw 1989).

The key focus of work on diversity in enterprises is to ensure that people from a range of groups experience equality of opportunity and treatment in access to employment, development, promotion and pay and are able to fully contribute. It is the diverse mix of people bringing a range of skills, experiences and perspectives that is seen as offering the potential for improved outcomes for members of the workforce, business performance as well as wider societies and economies.

Introducing inclusion

Several studies demonstrate that progress towards and benefits of diversity in the workplace can only be achieved with a focus on inclusion.[6] For example, while an organization may be successful in recruiting a more diverse mix of employees, it is inclusion that influences the extent to which diverse employees are retained and able to thrive. Unlike diversity, which often focuses on quantity (the representation of different groups in an enterprise) inclusion is focused on quality (the experience of individuals and groups in the workplace).

Like diversity, many different definitions and interpretations of inclusion exist. However, the theory underpinning inclusion states that individuals feel included at work when they have a balanced combination of feeling a sense of belonging to a group (forming and maintaining a strong sense of acceptance by and a connection and stable relationships with others) and being seen, valued and understood as an individual with a unique identity, skills and experience (Shore et al. 2011).

Inclusion is therefore a behavioural and relational concept. According to the social psychologist, scientist and pioneer of organizational development, Kurt Lewin (1939), behaviour is the result of the interaction of the person with their environment. As such, any approach to creating an inclusive workplace needs to consider the whole environment, including for example, the strategy, leadership, systems and culture of the enterprise as well as the wider social and economic environment in which it operates.

▶ The critical role of D&I in the performance of the workforce, business, economies and societies globally

D&I is a critical factor in ensuring the health of individuals, enterprises, economies and societies globally. Arguments are building about the connection between national and global levels of wealth and disparities in income, education and health, asserting that economic recovery from the pandemic will be much more difficult if not impossible if social inequalities are left unaddressed (Llopis 2020).

Research from the Organisation of Economic Co-operation and Development (OECD) estimates that the loss associated with current levels of gender discrimination globally is up to US$12 trillion or 16 per cent of world income and that dismantling gender discrimination by 2030 could increase the annual global income growth rate by 0.03 to 0.6 per cent (Ferrant and Kolev 2016). The economic losses associated with the exclusion

5 Skills refers to job specific technical skills as well as non-job specific skills such as problem solving, communication, collaboration and adaptability.

6 Please refer to Chapter 4 for more detailed examples and references.

of people with disabilities from the workforce are large and measurable, ranging from 3 to 7 per cent of gross domestic product (GDP) globally (ILO 2010). It is estimated that the cost to the United States economy of racial and ethnic inequality in employment, education and earnings since 1990 is US$51 trillion (Saphir and Pullin 2021). The Caribbean Policy Research Institute (2019) estimated the cost of discrimination against LGBTQI+ people at US$79 million annually linked to lost economic output and government expenditure due to exclusion in employment and health disparities. Further, a study on the costs of homophobia across 158 countries in 2018 found that a 1 per cent decrease in the level of homophobia was associated with a 10 per cent increase in GDP per capita (Lamontagne et al. 2018).

Discussions on sustainability increasingly argue that progress cannot be made without equality for everyone, with the central pledge of the United Nations (UN) 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) to 'leave no one behind'. This is covered not only in SDG 5 (gender equality) but also as an aspect of Goal 1 (no poverty), Goal 10 (reduce inequalities within and among countries) and target 5 of Goal 8 (decent work and economic growth), which states "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value".

"Discussions on sustainability increasingly argue that progress cannot be made without equality for everyone.

Research by global organizational consulting firm, Korn Ferry (2018), highlights that unless addressed, there will be global labour shortages of 85.2 million skilled workers by 2030, resulting in lost revenue opportunities of US$8.5 trillion – roughly equal to the combined GDP of Germany and Japan. Disrupting the inequalities and discrimination that are experienced early on in education and employment and that can limit the development of people currently under-represented in skilled roles is key to closing the global skills gap.

The importance of D&I to workforce and business performance

Extensive research has shown the correlations between greater D&I and improvements in workforce and business performance.[7] Promoting D&I has been shown to yield benefits for enterprises, societies and economies in widening the pool for attracting and retaining employees (ILO 2015). It can lower costs such as turnover and sickness absence (Carr et al. 2019). It can add value through higher levels of employee productivity, creativity and engagement as well as innovation and improved decision-making (Lorenzo et al. 2018). Several large-scale in-depth global studies demonstrate the relationship between diversity in company management and leadership roles and improved financial performance (Hunt et al. 2018). For these reasons, increasingly, investors and portfolio managers are considering information on a company's environmental, social and governance (ESG) performance as well as financial performance in their investment decisions. Social indicators include the performance of a company on D&I.

Rather than add to the already large body of research on the business and wider benefits of D&I, in this study we analyse the extent to which enterprises are taking actions and approaches to reap the potential business benefits of D&I.

7 Further detail on the workforce and business benefits of D&I are discussed in Chapter 4.

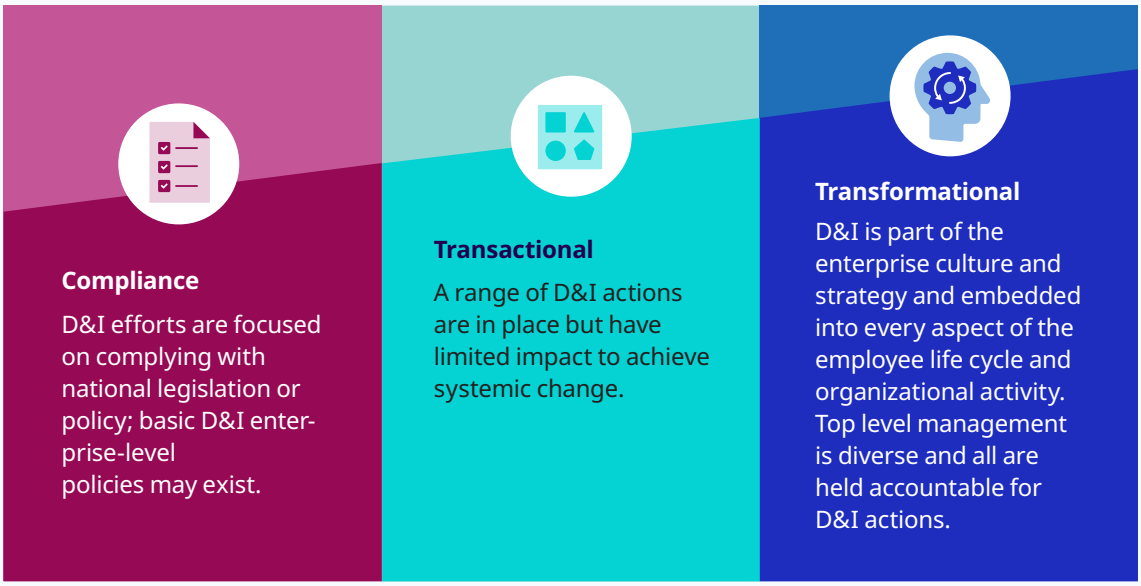
▶ Good practice enterprise approaches to D&I

Many models of good practice on D&I have been developed, and they identify actions and approaches needed to derive benefits for both employees and employers, and most research examines large, often multinational enterprises in high-income countries. The examples of the achievement of strong or transformational change on D&I in the research all have four things in common. First, they each focus on adopting a strategic and culture change approach to D&I. Second, they build diversity at top management levels. Third, they adopt an approach to leading change on D&I that is shared by leaders, managers and employees at all levels. Finally, they embed D&I into every aspect of the employee life cycle and organizational activity through policies and practices.

However, research also shows that enterprises taking a transformational approach to change in promoting D&I are rare (PwC 2021; ILO 2019a). More commonly, enterprises take more of a compliance approach to change at the beginning of their work on D&I and may have some basic policies in place but little else. At the next level of progress, the approach to D&I often becomes transactional where enterprises have a range of D&I actions in place, such as staff awareness training on D&I or mentoring for groups that are under-represented at senior levels, which achieve some positive results but have a limited overall impact on the achievement of systemic change. The approach is frequently driven by a series of initiatives rather than being coordinated and strategic, and the onus for change is often on under-represented groups to adapt or assimilate to fit with the predominant enterprise culture and ways of working (figure 2).

In this study we consider the extent to which enterprises are taking a transformational approach to change on D&I, what drives them to do so and the impact of their actions on inclusion in the workplace.

▶ **Figure 2. Three levels of maturity in enterprise approaches to D&I**



▶ The importance of considering national and global contexts in developing D&I

D&I within enterprises does not exist in a vacuum. It is influenced by and influences the wider social and economic context.

Most enterprise D&I literature and guides advocate a 'good practice' approach. However, even if there is a shared view of the dimensions of diversity being focused on, the understanding of and approach to diversity in enterprises can be influenced by culture and institutional factors (including the role of government, employers' organizations, workers' organizations, legislation, labour markets, education systems, professional bodies and financial markets, among others) which make up the context in which enterprises operate (Farndale et al. 2015). For example, while gender is a dimension that is generally the focus of organizational efforts on D&I globally, decisions on the approach to gender D&I can be influenced by how gender roles are defined in the national culture (GLOBE 2020).

It is not only national contexts that have the capacity to influence the approach to and experience of D&I in enterprises, so too can changes taking place in the global context. The COVID-19 pandemic has brought about many and rapid changes, at least temporarily and perhaps permanently, within enterprises which impact D&I. The physical and mental health and well-being of employees quickly rose to the top of the enterprise agenda as it became critical to continue operations at the start of the global crisis (Fisher 2020). Remote working has been implemented at scale, almost overnight, with many enterprises now moving towards 'hybrid' working, i.e. mixing remote and office-based work, even though that was unthinkable for many before the pandemic.

Living through COVID-19 has brought existing social and workplace inequalities to the fore and exacerbated many of them further still. The murder of George Floyd in the United States in May 2020 and the rise of Black Lives Matter protests globally moved many enterprises to increase their emphasis on addressing workplace race discrimination (Hays 2020).

At the start of the crisis, it became clear that many essential services, from nursing and teaching to shopkeeping, were provided by lower paid workers, often from marginalized groups in society, and they were at greater risk of infection from the people they came into contact with at work.

Labour market disruption caused by the pandemic has had devastating consequences for both men and women globally. Yet, ILO data show that women's employment globally declined by 5 per cent in 2020 compared with around 4 per cent for men. Around 90 per cent of women who lost their jobs in 2020 exited the labour force, indicating that their employment is likely to be disrupted over an extended period unless appropriate measures are put in place (ILO 2021a). Job losses globally have disproportionately affected women because of their over-representation in sectors impacted most by the pandemic, such as manufacturing, accommodation and food services (ILO 2021b). Women, who continue to bear disproportionate responsibility for family care, have experienced increased stress during the pandemic linked to additional needs for caring for others and homeschooling (Koss 2020). ILO data show that women have not been affected in all regions in the same way. The highest reduction in women's employment during the pandemic has been experienced in the Americas (a reduction of 9 per cent) compared with a reduction in Europe and Central Asia of around 3 per cent (ILO 2021b).

People with disabilities make up 15 per cent of the world's population, and they have faced discrimination in gaining entry to and experience within the workplace. They are more vulnerable to COVID-19 infection and more likely to lose work and have difficulties finding employment again if they lose their job (ILO 2020a). For example, United Kingdom data show that disabled men's employment fell by around 4 per cent in the year from December 2019 to December 2020, more than double the rate for non-disabled men. The reduction in disabled women's employment was also double that of non-disabled women (Holland 2021).

Younger workers have been hit hard by the pandemic and account for 34 per cent of the 2020 decline in employment globally (ILO 2021c). Youth employment fell by 9 per cent in 2020 compared with 4 per cent for adults, with the

most pronounced reduction seen in middle-income countries (ILO 2021d). Unemployment in 2020 has impacted young women in particular compared with 2019. The impact of disruption and delay in the early labour market experience of young people could last for years (ILO 2021e).

The majority of people living with HIV, more than 37 million people globally, are of working age and, even before the pandemic, they suffered disadvantage due to stigma, discrimination and marginalization. A large percentage of people living with HIV are engaged in the informal economy, and they are more adversely affected by COVID-19. They risk discontinuity of medical treatment, loss of employment and wages. With further increases in income inequality among workers, an even greater proportion of informal economy workers, such as those living with HIV, will be left behind unless there are actions to protect them (ILO 2020b).

Remote working, while enabling many enterprises to continue operating, has also highlighted the global occupational and digital divide. ILO research has estimated that some 18 per cent of the global workforce are in occupations and live in countries that enable them to work effectively from home. Proportionately more people in low-income economies work in occupations which are not suited to working from home. Some 30 per cent of North American and Western European workers are in occupations that enable home-based work compared with only 6 per cent of sub-Saharan African and 8 per cent of South Asian workers. Latin American and Eastern European workers fall somewhere in between at 23 per cent and 18 per cent, respectively (ILO 2020c). Only about half of households globally have an internet connection and they are mostly concentrated in high-income countries, thus remote working is an impossibility for many (Broom 2020). Low-income countries are more impacted by environmental factors, such as access to the internet, likelihood of owning a personal computer and housing conditions that support working from home. According to the ILO, access to the internet varies from less than 5 per cent for Guinea-Bissau, Eritrea and Somalia to more than 95 per cent in the Republic of Korea, Norway, Bahrain and Kuwait (ILO 2020c).

The tighter labour market resulting from the pandemic has created labour shortages in some countries. These shortages, likely to last for some time, could mean that many of those working through the pandemic are gaining confidence to leave their jobs for better pay and working conditions elsewhere, including in workplaces that promote D&I (Strauss 2021).

Given the capacity of national and global contexts to influence enterprise approaches to and employee experience of D&I, we consider both these elements in our analysis of results within this study.

▶ Approaching D&I as a 'wicked' problem

The discussion of D&I highlights the challenges it presents, which can be understood as a 'wicked problem', a term coined by Rittel and Webber (1973). Other examples of wicked problems include poverty or climate change. A wicked problem is one with many interdependent factors which are often in flux and difficult to define. There are often multiple stakeholders involved in wicked problems with different values and priorities. The root causes of the issue tend to be multiple and complex. There is no single right answer or solution to wicked problems. They are generally a symptom of another problem and there are multiple explanations for it. Faced with a wicked problem, it is often hard to know where or how to begin to address it.

Experts in addressing wicked problems recommend an approach that draws on systems thinking (how components of a system impact each other), an iterative or adaptive approach (where the impact of one action determines the next) and a deep understanding of the stakeholders involved and the organization's values (Edmondson 2016).

With the understanding of D&I as a wicked problem, the conclusions of this study and the way forward aim to better support enterprises to create powerful and comprehensive change on D&I.

2 Understanding and measuring inclusion

▶ Chapter 2 overview

Our study seeks to understand and measure the experience of inclusion at work by unpacking it at three levels:

Level 1

The overall experience of inclusion assessed by the degree to which the workforce say they feel included at work.

Level 2

The extent to which the workforce experience factors contributing to inclusion.

Level 3

The extent to which the workforce experience the positive benefits of inclusion that leads to contributions to overall business performance.

While overall experience of inclusion is high, the experience associated with the benefits of inclusion is relatively low. Additionally, levels of inclusion are higher at senior executive levels where representation of diversity globally is lower.

17% decline

83% feel included at work
- senior executives **92%**
- managers **86%**
- staff **76%**

79% feel respected and have a sense of belonging at work
- senior executives **86%**
- managers **78%**
- staff **62%**

75% feel supported to improve performance
- senior executives **85%**
- managers **77%**
- staff **69%**

67% feel valued through opportunities for development and reward
- senior executives **79%**
- managers **68%**
- staff **60%**

66% experience the positive benefits of inclusion
- senior executives **78%**
- managers **70%**
- staff **57%**

Senior executives are much more likely to report positive experiences of inclusion compared to staff and managers.

Further breakdown of factors contributing to aspects of inclusion

86% are treated with respect

75% can be their authentic self at work

73% say that their perspectives are sought out at work

75% are supported with flexible work arrangements

73% are confident that inappropriate workplace behaviour will be acted upon

70% say that reasonable accommodation will be provided

66% say that they are fairly rewarded

61% say that promotions are made fairly and transparently

67% say that they are supported to advance their career

56% experience a high sense of well-being

59% have strong ambition for promotion

61% are encouraged to speak up about better ways of doing things

▶ Introduction

Understanding and measuring inclusion is both challenging and complex. Inclusion is linked to individual feelings and behaviours, the behaviours of others around the individual employee and the environment in which she, he or they is working. As such, it is not a static but an ever-changing experience. Yet, understanding and measuring inclusion is important. While an enterprise may be successful in attracting and recruiting a diverse mix of employees, inclusion influences the extent to which diverse employees are retained and able to thrive and fully contribute. Measuring inclusion helps enterprises identify the actions they can take to further improve D&I.

This chapter provides a discussion of the complexity of inclusion in the workplace to enable a fuller understanding of what it is, the factors that contribute to employees feeling included and the impact this has. In so doing, we set out a simple framework for measuring inclusion in all its complexity. We use the framework to assess the extent to which employees globally report that they feel included at work. We also examine the extent to which inclusion at work is impacted by an employee's personal characteristics, level in the enterprise hierarchy and the workplace environment, including enterprise size, sector and geographic region.

▶ The complexity of inclusion

Inclusion – being valued as an individual and having a strong sense of belonging at work

To fully understand the extent to which employees experience inclusion, a more detailed level of questioning is needed than simply asking "Do you feel included at work?". This is because the experience of inclusion comes from delicately balancing needs for a sense of belonging in the workplace (forming and maintaining a strong sense of acceptance by and a connection and stable relationships with others) and individuation (being seen and understood as an individual) (Brewer 1991).

For example, research by Catalyst (2014) across six countries showed that for employees to experience inclusion at work, they needed to feel that their individual talents, experiences and identities were valued, and they needed to find common ground – or a sense of belonging – with others.[8] Catalyst explained that without finding common ground, employees could feel alienated or stereotyped and focusing only on common ground could lead to a reluctance among employees to share views and ideas that might set them apart.

Coqual (2020) further explored the factors that influence an employee's sense of belonging in their survey of 3,711 professionals in the United States.[9] Results were analysed across gender, ethnicity/race, generation, LGBTQI+ identity and parental, veteran and immigration statuses. Belonging was found to be linked to four key factors, namely when employees: feel recognized, rewarded and respected by colleagues; have positive and authentic interactions with their peers, managers and leaders; feel support in their day-to-day work and career development; and feel aligned to the purpose, vision and values where they work.

Understanding inclusion can be more nuanced than a binary experience of feeling included or excluded (Shore et al. 2011). If employees feel their sense of belonging or individuation is out of balance, they generally engage in efforts to restore the balance they need. This might include downplaying their own differences to find a stronger sense of belonging, coined by Shore and

8 Catalyst is a global not-for-profit organization that promotes equity and inclusion for women in the workplace. The six countries studied are Australia, China (Shanghai), Germany, India, Mexico and the United States.

9 Coqual is a global non-profit think-tank and advisory group specializing in equity, culture and community.

colleagues as "assimilating". This might involve placing more value on one aspect of their identity, for example their role or hierarchical level, which gives them a sense of belonging with others, over another aspect of their identity, such as gender or ethnic background, that differentiates them from their colleagues. While assimilation may provide the individual with the sense of inclusion they seek, it can come at a high personal cost.

The costs of not fully experiencing inclusion

Research by global professional services company, Deloitte, provides insights on the costs to the individual of assimilating at work (Smith and Yoshino 2019). The findings of their survey of around 3,000 employees across age, gender, ethnicity, race, sexual orientation and seniority identify the prevalence and harmful impacts of "covering", that is when individuals with known stigmatized identities try to hide aspects of their identity. This might include changing the way they dress or avoiding behaviours widely associated with their identity group, avoiding contact with members of their identity groups or choosing not to speak up for members of their identity group. The Deloitte research found that 79 per cent of minoritized groups believed covering was important to their long-term professional development and at the same time detrimental to their sense of self.[10]

Widespread research has documented the harmful impact of exclusion, bias, discrimination and covering on employees' physical and mental health and overall sense of well-being. This has been described as an emotional tax associated with feeling different from peers at work because of gender, ethnicity or race (or any other difference), including the burden of being on guard or consciously prepared for potential bias or discrimination that peers from non-minoritized groups do not experience (Travis, Shaffer and Thorpe-Moscon 2019; Evans and Breinig Chun 2007).

The benefits of full inclusion to the workforce and businesses

Full inclusion has been found to be associated with numerous benefits including higher levels of workforce commitment, productivity and well-being (box 2 and box 3).

▶ Box 2. Chief executive officer of Herbert Smith Freehills speaks of the personal and business benefits of inclusion

Justin D'Agostino is the chief executive officer of Herbert Smith Freehills, one of the world's leading law firms. Writing for Law.com International, he reflected on how the coronavirus disease has heightened the importance of focusing on D&I:

"What I have learned this year is that if we foster diversity and act inclusively, our people are more likely to feel a sense of belonging in the workplace. Belonging is the emotional outcome of diversity and inclusion. It is felt individually; we can all pinpoint times when we have felt part of the in-crowd – or not. During my career, I have felt that I belonged far more often than not. This has allowed me to be a better lawyer and leader, I've been happier and more fulfilled too. On the other hand, feeling like we don't belong robs us of confidence, stifling creativity."

Source: Law.com International, 2021.

10 The term 'minoritized groups' (rather than 'under-represented groups') is used to refer to groups, whether or not they are in a minority numerically, who face structural, social and economic barriers to inclusion, on the basis of factors such as age, gender, disability, ethnicity/race, religion or sexual orientation.

▶ Box 3. The business benefits of full inclusion

Increased commitment

Research by the global consultancy, McKinsey & Company (2020), on understanding the organizational barriers to a more inclusive workplace, shows that workforce members who feel very included are nearly three times more likely than their peers to feel committed to their organizations and more likely to pursue career development and promotion.

Increased productivity

Work environments that are more inclusive of people with disabilities have often been found to yield improved productivity levels across the whole workforce (Andersen and Kennedy 2018).

Increased collaboration and innovation

When individuals feel included at work they report experiencing greater trust, increased engagement and stronger collaboration with colleagues (Lorenzo et al. 2017). Diverse teams with a greater mix of perspectives have been found to be less susceptible to groupthink and more likely to consider information more thoroughly and accurately (Reynolds and Lewis 2017). They are more likely to solve problems faster and be innovative (Lee, Choi and Kim 2017; Shoreibah, Marshall and Gassenheimer 2019).

Increased well-being*

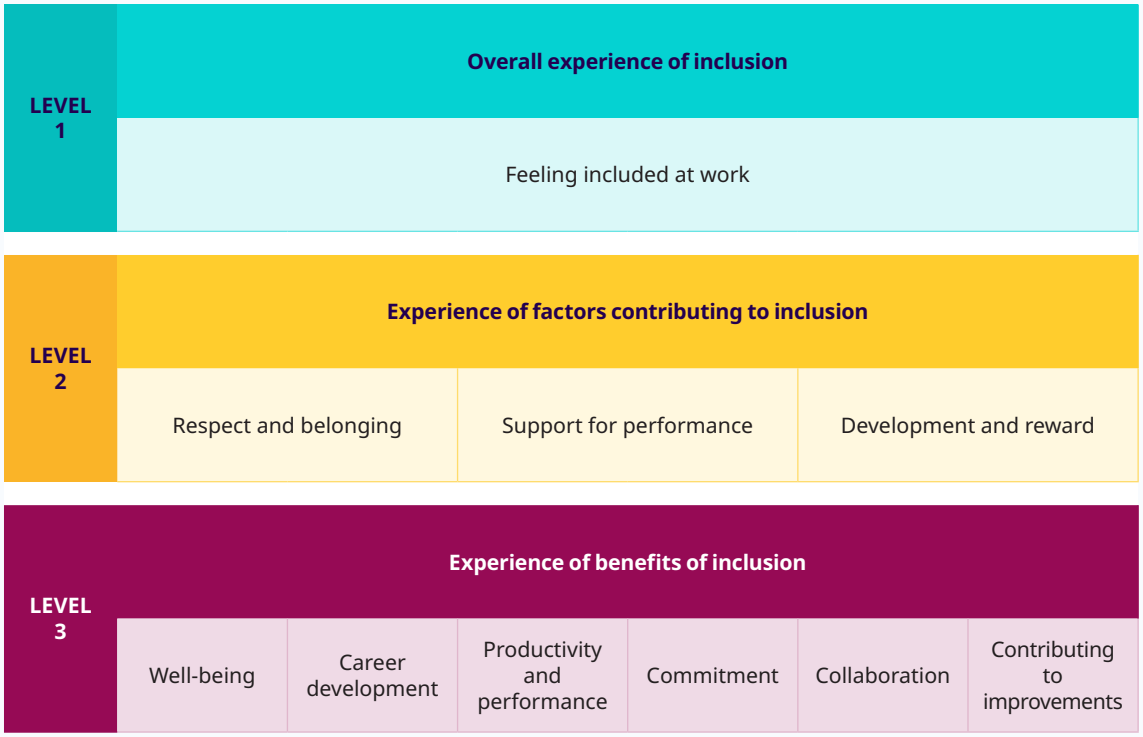
A range of research demonstrates not only how inclusive workplaces support improved levels of employee well-being but also that employees with high levels of well-being are more inclusive (Culture Plus Consulting 2018). Inclusion reduces stress induced by experiences of bias, harassment and discrimination. It promotes high self-esteem and a positive sense of self through the experience of social connection and belonging with others at work and in an environment that is understanding and supportive of individual needs, whether they are linked to health, disability, religion, family or caring responsibilities.

* The ILO defines workplace well-being as relating to all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work, their working environment, the climate at work and work organization. Well-being is a key factor determining an organization's long-term effectiveness, with numerous studies showing a direct link between productivity levels and the general health and well-being of the workforce. See ILO (2022).

A framework for measuring inclusion

In drawing research on inclusion together, our study seeks to understand and measure the experience of inclusion at work at three levels (figure 3). First, we test the degree to which workforce members say they feel included at work. Second, we consider three factors identified in the wider literature as contributing to inclusion, namely the extent to which employees: (1) feel respected and a sense of belonging at work; (2) feel that they are supported to perform well in their roles; and (3) are rewarded and developed at work, in an environment that supports equal opportunities and treatment. Third, we examine the extent to which the workforce experience the positive benefits of inclusion referred to in the wider literature as potentially making a significant contribution to overall business performance. These benefits include an increased sense of well-being, ambition for career development, higher levels of productivity and performance, commitment, collaboration and opportunities to contribute to better ways of doing things where they work. Overall, the framework tests the degree to which the experience of inclusion both creates belonging and meets individual needs.[11]

▶ **Figure 3. A framework for measuring inclusion**



11 See Appendix II for the survey questions used to test the framework for measuring inclusion.

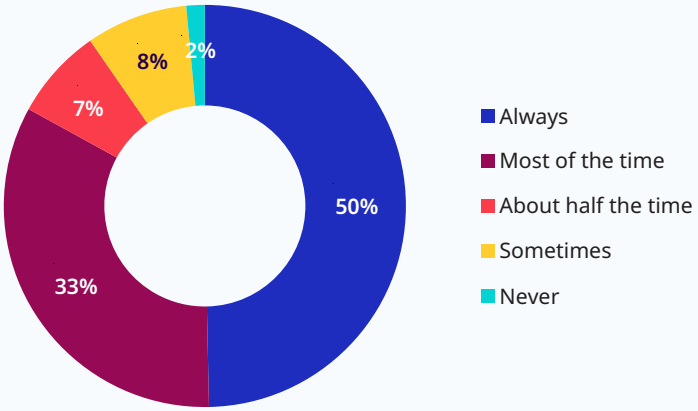
▶ Experience of inclusion in the workplace globally

To gain an initial measure of inclusion, we asked survey respondents how often they feel included at work. A strong 83 per cent of respondents report that they feel included at work most or all of the time (figure 4). This is similar to the findings of Coqual (2020) on belonging in the workplace showing that 86 per cent of respondents reported a strong sense of belonging where they work. However, our findings and Coqual findings on feeling included at work are higher than findings of McKinsey and Company (2020) on the organizational barriers to inclusion.[12] The McKinsey study, carried out before the start of the pandemic, found that only 55 per cent of respondents reported feeling very included where they work.

As the pandemic has brought additional stresses and pressures to everyone and many enterprises have paid closer attention to employee health and well-being, it is likely that this has raised overall feelings of inclusion among employees. To better understand if this is potentially the case, our framework examines experiences of inclusion in more detail.

> A strong 83 per cent of respondents report that they feel included at work most or all of the time.

▶ Figure 4. "Do you feel included at work?", all results



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A7 for more detailed results by region and by respondents' position.

12 McKinsey (2020) incorporated responses to four questions in reaching their definition of respondents feeling very included at work. These included: (1) their organizations are an inclusive place to work; (2) they belong at their organizations; (3) they feel comfortable raising their opinions or ideas; and (4) they are able to be themselves at their organizations.

At level two of our framework on measuring inclusion, we assessed the extent to which respondents positively experience the culture and environment where they work, specifically: (1) feeling respected as an individual and having a strong sense of belonging; (2) being supported to perform well at work; and (3) being supported in professional and career development. We asked respondents to rate the extent to which they agreed or disagreed with four statements under each of the three contributing factors.

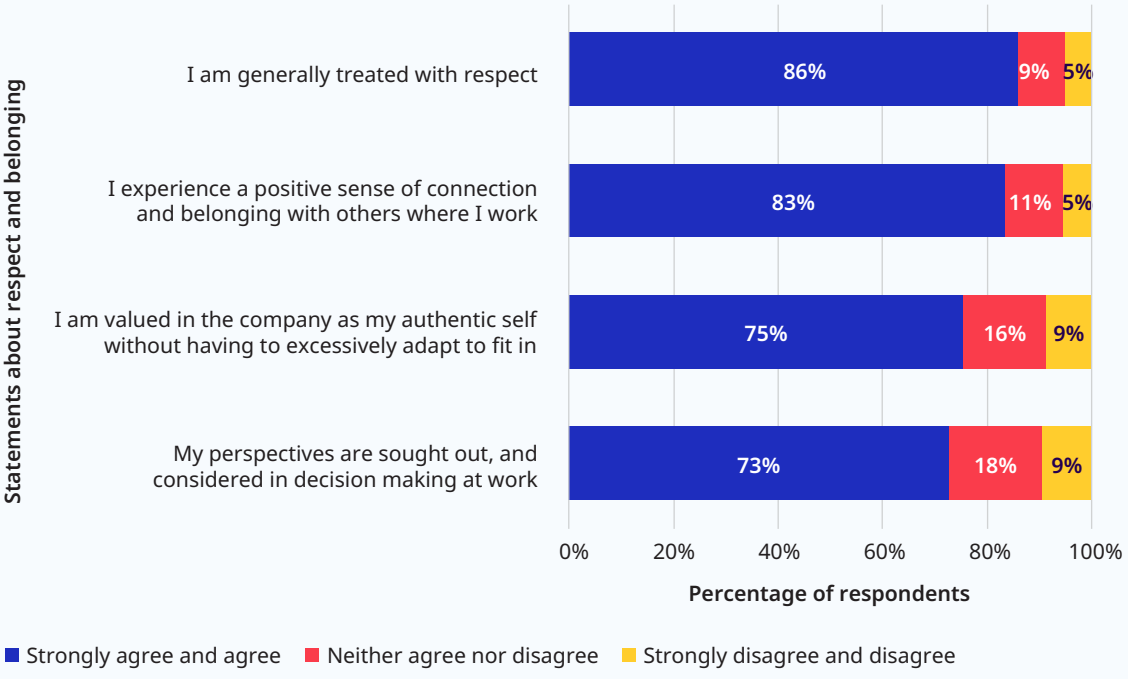
High levels of belonging within enterprises

A high number of respondents positively rate their experience of the factors contributing to aspects of inclusion that support a sense of belonging. Around 80 per cent of respondents say that they experience a positive sense of connection and belonging with others (figure 5).

Lower levels of inclusion related to professional and career development compared with performance at work and respect and belonging

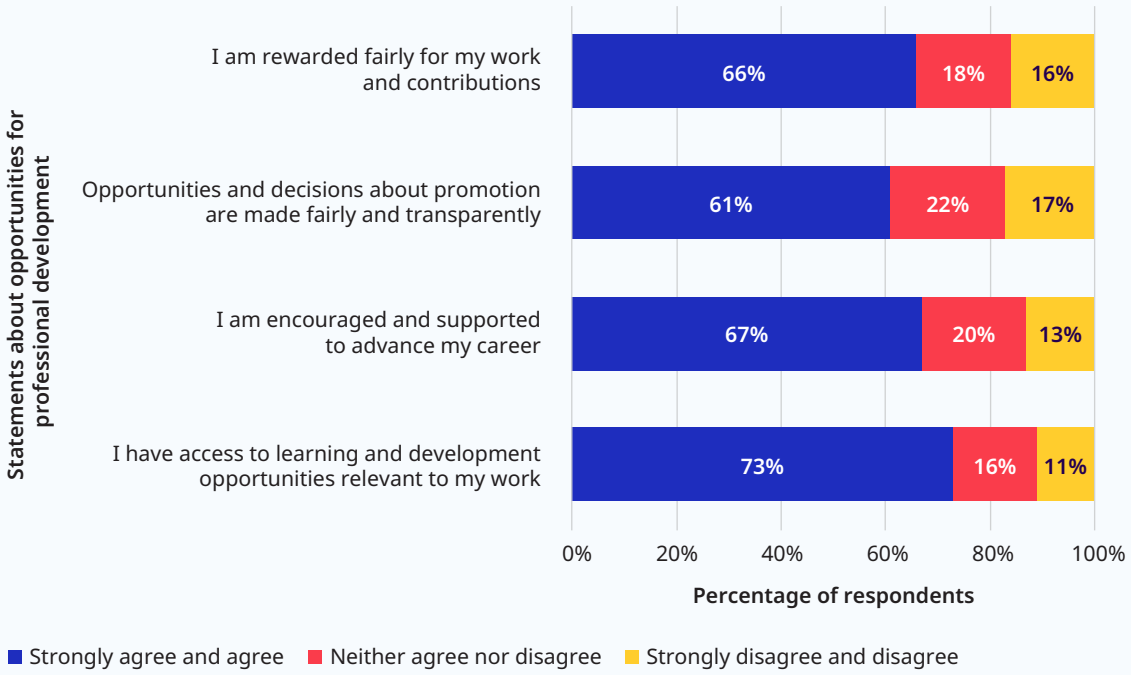
Respondents in our study are less positive about support for their individual professional and career development (figure 6) than they are about support for performance at work (figure 7) and their experiences of respect and belonging. Around two thirds of respondents agree/strongly agree that they are fairly rewarded for their work and contributions, that they are encouraged and supported to advance their career and that opportunities and decisions about promotions are made fairly and transparently. That is, respondents overall are less confident that their individual contributions and potential are being seen, developed and rewarded. This finding is similar to findings of Wronski (2021) on workplace happiness, in which less than two thirds of respondents reported that they had opportunities to advance their career where they work.

▶ **Figure 5. "To what extent do you agree or disagree with the following statements about the organizational culture and work environment where you work?", all results**



Source: ILO survey on D&I, 2021.

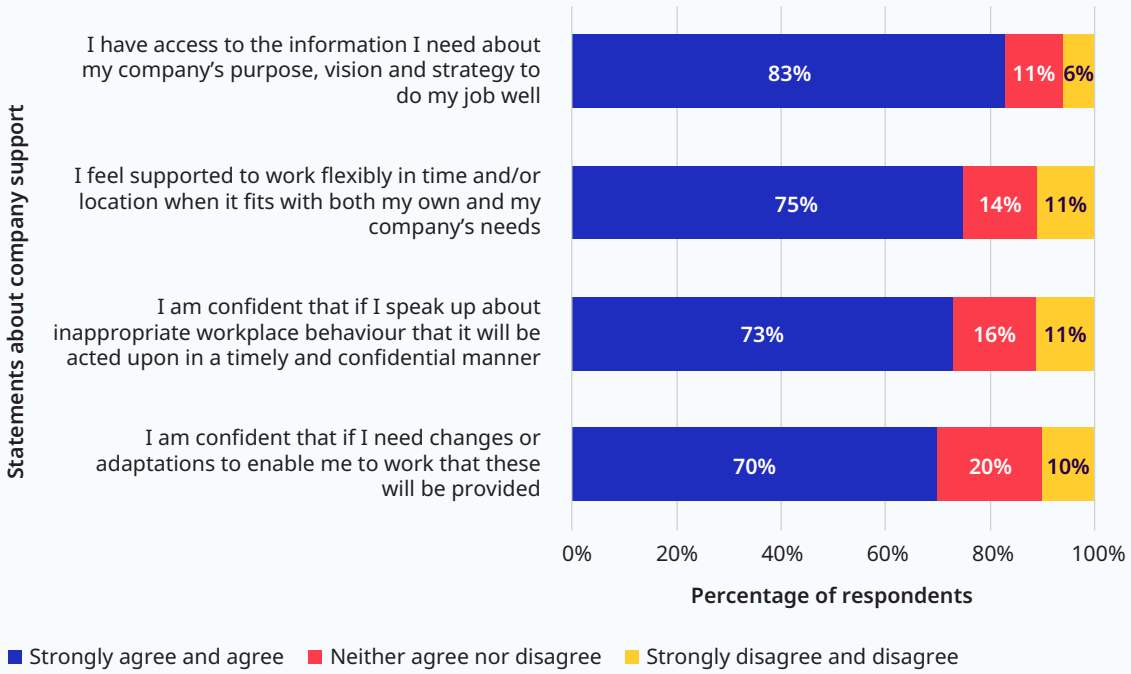
▶ Figure 6. "To what extent do you agree or disagree with the following statements about how opportunities for professional development are managed where you work?", all results



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A10 for more detailed results by region and by respondents' position.

▶ Figure 7. "To what extent do you agree or disagree with the following statements about how your company supports you to perform at work?", all results



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A8 for more detailed results by region and by respondents' position.

Less positive experience of being valued as an individual within enterprises

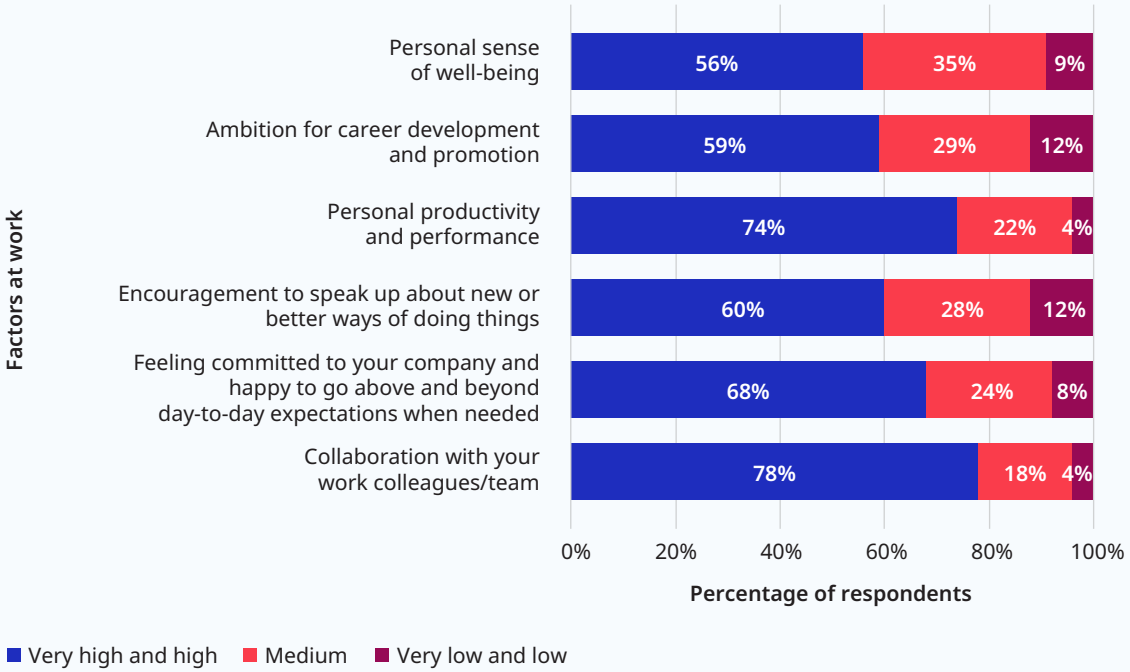
Positive experience of the aspects of inclusion linked with being seen, understood and valued as an individual are experienced by a still strong but slightly lower proportion of respondents. Around three quarters of respondents say they feel able to be themselves at work, that their views and perspectives are sought out, they are supported to work flexibly and are confident if they raise issues of inappropriate workplace behaviour that this will be acted on. Slightly lower still, 70 per cent of respondents are confident that if they need adaptations in the workplace to enable them to work, for example, due to disability, these will be acted on.

Lower experience of the benefits of inclusion

Level three of our framework for measuring inclusion explores the extent to which the workforce experiences the benefits of inclusion that can also impact business success. Given that 81 per cent of respondents in our study say they feel included and report a high sense of belonging, the extent to which respondents experience many of the benefits of inclusion is not as great as we might expect (figure 8).

For example, 60 per cent of respondents feel encouraged to speak up about better ways of doing things, 59 per cent say they have ambition for promotion and only 56 per cent report experiencing a high or very high personal sense of well-being at work.

▶ **Figure 8. "Rate the general level you experience of the following factors when you are at work", all results**



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A9 for more detailed results by region and by respondents' position.

Factors contributing to inclusion other than those examined in this study may be impacting on productivity and performance, ambition for promotion and well-being. An obvious additional factor is the impact of the pandemic. Many employees who have continued working during this period have done so with increased stress linked to additional responsibilities, such as homeschooling and caring for others, potential increased workloads and the risk of furlough or job loss, in addition to coping with the underlying stress of the pandemic. While working from home offers potential benefits by cutting travel time and expenses and creating greater flexibility, research is increasingly showing it also has the potential to contribute to burnout caused by overwork and the eroding of work–life boundaries (Jaser and Roulet 2022).

Another explanation for the lower levels of agreement with statements related to experiencing the benefits of inclusion expressed by respondents in our study is that the benefits of inclusion are linked to individual needs being met. That is, benefits of inclusion only result when needs are satisfied for both belonging and being seen, understood and valued as an individual. Indeed, existing research referred to earlier tells us that if employees feel the need to assimilate or cover aspects of themselves in order to achieve a sense of belonging, then there are significant personal costs to doing so that might influence the extent to which employees experience the benefits of inclusion. To explore this explanation further, the next section considers the extent to which personal characteristics and level in the enterprise hierarchy impact employees' experience of inclusion.

▶ The impact of an employee's personal characteristics and level in the enterprise hierarchy on inclusion

In our survey, as in most enterprises, people from minoritized groups are fewer in number than people from majority groups. Our survey respondents include a slightly larger proportion of men (57 per cent) than women (43 per cent). Seventeen per cent of respondents are LGBTQI+ people, 26 per cent belong to minoritized ethnic/racial/religious groups, 9 per cent have a disability and 3 per cent are living with HIV (see Appendix III for more detail on survey respondents).

Research shows that while diverse teams more often outperform homogenous teams because of the different perspectives they bring, inclusion is more easily achieved within homogenous groups as there are fewer different individual needs or perspectives to be aware of or respond to (Gibson and Ross 2005; Frost 2018). It is therefore of little surprise that levels of inclusion in our survey are high, as respondents from majority groups predominate. However, our findings also show that not all employee groups experience inclusion to the same extent. Respondents from minoritized groups and, to a greater extent, respondents at more junior levels report less positive experiences of inclusion at work.

"Respondents from minoritized groups and, to a greater extent, respondents at more junior levels report less positive experiences of inclusion at work.

Personal characteristics have a nuanced impact on the experience of inclusion at work

A pattern of responses in our study from some minoritized groups show a small but consistently less positive experience of factors contributing to inclusion. These relate particularly to the elements of inclusion that support the need to be seen, understood and valued as an individual. However, some responses in our survey from people in minoritized groups, particularly at manager and senior executive levels, show a more positive experience of inclusion compared with respondents from majority groups.

On gender, for example, 71 per cent of women say that their perspectives are sought out and considered in decision-making where they work compared with 74 per cent of men.

On disability, 81 per cent of respondents with a disability say that they are generally treated with respect compared with 87 per cent of respondents without a disability. Respondents with a disability also report less positively than respondents without a disability across all aspects relating to the benefits of inclusion. For example, 75 per cent of respondents without a disability report high levels of personal productivity and performance compared with 66 per cent of respondents with a disability. Also, 52 per cent of respondents with a disability report high levels of well-being compared with 57 per cent of respondents without a disability (figure 9).

On age, 80 per cent of respondents aged 18–24 feel included at work compared with 88 per cent aged 55+.

Differences in the experience of inclusion among minoritized groups are not as high in this study as they were in others undertaken predominately in high-income countries. For example, recently published research in the United Kingdom found that employees that do not identify with any minoritized group are at least 10 per cent more likely to agree that their employer treats people equally compared with employees that identify with a minoritized gender-based, religious or racial group (Alborno 2021). Global research by McKinsey and Company carried out before the pandemic showed 7 per cent fewer women than men and 5 per cent fewer respondents from minoritized ethnic groups than majority groups felt very included (McKinsey & Company 2020).

Some respondents from minoritized groups report more positively on their experience of inclusion compared with majority group respondents in this study. For example, 76 per cent of respondents who are LGBTQI+ compared with 70 per cent of heterosexual respondents say that their perspectives are sought out and considered in decision-making. Seventy-seven per cent of LGBTQI+ respondents compared with 58 per cent of heterosexual respondents agree that opportunities and decisions about promotions are made fairly and transparently.

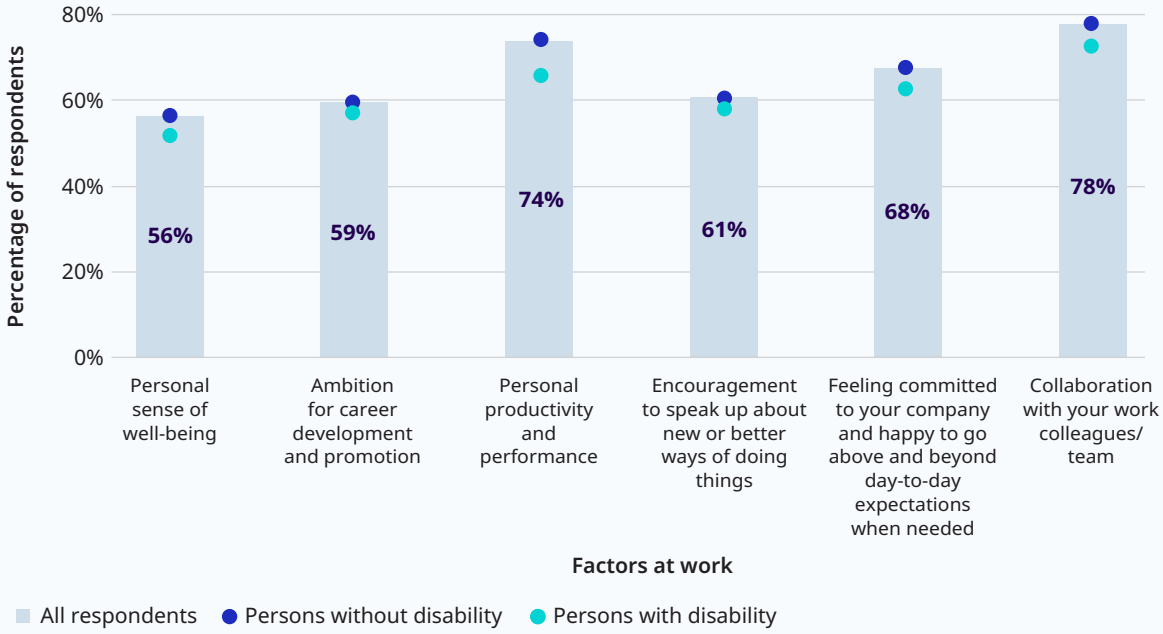
Eighty per cent of respondents living with HIV compared with 66 per cent of respondents without HIV say they are rewarded fairly for their work and contributions.

Seventy-two per cent of respondents from a minoritized ethnicity/race/religion compared with 65 per cent of respondents from majority ethnicity/race/religion say that they are encouraged and supported to advance their career.

The more positive responses from respondents who are LGBTQI+, living with HIV or from a minoritized ethnicity/race/religion and the smaller differences in the experience of inclusion between women and men and people with and without disabilities that were found in our study compared with some other studies are likely to be linked to the respondent's level in the enterprise hierarchy. Respondents who are LGBTQI+ or living with HIV are more strongly represented at the senior executive level in this study and respondents who are from a minoritized ethnicity/race/religion are more strongly represented at manager rather than staff level.

Our study sought to include survey respondents from diverse backgrounds at all hierarchical levels. As a result, women and people with disabilities are represented in roughly equal proportions at staff, manager and senior executive levels among respondents (table 1). This contrasts with global data showing that women make up 32 per cent of managerial positions globally (Cohen and Shinwell 2020). ILO data show that fewer than 30 per cent of senior managers and top executives are women (ILO 2019a).

▶ **Figure 9. "Rate the general level you experience of the following factors when you are at work" (respondents who reported high and very levels), all results and results by disability**



Source: ILO survey on D&I, 2021.

▶ **Table 1. Hierarchical level of respondents by personal characteristics**

Characteristic	Staff (%)	Manager (%)	Senior executive (%)
Women	45	41	41
Men	55	59	59
LGBTQI+	17	14	21
Heterosexual	83	86	79
Persons with a disability	10	7	13
Persons without a disability	90	93	87
Minoritized ethnicity, race or religion	25	31	24
Majority ethnicity, race or religion	75	69	76
Persons living with HIV	2	2	6
Persons living without HIV	98	98	94
Aged 18–34	56	46	42
Aged 35–54	39	49	49
Aged 55+	5	5	9

Source: ILO survey on D&I, 2021

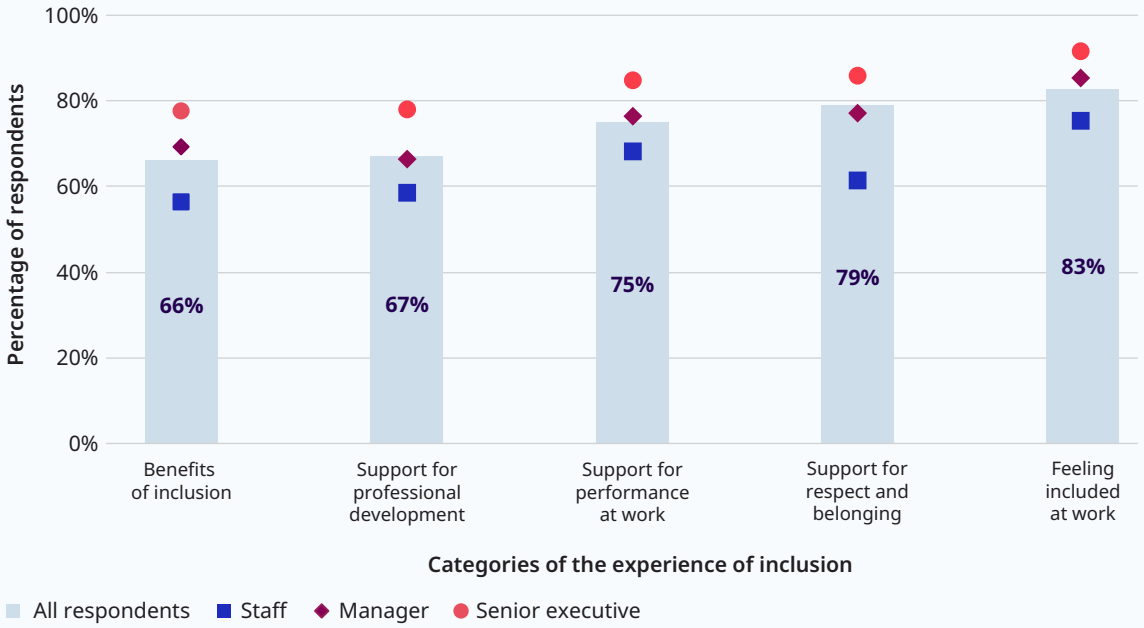
Hierarchical level is a stronger differentiator on inclusion than personal characteristics

Senior executive level respondents are much more likely than staff and manager level respondents to report positively on their experience of inclusion at work (figure 10). For example, 92 per cent of senior executives report feeling included at work compared with 76 per cent of staff level respondents.

As for experiencing respect and belonging at work, 86 per cent of senior executives report positively compared with 78 per cent of managers and 62 per cent of staff.

> Senior executive level respondents are much more likely than staff and manager level respondents to report positively on their experience of inclusion at work.

▶ **Figure 10. Experience of inclusion by respondent's level in the enterprise hierarchy**



Source: ILO survey on D&I, 2021.

Note: Total percentages shown for the categories 'Benefits of inclusion', 'Support for professional development', 'Support for performance at work' and 'Support for respect and belonging' are the average positive responses to all survey statements asked within each of the categories. See Appendix II for the survey questionnaire. Question 8 includes statements related to the benefits of inclusion; question 11 relates to support for professional development; question 10 relates to support for performance at work and question 9 relates to support for respect and belonging.

On the experience of factors that support professional development, such as feeling encouraged and supported to advance their career and that decisions about promotion are made fairly and transparently, 79 per cent of senior executives report positively compared with 60 per cent of staff level respondents.

On the experience of factors that support performance at work, including feeling confident to speak up about inappropriate behaviour and that appropriate action will be taken as a result and having the information needed to do their job well, 85 per cent of senior executives report positively compared with 69 per cent of staff level respondents.

As for experiencing the benefits of inclusion, such as well-being, collaboration and feeling encouraged to speak up about new and better ways of doing things, only around half of staff level respondents (57 per cent) report positively compared with 70 per cent of managers and 78 per cent of senior executives.

Notably in our study, there are only small differences within hierarchical levels between minoritized groups and larger differences in the experiences of respondents from the same minoritized group across different hierarchical levels.

For example, 84 per cent of both women and men at the senior executive level feel valued for being who they authentically are at work. However, women at the senior executive level are 13 per cent more likely than women at manager and staff levels to say that they are valued for being their authentic self at work. They are also 6 per cent more likely to feel treated with respect and 20 per cent more likely to report that their perspectives at work are sought out and considered in decision-making.

That is, our study, which focuses predominately on lower-middle-income to upper-middle-income countries, shows that differences in feeling included are linked more to the respondent's level in the enterprise hierarchy than to the respondent's personal characteristics, such as their gender. Yet wider data show that gender inequalities continue to exist in the workplace.

While women globally are qualifying in greater numbers than men with degrees at the bachelors and master's levels, they still only hold around 40 per cent of jobs worldwide, often at lower pay than men (ILO 2015). Women hold fewer than 30 per cent of entry-level management positions, and women hold fewer than 30 per cent of senior manager and top executive positions in 60 per cent of companies worldwide (ILO 2019b). Globally, the gender wage gap remains at almost 20 per cent (ILO 2019c). Indeed, global professional services firm, PricewaterhouseCoopers (PwC) (2017), has predicted that it will take between 20 and 300 years to close the gender pay gap in different countries. Only Belgium, Luxembourg and Poland are predicted to close the gender pay gap before 2030, while it is predicted to take up to 300 years to close the gap in Germany, the Republic of Korea and Spain.

Further qualitative research is required to better understand the impact of employees' personal characteristics on the experience of inclusion at work and the larger impact of hierarchy as reported by survey respondents, despite wider quantitative evidence of inequalities in the workplace.

The impact of different enterprise environments on experiencing inclusion at work

To understand if employees are experiencing high levels of inclusion in some environments more than others, we compared responses across company size, sector, region and income level of the country.

The first finding is that respondents in small and national enterprises are less likely to report positively on the benefits of inclusion compared with respondents in medium-sized, large and multinational enterprises.

For example, 69 per cent of respondents in small enterprises experience high levels of productivity and performance compared with 77 per cent in large enterprises. Fifty-three per cent of respondents in small enterprises report high levels of well-being compared with 60 per cent in large enterprises. Fifty-seven per cent of respondents in national enterprises report high levels of ambition for career development compared with 65 per cent of respondents in multinational enterprises. Fifty-nine per cent of respondents in national enterprises are encouraged to speak up about better ways of doing things compared with 66 per cent in multinational enterprises.

Respondents working in high-income countries report lower levels of inclusion compared with lower-middle-income and upper-middle-income countries across all three factors contributing to inclusion – respect and belonging, support for performance at work and support for professional development – as well as the outcomes of inclusion (figure 11).[13]

Our results also show differences in levels of inclusion by geographic region. Respondents working in Asia and the Pacific report the highest levels of inclusion and those in Europe and Central Asia report the lowest (figure 12).[14]

There is also a pattern of respondents working in enterprises within the information and communications sector reporting highest levels of inclusion compared with all other sectors. Two thirds of respondents in this sector are men. However, this is unlikely to be the primary or only reason for higher levels of inclusion since, overall, the study shows little difference by gender in the experience of inclusion and some other sectors, such as construction and manufacturing, also have a higher proportion of male respondents but report lower levels of inclusion.

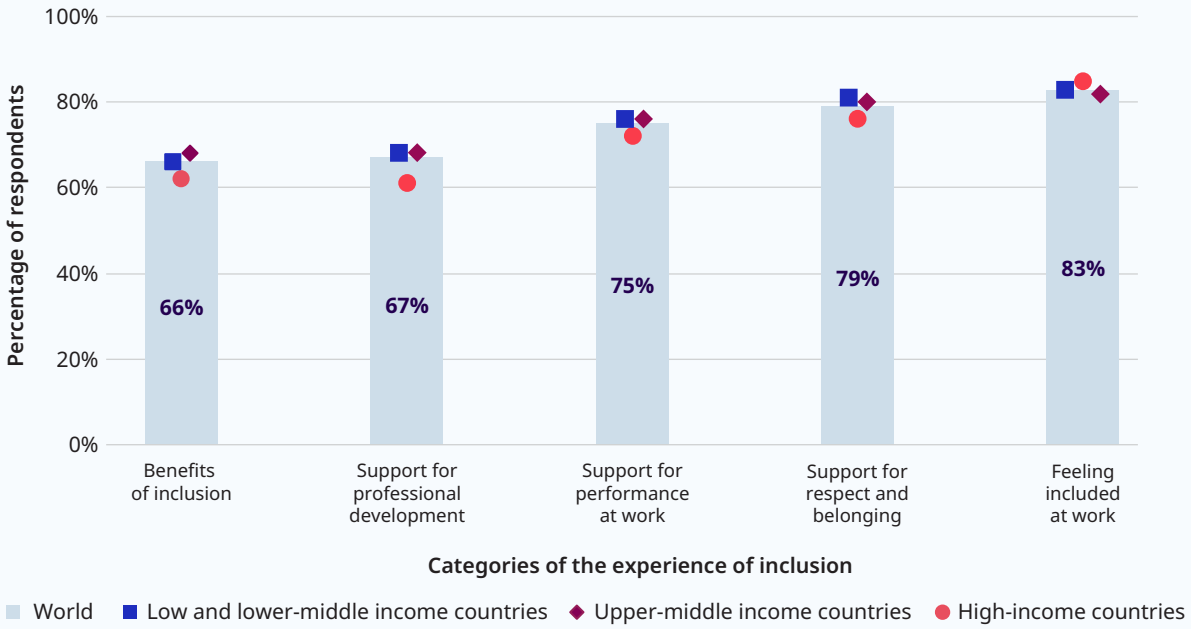
A commonality among respondents working in Asia and the Pacific, the information and communications sector and lower-middle-income and upper-middle-income countries is that they consistently report significantly more positively on factors that support needs for being seen, understood and valued as an individual as well as their needs for belonging. For example, 81 per cent of respondents in the information and communications sector feel supported to work flexibly compared with 70 per cent in the human health or social work sector. Sixty-two per cent of respondents in Asia and the Pacific report a strong sense of personal well-being compared with 37 per cent in the Arab States.

In Chapter 3 we examine the extent to which enterprises are taking action to support inclusion, both the need for belonging and being valued as an individual. To achieve greater insight as to why some respondents report higher inclusion than others, it is important to understand if more action is being taken to support inclusion in Asia and the Pacific, in the information and communication sector and in lower-middle-income and upper-middle-income countries.

13 High-income countries within this study include: Canada, Chile, France, Italy, Saudi Arabia, Spain, United Arab Emirates and Uruguay. Upper-middle-income countries include: Argentina, Brazil, China, Colombia, Costa Rica, Dominican Republic, Indonesia, Malaysia, Mexico, Peru, Russian Federation, Serbia, South Africa, Thailand and Turkey. Low-income and lower-middle-income countries include: Bangladesh, Bolivia (Plurinational State of), Côte d'Ivoire, Egypt, El Salvador, India, Kenya, Morocco, Mozambique, Nigeria, the Philippines, the United Republic of Tanzania, Ukraine and Viet Nam. The above classification includes 37 countries that totalled more than 100 responses each.

14 More than half of respondents in Europe and Central Asia are from countries in Eastern Europe and Central Asia with 40 per cent from European Union countries.

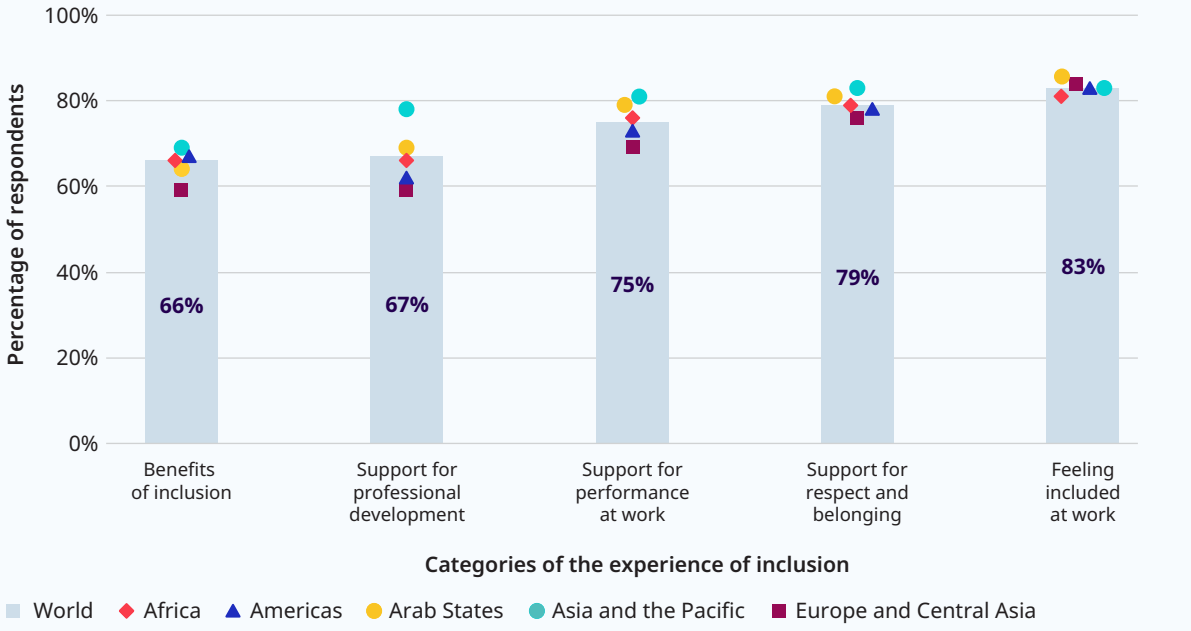
▶ Figure 11. Experience of inclusion, by country income group



Source: ILO survey on D&I, 2021.

Note: Total percentages shown for the categories 'Respect and belonging', 'Performance at work', 'Professional development' and 'Outcomes of inclusion' are the average positive responses to all questions asked within each of the categories. See Appendix II for the survey questionnaire.

▶ Figure 12. Experience of inclusion, by region



Source: ILO survey on D&I, 2021.

▶ Conclusions and implications for action

Overall, the survey results show high levels of inclusion experienced by employees globally. However, a more granular level of analysis of inclusion is needed to fully understand the extent to which respondents experience inclusion, drawing out any differences between groups of employees and across different enterprises.

The importance of balancing belonging and meeting individual needs to fully achieve inclusion

Our study shows that the benefits of inclusion for employees and their employer are only fully realized when individuals experience a balance between feeling a strong sense of belonging and when they can be themselves at work with their needs seen, understood, cared about and, wherever possible, met.

Enterprises are at risk of missing out on the benefits of inclusion

Accordingly, this study also shows that seniority not only comes with higher levels of financial reward but also with the benefits of inclusion. While the majority of employees in most enterprises are at the staff level, fewer are at the managerial level and even fewer are at the senior executive level, our study finds that the highest levels of inclusion are achieved only at the most senior levels. Minoritized groups in the workplace globally continue to be clustered more at the staff level than at senior levels. This has important implications for the performance of enterprises, which may be missing out on the benefits of D&I, including increased levels of commitment, engagement, collaboration, innovation and productivity being drawn from employees at staff and manager levels.

Measuring the complexity of inclusion to identify actions needed

The delicate balance between meeting needs for individual identity and belonging highlight the importance of a sophisticated approach to measuring inclusion. The measurement approach needs to assess a range of different factors contributing to inclusion across belonging and individual identity. Results need to be analysed across diverse groups and hierarchical levels to gain a complete picture of how inclusion is experienced within enterprises. This helps identify the actions needed to promote even greater D&I in the workplace.

3 Building inclusion

▶ Chapter 3 overview

Four principles have been identified to achieve transformational change on D&I globally. The principles highlight the importance of focusing on behaviour and culture change in relation to D&I as well as policies and practices:

Principle 1

Adopt a strategic and cultural change approach to D&I

When D&I actions are clearly identifiable in company strategy/ culture, the workforce is:

- **13%** more likely to report high levels of well-being
- **18%** more likely to feel confident about receiving support for reasonable accommodation
- **21%** more likely to feel encouraged and supported to advance their career

Principle 2

Build diversity in top management levels

When there are at least 40% women in top management:

Women are:

- **9%** more likely to feel included at work
- **12%** more likely to feel valued for being their authentic self at work

Men are:

- **3%** more likely to feel included at work
- **7%** more likely to feel valued for being their authentic self at work

Principle 4

Embed D&I into the employee life-cycle and organizational practice

When a D&I policy exists, the workforce is:

- **9%** more likely to be treated with respect
- **18%** more likely to feel supported with flexible work arrangements
- **26%** more likely to believe that decisions about promotions are made fairly and transparently

Principle 3

Establish shared leadership and accountability on D&I

When senior leaders are held accountable as role models for D&I, the workforce is:

- **11%** more likely to report high levels of well-being
- **10%** more likely to report ambitions for career development
- **10%** more likely to feel encouraged to speak up about better ways of doing things

▶ Introduction

Chapter 2 reported on the extent to which inclusion is experienced in the workplace globally and identified differences in levels of inclusion reported by respondents across diverse groups, hierarchical levels, regions and sectors. The focus of Chapter 3 is on actions enterprises are taking to promote D&I and how this is impacting the experience of inclusion in the workplace.

Many models of good practice approaches to D&I have been published, including by the International Organization for Standardization (ISO 2022). Models and good practice guides are often based primarily on the experiences of large, multinational companies in high-income economies. There are, of course, differences between the models, but four features stand out as being common to enterprises that are making demonstrable progress on D&I. That is, enterprises achieving transformational and sustainable change on D&I:

- adopt a strategic and culture change approach to D&I;
- build diversity at top management levels;
- adopt an approach to leading change on D&I that is shared by leaders, managers and employees at all levels;
- embed D&I into every aspect of the employee life cycle and organizational activity.

In this chapter, we begin by examining the extent to which a transformational and sustainable approach to change on D&I is being implemented in survey respondents' workplaces. We also highlight where there are differences in implementation by enterprise size, sector, geographic region and income level of the country of operation. Secondly, we take our framework for measuring inclusion, shared in Chapter 2, and assess the extent to which transformational actions result in higher levels of inclusion among our survey respondents. That is, we consider the extent to which D&I actions impact positively on the respondents' sense of belonging and having individual needs met across the three factors contributing to inclusion, namely: (1) support for respect and belonging; (2) support for performance at work; and (3) support for professional and career development as well as the respondents' experience of the benefits of inclusion. Finally, we review the priority areas for action that survey respondents say are most important in promoting even greater D&I where they work.

▶ Adopting a strategic and culture change approach to D&I

Wider research shows that enterprises making progress on D&I position it as a core strategic business issue as opposed to a human resources issue or a corporate social responsibility issue. Good practice approaches emphasize the importance of creating a D&I strategy, aligning it with the organization's broader strategy and tracking and measuring progress on D&I (Dina 2022; Centre for Global Inclusion 2021). Enterprises are also moving away from a one-size-fits-all approach towards recognizing that different priorities and approaches are often needed to meet the needs of different groups and localities. A strong D&I strategy needs to respond and adapt to these differences, while supported by a common vision and ambition across the enterprise and across all groups of employees (Hunt et al. 2018).

▶ Box 4. Adopting a culture change approach to D&I

The American multinational technology corporation, **Cisco Systems**, is a leader in information technology, networking and cybersecurity solutions with almost 40,000 employees worldwide. Cisco is an example of a large company that has embraced the culture change approach to D&I. A case study of Cisco notes the company's description of great leaders as "those who incorporate considerations of diversity and inclusion into their habits as leaders and into the mainstream of their organizations". Managers and individual contributors are measured on their achievements in creating a culture of inclusion.

Tenaris, an oil and gas multinational, has focused on a culture change approach to address the challenge of gender D&I in a highly male dominated sector. The company has taken a range of actions sustained over time across its business from integrating D&I in its management styles to flexible working, mentoring and using data to track progress.

Source: ILO, 2017; Mazur, 2014.

Impactful approaches to D&I are also emphasizing the importance of focusing on changing behaviour and culture as well as policies and practices (Dillon and Bourke 2016; Shapiro, Wells and Saunders 2011). Research by Catalyst highlights the importance of inclusive leaders both leading outward through taking ownership for D&I, being accountable for progress and being an ally as well as leading inward by demonstrating the behaviours of curiosity, humility and courage so that employees feel valued, can be who they authentically are at work, feel trusted and trusting of others and psychologically safe (Travis, Shaffer and Thorpe-Moscon 2019).

More scope for a strategic and culture change approach to D&I

Our survey included five questions to test the extent to which enterprises are adopting a strategic and culture change approach to D&I (figure 13). The questions include key elements ranging from ensuring D&I is approached as a strategic issue and actions are resourced to creating a culture where discrimination, harassment or violence at work are not tolerated and the impact of D&I actions are measured.

The results indicate that there is plenty of scope for greater implementation of a strategic and culture change approach to D&I. Only a third of survey respondents say that progress on D&I is measured where they work and used to identify future priorities and actions. Only half of respondents say that D&I actions are sufficiently resourced and clearly identifiable in the company strategy and culture. Less than half the respondents say that there are goals and actions in place to recruit and develop people from diverse backgrounds where they work.

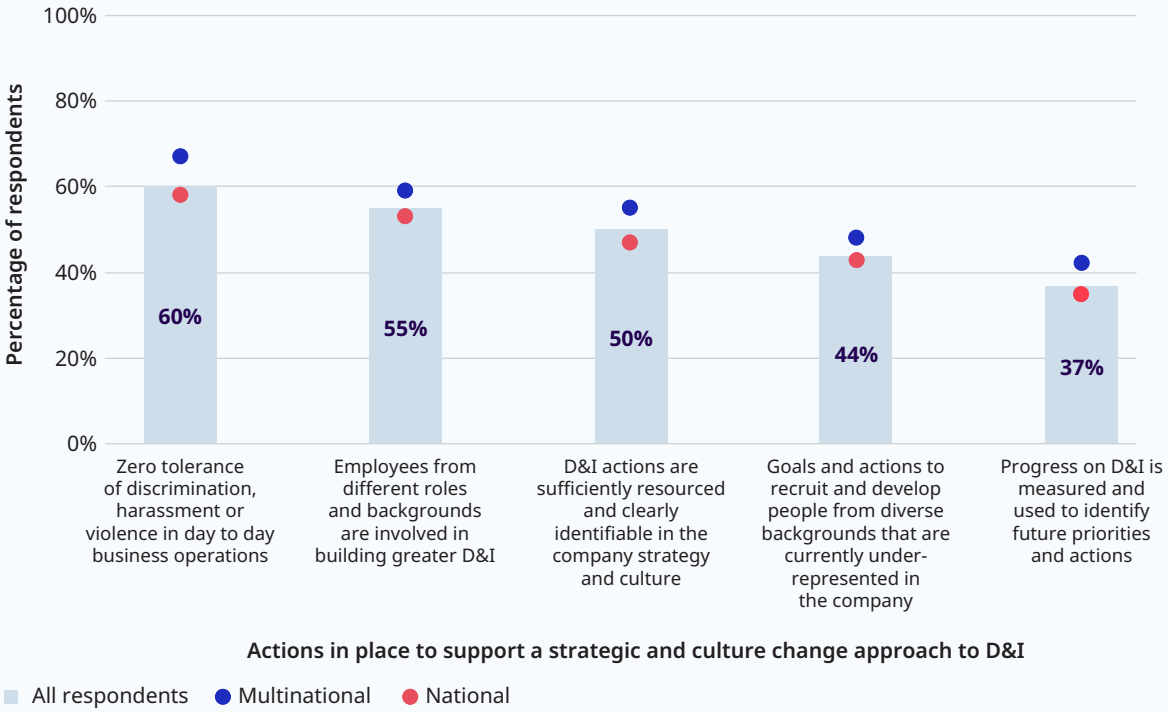
More evidence of a strategic and culture change approach to D&I in some enterprises than others

Figure 13 shows that evidence of a strategic and culture change approach to D&I is more evident in multinational than national enterprises. Respondents in multinational enterprises are 9 per cent more likely than those in national enterprises to say there is zero tolerance of discrimination, harassment or violence where they work. They are 8 per cent more likely to say that D&I actions are sufficiently resourced and clearly identifiable in their strategy and culture. They are 7 per cent more likely to say that progress on D&I is measured and used to identify future priorities and actions.

Respondents working in small enterprises are less likely to say that there is a strategic and culture change approach to D&I where they work.[15] For example, they are 5 per cent less likely to say that there is zero tolerance of discrimination, harassment or violence where they work. They are 6 per cent less likely to say that there are goals and actions to recruit and develop people from diverse backgrounds. It is perhaps less of a surprise that smaller enterprises are not taking

15 See Appendix III, figure A11.

▶ **Figure 13. "Are any of the following in place to support D&I in your company?", all results and results by scale of operation**



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A11 for more detailed results by enterprise size.

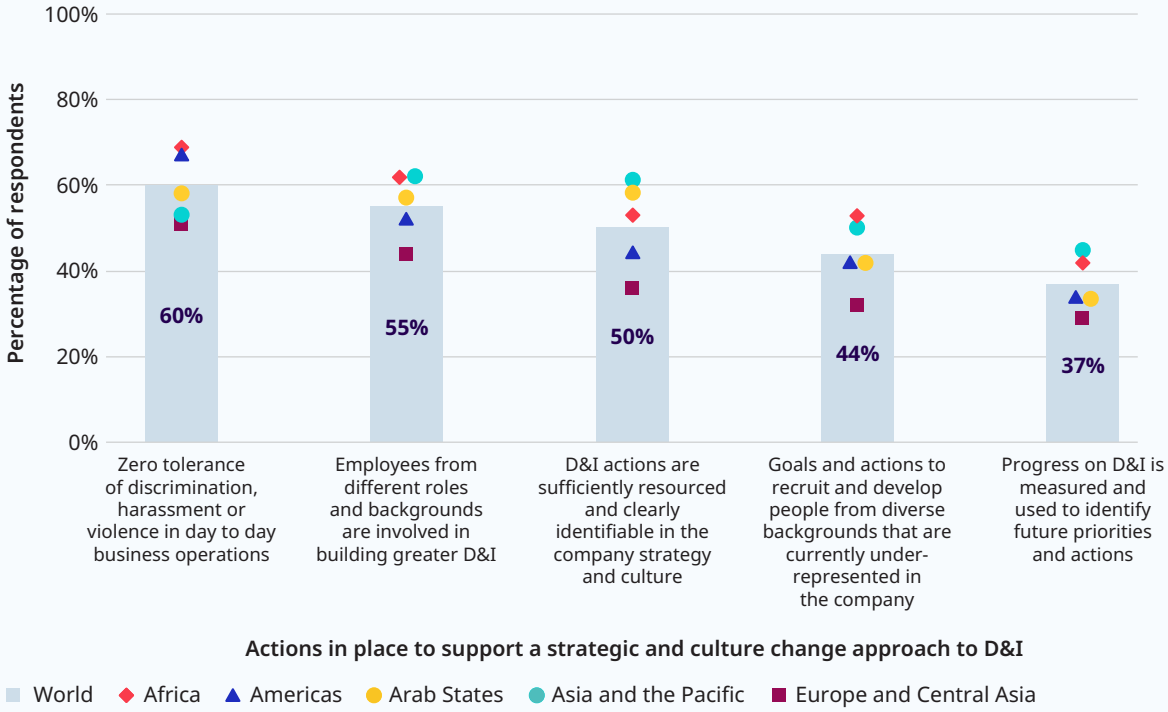
such a formal approach to D&I through strategies, goals and measures. The model for transformational change on D&I used in this study is mainly drawn from work with large enterprises, which highlights the need to better understand approaches that, while still transformational, are more applicable to smaller enterprises.

The Asia and the Pacific region stands out as the most likely to have companies that have implemented three of the five strategic and culture change actions to promote D&I tested in the survey (figure 14). For example, 61 per cent of respondents in Asia and the Pacific report that D&I actions are sufficiently resourced and clearly identifiable in the company strategy and culture compared with 36 per cent of respondents in Europe and Central Asia. Forty-five per cent of respondents in Asia and the Pacific report that progress on D&I is measured where they work and used to inform future actions compared with 29 per cent of respondents in Europe and Central Asia.

Respondents working in the information and communications sector are also more likely than respondents working in other sectors to report that they work for an enterprise that takes a strategic and culture change approach to D&I. Respondents working in this sector are 6 per cent more likely to say that D&I actions are sufficiently resourced and clearly identifiable in the strategy and culture where they work.

Notably, Asia and the Pacific and the information and communications sector were shown in Chapter 2 to have higher levels of respondents reporting positively on their experience of inclusion at work. Our findings indicate an important link between actions being taken to support D&I and levels of inclusion experienced by employees. What drives some enterprises to take more action than others is examined in Chapter 4.

▶ **Figure 14. "Are any of the following in place to support D&I in your company?", results by region**



Source: ILO survey on D&I, 2021.

Taking a strategic and culture change approach to D&I is linked with higher levels of inclusion and the benefits of inclusion

While taking a strategic and culture change approach to D&I is evident in half or less of the workplaces of our survey respondents, where it is being adopted it is also making a positive difference to inclusion and leveraging the benefits of inclusion.

Half of the survey respondents reported that D&I actions are sufficiently resourced and clearly identifiable in the strategy and culture where they work. Those respondents also report higher levels of inclusion linked to meeting individual needs. For example, they are 13 per cent more likely to feel valued for being themselves where they work. They are 18 per cent more likely to feel confident that if they need adaptations to enable them to work that these will be provided, and they are 21 per cent more likely to agree that they are encouraged and supported to advance their career.

Respondents are also more likely to experience high levels of the benefits of inclusion when D&I actions are embedded in enterprise strategy and culture. For example, they are 13 per cent more likely to report high levels of personal well-being and 15 per cent more likely to speak up about new or better ways of doing things.

Sixty per cent of respondents say that there is zero tolerance of discrimination, harassment or violence where they work. Those respondents are 10 per cent more likely to report high levels of personal well-being.

More than half (55 per cent) of respondents say that employees from different roles and backgrounds are involved in building greater D&I where they work. Those respondents report higher levels of the benefits of inclusion. For example, respondents are 7 per cent more likely to report high levels of productivity and performance and 7 per cent more likely to feel highly committed to their employer.

> Respondents who say that there is zero tolerance of discrimination, harassment or violence are more likely to report high levels of well-being.

▶ Building diversity at top management levels

Top level leadership is essential in any successful approach to change, and D&I is no different. To achieve successful change on D&I leaders must define organizational priorities that are communicated and measured, set a bold and inspiring vision, set goals and an ambition for D&I and ensure leadership teams are diverse and model the expected behaviours of D&I (Derven 2014; Bourke 2018; ILO 2017; Sweet and Shook 2020; Dolan et al. 2020). Indeed, research shows that when individuals from minoritized groups see people in leadership similar to themselves it increases their ambition for career development and promotion (Warrell 2020).

▶ Box 5. Leading change on D&I

American multinational technology company, **Apple**, is cited as a positive example of D&I leadership. Since Tim Cook took over as chief executive officer in 2011, he has appointed more women to his executive team and directors from under-represented groups and launched an annual D&I report which is publicly shared. Open communication of progress and aspirations on D&I can help to support Apple's reputation with consumers and shareholders. Enterprises with inclusive cultures and practices have been found to be 58 per cent more likely to improve their external reputations compared to those without.

The world's largest chemical producer, German multinational **BASF**, introduced training for all its senior executives supporting them to promote diversity throughout the organization. It has established a network of more than 500 employees worldwide to encourage an open and inclusive culture. For BASF in Brazil, there is a strong focus on inclusion for people with disabilities driven in part by the Government's mandated focus, whereas in Germany the Government's focus on gender has led to actions on women in leadership. BASF report that these differences enable them to use local insights and develop local practices that can then be translated and applied in other areas across the world.

Faith A. Chaibva-King'ori, Sub-Saharan Africa Strategy Director of the American multinational confectionery, food, holding and beverage and snack food company, **Mondelez International Inc**. speaks openly about the importance of leadership in addressing the more challenging aspects of D&I:

"Representation is easy. But true inclusion is so much harder. We continue to do that work. But we have not won, yet. To be honest, we are afraid. We are afraid of conflict. These are difficult things to talk about. But it is important to hold each other to account. We must find ways to remove the fear and other barriers, and to have these difficult conversations. Part of the solution is to ensure we have spaces for diverse voices to be heard. And here you must be careful not to be exclusionary in our inclusion" (ILO, forthcoming).

Source: Polonskaia and Royal, 2019; Rabl et al., 2020; Aperian Global, n.d.; Bourke, 2014; ILO, forthcoming.

Representation of diversity in top management varies

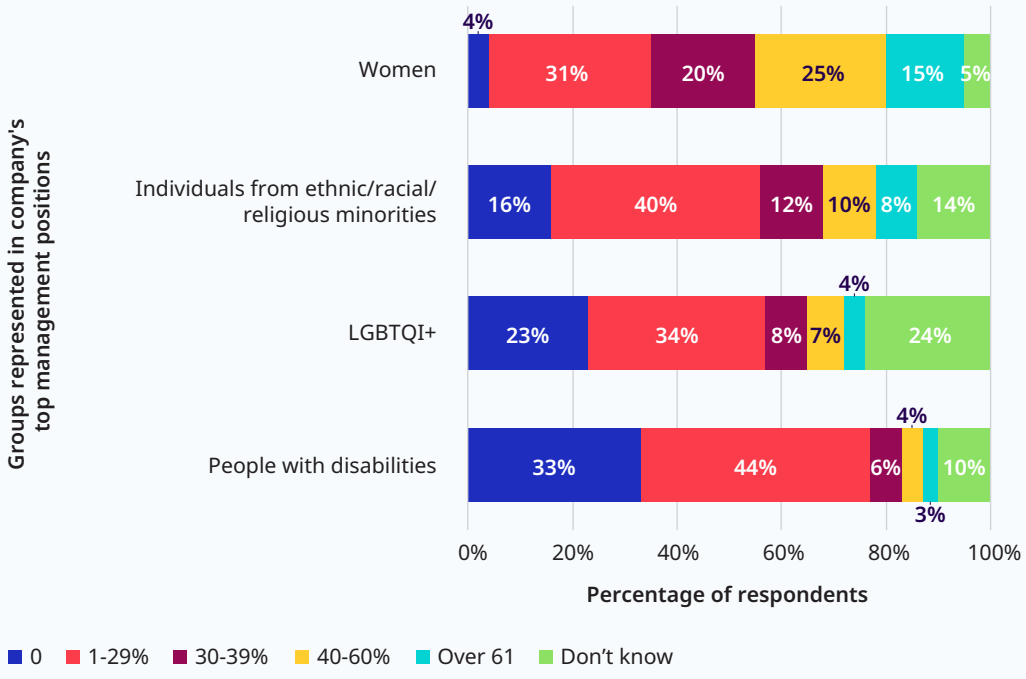
Our survey asked respondents to report on the representation of people from diverse backgrounds in top management positions including women, people from minoritized ethnic/racial/religious groups, people with disabilities and people who are LGBTQI+.[16]

Twenty-five per cent of our survey respondents report a critical mass of women (40–60 per cent) in top management positions (figure 15). In line with previous ILO studies, our survey shows that representation is lower in the Arab States (18 per cent), where women have more recently been encouraged to participate in the labour market, and lower in traditionally male dominated sectors (22 per cent in manufacturing and 16 per cent in construction) (ILO 2019a).

Almost a quarter of respondents report zero representation of people who are openly LGBTQI+ in top management positions where they work and one third report zero representation of people with declared disabilities at this level.

Respondents working in small and national enterprises are more likely to report zero representation of women, people with disabilities and people from minoritized ethnic/racial/religious backgrounds compared with respondents in medium and large and multinational enterprises. For example, 44 per cent of respondents in small enterprises report zero representation of people with disabilities in top management compared with 23 per cent in large enterprises. Twenty-four

▶ **Figure 15. "To what extent are the following groups represented in your company's top management positions?", all results**



Source: ILO survey on D&I, 2021.

16 It should be noted that respondents may have relied on their own impressions or knowledge of representation of people from different groups in top management positions and the data therefore should be viewed as an indication of representation.

per cent of respondents in small enterprises report zero representation of people from minoritized ethnic/racial/religious backgrounds in top management compared with 11 per cent in large enterprises. Twenty-seven per cent of respondents in multinational enterprises report zero representation of people with disabilities in top management compared with 35 per cent of respondents in national level enterprises.

Diversity at the top impacts positively on inclusion

Diversity in top management has a positive impact on inclusion across all survey respondents and an even greater impact among respondents who are from the same diversity group that is represented in top management. For example, women respondents are 9 per cent more likely, and men are 3 per cent more likely to feel included when women are represented in critical mass in top management positions (critical mass is at least 40 per cent).

Diversity in top management also has a positive impact on employee's experience of factors contributing to inclusion across respect and belonging, support for performance at work and support for professional and career development as well as the benefits of inclusion. For example, when at least 40 per cent of top management roles are held by women, respondents overall are 7 per cent more likely to feel valued for being their authentic self where they work. This is even higher among women respondents who are 12 per cent more likely to say they can be themselves at work when 40 per cent or more of top management roles are held by women. When there is a critical mass of women represented in top management, women are 10 per cent more likely than women working in enterprises without a critical mass of women in top management to feel encouraged and supported to advance their career and 12 per cent more likely to report high levels of well-being at work.

> Our findings show that diversity at the top of enterprises has a positive impact on inclusion across all employee groups. Additionally, when employees see people like themselves in top management positions, they are more likely to feel included at work.

In short, our findings show that diversity at the top of enterprises has a positive impact on inclusion across all employee groups. Additionally, when employees see people like themselves in top management positions, they are more likely to feel included at work.

▶ Creating a shared leadership approach to D&I

In the past, good practice approaches recommended that organizations identify a senior level 'champion' for D&I. Now it is recommended that all leaders, managers and employees have the capabilities to promote a diverse and inclusive organization, and the responsibility for change now rests on everyone.

Involving employees in the process of change is also highlighted as essential to creating sustainable D&I. Boston Consulting Group highlight the importance of both top-down and bottom-up approaches to change, stating that employees need to be involved in the design and assessment of impactful actions, and they need to be mainstreamed. That is, they need the buy-in of members of the majority group as well as minoritized groups across business units and at different levels to be effective (Krentz et al. 2019).

Two thirds of enterprises are creating a shared leadership approach to D&I

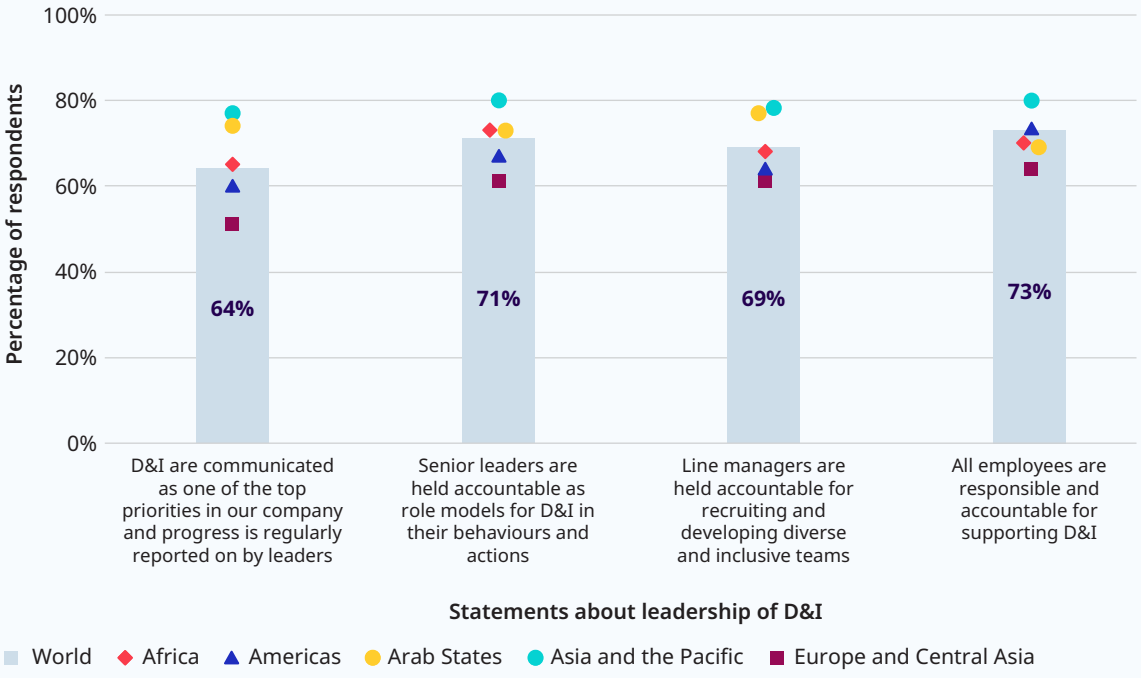
We asked four questions in the survey to examine the extent to which D&I is being led from the top in enterprises and employees at all levels are held responsible and accountable for leading on D&I (figure 16). Two thirds of respondents say that D&I is among the top priorities where they work, that leaders regularly report on progress and that line managers are held accountable for recruiting and developing diverse and inclusive teams. Slightly more respondents report that senior leaders are held accountable as role models for D&I in their behaviours and actions (71 per cent), and all employees are held accountable for supporting D&I (73 per cent).

Respondents in Europe and Central Asia are least likely and respondents in Asia and the Pacific are most likely to report that there is shared leadership of D&I where they work. For example, 51 per cent of respondents in Europe and Central Asia say that leaders where they work communicate that D&I is one of the top priorities and leaders regularly communicate on progress compared with 77 per cent of respondents in Asia and the Pacific. Sixty-one per cent of respondents in Europe and Central Asia say that senior leaders are held accountable as role models for inclusion compared with 80 per cent of respondents in Asia and the Pacific.

While three quarters of respondents working in lower-middle-income and upper-middle-income countries say that senior leaders are held accountable as role models for D&I in their behaviours and actions, two thirds of respondents in the high-income countries report that this is in place.

Respondents in small enterprises are slightly more likely to report that there is shared leadership of D&I where they work. For example, 73 per cent of respondents in small enterprises say that senior leaders where they work are held accountable as role models for D&I in their behaviours and actions compared with 71 per cent and 69 per cent of respondents in medium and large enterprises, respectively.

▶ **Figure 16. "To what extent do you agree or disagree with the following statements about leadership of D&I in your company" (respondents who strongly agree and agree), results by region**



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A12 for more detailed results by enterprise size and respondents' position.

Shared leadership of D&I impacts positively on inclusion

The two thirds of respondents who report that leaders where they work communicate that D&I is a top priority also report higher levels of inclusion compared with respondents where D&I is not communicated as a top priority. For example, where D&I is communicated as a top priority, respondents are 25 per cent more likely to report that opportunities and decisions about promotions are made fairly and transparently, and they are 14 per cent more likely to report that their perspectives are sought out and considered in decision-making where they work.

According to our survey, 71 per cent of respondents globally agree that senior leaders are held accountable as role models for D&I in their behaviours and actions. Those respondents are 11 per cent more likely to report a high level of personal well-being, feeling committed to their company and collaboration with colleagues. They are also 10 per cent more likely to report high levels of ambition for career development and to report that they feel encouraged to speak up about better ways of doing things.

According to our survey, 73 per cent of respondents report that all employees are responsible and accountable for supporting D&I where they work, and those respondents are 11 per cent more likely to report a high level of personal well-being and to report that they feel encouraged to speak up about new or better ways of doing things.

▶ Embedding D&I into every aspect of the employee life cycle and organizational activity

Good practice approaches to D&I emphasize the importance of proactively supporting employees from different groups, particularly those that are minoritized, in developing, performing and progressing in the organization. They include actions at each stage of the employee life cycle from attraction and recruitment through appraisal, performance management, talent management and progression, pay and rewards as well as retirement (Schwartz et al. 2018). The recommended good practice actions themselves are a mix of policies and procedures aimed at ensuring life cycle processes are free from bias, accessible and inclusive, with specific actions aimed at supporting minoritized groups (box 6). Policies, processes and programmes should be tailored to meet the particular needs of employees with different personal characteristics. For example, actions required to retain older workers can differ from those required to retain workers who are women or from a minoritized ethnic background.

▶ Box 6. Embedding D&I into the employee life cycle

ANZ LAO Bank in the Lao People's Democratic Republic introduced a range of measures that seek to promote gender D&I. This includes the requirement for managers to ensure at least 40 per cent of candidates for interviews are women and that both men and women sit on selection panels. Parental leave is available for mothers, fathers, same sex couple and parents with adopted children. There is support for LGBTIQ+ staff through the sponsorship of a group pride network within the Bank. Pension and healthcare schemes are extended to life partners. Flexible working and unpaid 'lifestyle' leave for major life events are offered to help retain employees. The Bank's graduate training programme targets women who are also supported with coaching and mentoring in the pipeline to senior management. Those actions have resulted in improved retention and promotion of diverse talent.

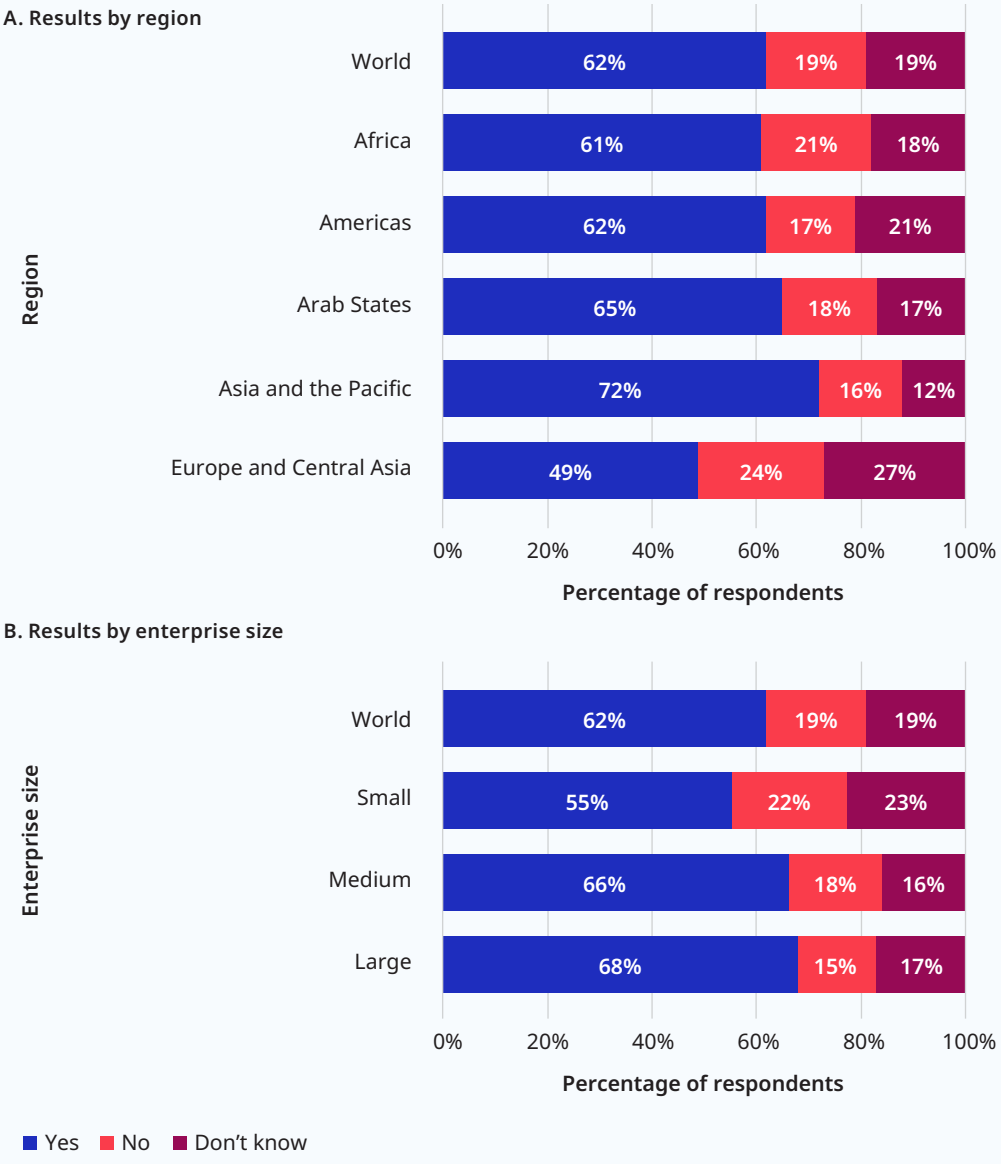
Source: ILO, 2017.

The impact of a D&I policy on inclusion

Having a D&I policy in place alone is not enough to achieve transformational change on D&I. However, a policy does represent an important foundation for change by setting out the intentions and standards on D&I that an enterprise holds itself to.

Notably, around 20 per cent of respondents "don't know" if their company has communicated a policy on D&I. This highlights the importance of communicating and enforcing a policy for it to make an impact (figure 17).

▶ **Figure 17. "Does your company have a stated policy on D&I?"**



Source: ILO survey on D&I, 2021.

Two thirds of respondents (62 per cent) say that their company has a D&I policy (figure 17, panel A). Of those, around half report that the policies refer to age (50 per cent) and gender (46 per cent). Both age and gender may appear most commonly on D&I policies as the personal characteristics that are least intrusive to ask employees for information on and therefore easier to measure and track. Only a third refer to ethnicity/race (38 per cent) and disability (37 per cent), a quarter refer to sexual orientation (25 per cent) and even fewer refer to people living with HIV (18 per cent).

Small companies are 12 per cent less likely than medium-sized and large companies to have a D&I policy (figure 17, panel B). Multinational companies are 11 per cent more likely than national companies to have a D&I policy. Companies in the information and communications sector are 9 per cent more likely than companies in other sectors to have a D&I policy. Respondents in Asia and the Pacific are 14 per cent more likely and those in Europe and Central Asia are 16 per cent less likely than respondents in other regions to report that there is a D&I policy where they work. Fewer respondents in high-income countries (58 per cent) than in upper-middle-income countries (64 per cent) say that there is a D&I policy where they work.

> Results highlight the need for more enterprises to take an approach to D&I that focuses on behaviour and culture change.

While having a D&I policy may be only a basic foundation for promoting D&I, and bearing in mind that larger enterprises are more likely than smaller enterprises to have written policies, nevertheless our survey data show that it does make a positive difference to levels of employee inclusion. The 62 per cent of survey respondents working in enterprises with a D&I policy are 9 per cent more likely to feel they are generally treated with respect; 18 per cent more likely to feel supported to work flexibly and to feel confident that if they speak up about inappropriate behaviour that it would be acted upon in a timely and confidential manner. They are also 26 per cent more likely to believe that opportunities and decisions about promotions are made fairly and transparently.

▶ Priority actions needed to promote D&I in enterprises

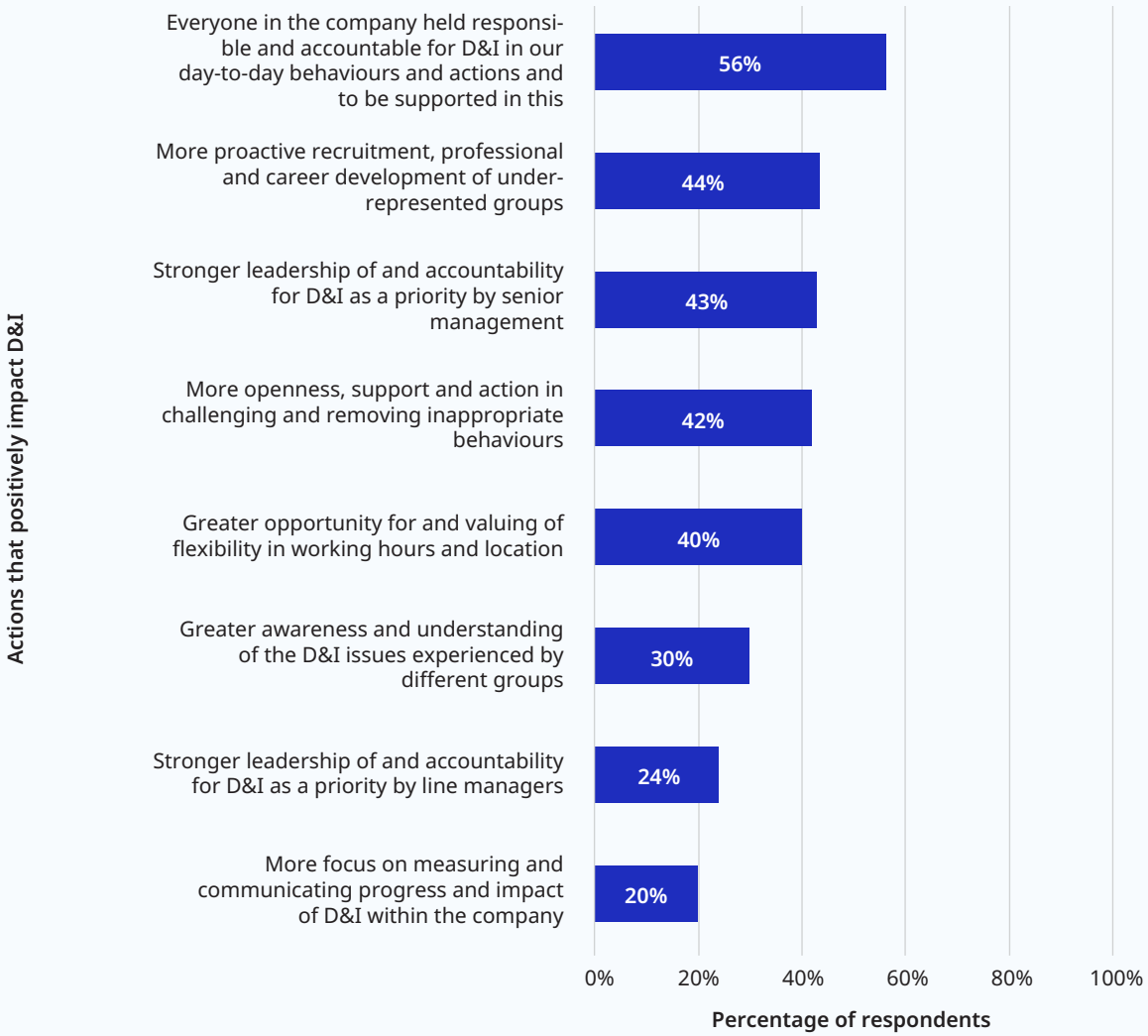
We provided the survey respondents with a list of eight actions associated with creating transformational change on D&I and asked them to choose the three they thought would make the most positive impact on promoting D&I where they work. The global results highlight the need for more enterprises to take an approach to D&I that focuses on behaviour and culture change, building greater diversity of talent at all levels and ensuring there is leadership of D&I at the top (figure 18).

The need for behaviour and culture change is highlighted by the top three actions respondents chose for positive change on D&I. For example, 56 per cent of respondents chose ensuring everyone where they work knows how to support D&I in their behaviours and actions and are held accountable for doing so and 42 per cent chose placing more support for removing inappropriate behaviours. Forty-four per cent of respondents chose more proactive recruitment and development of under-represented groups. Forty-three per cent of respondents chose the need for stronger leadership of D&I at the top.

Measuring D&I is not yet recognized as a priority, with only 20 per cent of respondents choosing this as one of their top three actions.

There are some differences in perceptions of priority actions among diverse groups. For example, more respondents at the staff level (44 per cent) chose the need for more valuing of and opportunities for flexible working compared with senior executives (35 per cent).

▶ **Figure 18. "Choose the top three actions according to the positive difference you think they would make to increasing D&I in your organization", all results**



Source: ILO survey on D&I, 2021.

Women place more importance on challenging and removing inappropriate behaviours at work (45 per cent chose this actions) compared with men (40 per cent).

While around half of all respondents from minoritized groups chose the action of recruiting and developing diverse talent only around 40 per cent of majority group respondents chose this action.

The varying priority actions for change across different groups highlight the importance of taking a shared approach to leading change on D&I. People from a majority group or who work in top management may be disconnected from more junior and less well-represented groups of employees in the workplace. This can increase the risk of blind spots and of actions being implemented by well-intentioned senior leaders that fail to address the root causes of gaps in the experience of D&I. The existence of blind-spots at a senior level has been highlighted in wider literature as a significant barrier to achieving greater D&I in the workplace (box 7).

> Measuring D&I is not yet recognized as a priority, with only 20 per cent of respondents choosing this as one of their top three actions.

▶ Box 7. Blind spots at senior executive levels pose barriers to increasing D&I in the workplace

Global professional services firm, Accenture, found a sizeable gap between the extent to which senior leaders think their organization is inclusive compared with the actual experience of inclusion reported by employees. In their survey across 28 countries 68 per cent of leaders reported that they create empowering environments in which employees can be themselves, raise concerns and innovate without fear of failure, while only 36 per cent of employees agreed with that statement.

Similarly in Japan, a survey of 468 employees across finance, technology, pharmaceutical and consumer product companies showed that, while many women exit the workforce when they have children, it is a myth that child-rearing is the primary reason for this. Instead, 49 per cent of women say they left their jobs because they felt stuck in their careers.

Boston Consulting Group also found that a major barrier to progress on D&I is that leaders, the majority of whom in their survey are male, aged 45 or over and heterosexual, underestimate by 10–15 per cent the obstacles reported by women, people from minoritized racial or ethnic groups and LGBTQI+ people.

Source: Sweet and Shook, 2020; Salib and Shi, 2017; Krentz et al., 2017.

▶ Conclusions and implications for actions

Positioning D&I as a core leadership, culture and strategic issue leads to higher levels of inclusion

Our findings show that when employees work in enterprises that position D&I as a strategic priority and approach it as a culture and behaviour change issue with leadership from the top and a shared priority at every level, they report higher levels of inclusion. This approach to D&I results in higher levels of inclusion linked to both the need for a sense of belonging at work and to the need to be seen, understood and valued as an individual. It also results in respondents reporting they experience higher levels of the benefits of inclusion that can results in business benefits, such as well-being, ambition for career development and likelihood to speak up about better ways of doing things where they work.

There is scope to take more action to achieve transformational change on D&I

In Chapter 2, we saw how higher levels of inclusion are reported by employees working in the Asia-Pacific region, the information and communications sector and lower-middle-income and upper-middle-income countries. Respondents in small and national enterprises also report that they experience lower levels of the benefits of inclusion compared with respondents in larger and multinational enterprises. In this chapter, we see that this is likely to be linked to the higher level of good practice actions associated with transformational change on D&I that are evident in enterprises with higher levels of inclusion.

Overall, there is scope for more communication of and support for implementing the actions and approaches to D&I that make the most impact in achieving benefits for employees and employers. Despite the positive impact of taking a strategic and culture change approach to D&I, only half the respondents in our study say that this is being adopted where they work. When senior leaders, managers and employees are all held responsible and accountable for their actions and behaviours for D&I, levels of inclusion are higher. Still, around a third of respondents are working in enterprises where this has yet to be implemented. When employees can see people like themselves in top management, they report higher levels of inclusion and are more likely to have ambition for promotion. Yet, a third of respondents are working in enterprises with no people with disabilities in top management positions and a third are working in enterprises that have less than 30 per cent of women in top management roles.

More support needed for implementing and achieving transformational change on D&I in small and national enterprises

Small and national enterprises in our study take fewer actions linked to transformational change on D&I. Survey respondents working in small and national enterprises are less likely to say that there is an explicit strategic and culture change approach to D&I where they work or that there is a D&I policy in place. They are more likely to say that there is zero representation of women, people with disabilities and people from minoritized ethnic/racial/religious backgrounds where they work. In Chapter 2, we saw that respondents in small enterprises report lower levels of the benefits of inclusion, such as well-being, productivity and performance, and speaking up about new or better ways of doing things where they work.

Building D&I in small enterprises is critically important. For example, in the European Union, small and medium-sized enterprises (SMEs) employ some 67 per cent of the population and form the backbone of the economy, yet the European Commission reports that SMEs often lack the time, means and expertise to implement impactful D&I programmes (Hajjar and Hugonet 2016). Globally, SMEs account for about 90 per cent of businesses and more than 50 per cent of employment. They contribute up to 40 per cent of GDP in emerging economies (World Bank 2022). Yet, research on actions that lead to transformational change on D&I has predominately been carried out in large, multinational enterprises in high-income countries. More research and support are needed to understand the approaches to D&I that enable small and national enterprises to be diverse and inclusive and reap the benefits of both.

4 Driving action on D&I within enterprises

▶ Chapter 4 overview

Despite the large body of research on the business case for D&I, many of the arguments are not yet driving enterprise action:

Business case for D&I

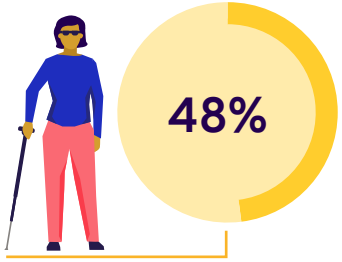
Numerous research from reputable organizations capture and reinforce the business case for enhanced enterprise action on D&I. D&I in the workplace leads to:

- Improved business performance and innovation
- Higher levels of employee productivity, engagement and creativity
- Reduced turnover and absenteeism
- Improved investor confidence

Top drivers of D&I

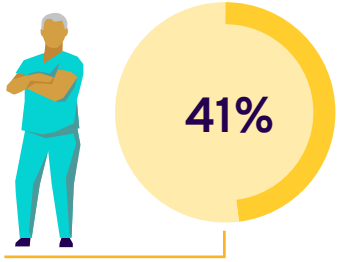
The ILO survey on D&I shows that the business case is not fully driving D&I action.

Rather the top driver is:

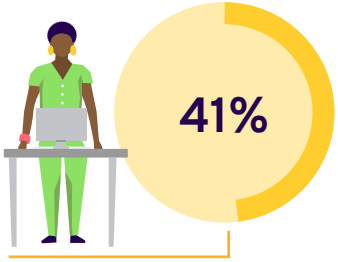


complying with legal obligation

The second and third drivers are linked to the business case:



improving the well-being of employees



attracting, developing and retaining the best talent

External factors, including the COVID-19 pandemic, drive enterprise action to promote D&I:

67% of the workforce agree that heightened awareness of inequalities in society, brought by the pandemic has contributed to more focus and actions on D&I.

69% of the workforce agree that the pandemic has increased expectations they have of their employers to promote D&I.

This study shows that it is not a question of whether enterprises are influenced by the business case or other drivers that promote D&I. Rather, all these drivers combined are most likely to lead to enterprises taking action that creates sustainable and transformational change on D&I.

▶ Introduction

In this report we have focused on the extent to which and ways inclusion is experienced by employees in the workplace and how inclusion impacts employee well-being, productivity and performance, career development, engagement and innovation. We have explored the actions that help to build a strong sense of inclusion across diverse groups and found that actions promoting sustainable and transformational change on D&I are being applied unevenly within enterprises with a lower level of adoption in small and national enterprises and within some regions. To better understand how the uneven implementation of transformational change on D&I can be addressed, this chapter explores what influences and drives enterprises to take actions promoting D&I. In so doing, we consider the extent to which enterprises are influenced by the documented benefits to business of D&I (the business case), enterprise values supporting D&I and/or national laws, statutory policies and programmes as well as local cultures to promote D&I. We also consider the extent to which the COVID-19 pandemic is impacting enterprise action on D&I.

▶ The business case driving action to promote D&I

A growing body of work demonstrates the link between D&I and improved business performance

There is a considerable and growing body of research demonstrating the positive correlations between greater D&I and improvements in business performance (box 8). Many studies set out the range of benefits of employing a more diverse workforce and creating an inclusive work environment and culture, resulting in lower costs linked to reduced turnover and sickness absence (Carr et al. 2019). Benefits also show added value drawn through higher levels of employee productivity, engagement and creativity (Lorenzo et al. 2018). For example, ongoing training and strong team collaboration are key to retaining older workers (Marvel and Cox 2017; Bersin and Chamorro-Premuzic 2019). Flexible working policies and practices are found to be an important retention strategy across a range of employee groups (Dean and Auerbach 2018). High feelings of employee inclusion have been linked with a drop in turnover risk of up to 50 per cent (Carr et al. 2019). Work environments that are more inclusive of people with disabilities have been found to yield improved productivity across the whole workforce (Andersen and Kennedy 2018).

> ◤◤ There is evidence of growing pressure on enterprises from investors to promote D&I.

As well as the business performance benefits driving action on D&I, there is also evidence of growing pressure on enterprises from investors to promote D&I.

While this trend is still developing, investors and portfolio managers are increasingly taking into consideration their decisions on data linked in part to ESG performance of a company as well as its financial performance. For example, the European Union has introduced a Sustainable Finance Disclosure Regulation comprising a set of rules which aim to make the sustainability of investment funds more comparable and better understood by investors across a set of ESG

▶ Box 8. D&I is linked to higher financial performance and innovation

Research by the **ILO** and global management consulting firms, **McKinsey, Boston Consulting Group** and **Accenture**, show positive correlations between D&I and stronger financial performance and innovation.

In an ILO survey of almost 13,000 enterprises across 70 countries, 57 per cent of enterprises said that initiatives to promote gender equality had helped to improve their business outcomes.

Research by McKinsey across 15 countries shows that enterprises in the top quartile for gender diversity within their executive teams are 21 per cent more likely to experience above-average profitability compared with companies in the fourth quartile. Companies with the most ethnically diverse executive teams are 33 per cent more likely to outperform their peers on profitability.

Research by Boston Consulting Group found that enterprises with higher than average diversity within their management teams reported innovation revenue that was 19 per cent higher than companies with lower than average leadership diversity.* Research on 171 German, Swiss and Austrian enterprises across multiple sectors and size found that those with inclusive business cultures and policies are more likely to report an increase in creativity and innovation and a better assessment of consumer interest and demand.

Accenture surveyed more than 18,000 employees from enterprises of different sizes across 27 countries and found that a culture of inclusion is a powerful multiplier of innovation and growth. They calculated that the global gross domestic product would increase by up to US$8 trillion by 2028 if the enterprise culture that nurtures innovation was raised by 10 per cent.

An inclusive culture was found in the Accenture study to be more effective than pay in driving innovation. While a 10 per cent increase in pay was found to yield a 0.25 per cent increase in innovation, a 10 per cent increase in inclusive workplace culture factors was found to yield an 11 per cent increase in innovation. As the study states: "No matter who or where they are, if people feel a sense of belonging and are valued by their employers for their unique contributions, perspectives and circumstances, they are empowered to innovate more."

Source: ILO, 2019d; Hunt et al., 2018; Lorenzo et al., 2017; Shook and Sweet, 2019.

* Innovation revenue is defined in the Boston Consulting Group research as that which comes from products and services launched in the past three years, indicating the ability of companies to adapt quickly to changes in customer demand.

metrics, including gender diversity (European Commission 2022). The regulation reinforces the 2030 Agenda for Sustainable Development and the SDGs, launched by the United Nations in 2015. Goal 5, for example, refers to gender equality and Goal 10 to reduced inequalities. Accordingly, global business advisory firms such as PwC (2022) and Grant Thornton (2021) have issued guidance on what enterprises need to do to demonstrate how they are promoting D&I as part of their ESG reporting. Indeed, some of the data in this report on D&I good practice is drawn from reports produced for or commissioned by investors such as Refinitiv (2022) D&I Index.[17]

Separate from the urgency of sustainable business, studies have found that gender-diverse boards are linked with reduced financial risk, the prevention of risky investment decisions and improved financial practice resulting in fewer financial reporting mistakes, fraud and earnings manipulation (Schwartz-Ziv 2017; Adhikari, Agrawal and Malm 2019) (box 9).

17 Refinitiv is an American-British global provider of financial market data and infrastructure.

▶ Box 9. D&I influencing investment decisions

Research carried out by the stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States, **S&P Global**, entitled 'When Women Lead, Firms Win', found that enterprises with higher gender diversity on their boards are more profitable than those with lower gender diversity. They also found that enterprises with a woman chief financial officer are more profitable with stronger stock price performance compared with the market average. According to S&P Global:

"As gender diversity plays a larger role in corporate strategy and performance, companies that struggle to make strides in inclusivity may pose risks for investors."

Source: See www.spglobal.com/en/research-insights/articles/how-gender-fits-into-esg.

Despite the business case, progress on D&I remains slow

A range of evidence shows that there is more work to be done in creating both D&I within enterprises (box 10). Despite the well documented business case for D&I, a wealth of tools, resources and recommendations for transformational approaches to D&I, Chapter 3 showed that implementation of these, as reported by respondents in our survey, remains uneven. Chapter 2 also showed that employees working at more junior levels, where people from minoritized groups are more commonly clustered, report markedly lower levels of inclusion compared with senior executives. Even gathering and tracking comprehensive data on the representation of women globally in the workplace and in management and leadership roles is a significant challenge, and more so for other minoritized groups. There are some areas of D&I where evidence of any progress remains under-reported nationally and globally. This relates particularly to age diversity, persons living with HIV and people across different religions.

▶ Box 10. The slow pace of change on D&I in the workplace for women, people with disabilities, LGBTQI+ people or people from a minoritized ethnic/racial background

ILO research shows that while women globally are qualifying with degrees at bachelors and master's level in greater numbers than men, they still only hold around 40 per cent of jobs worldwide, often at lower pay and with worse working conditions than men. Globally, the gender wage gap is almost 20 per cent. Working mothers continue to be paid less than working fathers and are less likely to be in management roles.

Around 386 million of the world's working-age population have a disability. Unemployment among people with disabilities is as high as 80 per cent in some countries with employers often assuming people with disabilities are unable to work.

Results of a United States survey of LGBTQI+ employees in 2020 shows that 40 per cent remain closeted at work and 75 per cent report experiencing negative day-to-day workplace interactions in the past year related to their LGBTQI+ identity. International research has also shown that LGBTQI+ job applicants are half as likely as heterosexual applicants to be invited to interview, and they tend to be offered salaries that are up to 10 per cent lower.

Research carried out in 1,000 large companies across 15 countries by the global management consulting firm, McKinsey, shows that despite stronger financial performance among those with top teams that are ethnically diverse, globally, representation had increased by only 2 per cent from 12 per cent in 2017 to 14 per cent in 2019. In addition, analysis of 'call-back' studies that use majority and minority ethnic names on the same resumes to test for possible discrimination shows evidence of ethnic/racial discrimination in 34 of 37 studies in 18 countries across Europe, the Americas and Asia-Pacific.

Source: ILO, 2019c; ILO, 2007; Dupreelle et al., 2020; Valfort, 2017; Valfort, 2018; Dixon-Fyle et al., 2020; Baert, 2018.

Some enterprises are responding to the business case for D&I more than others

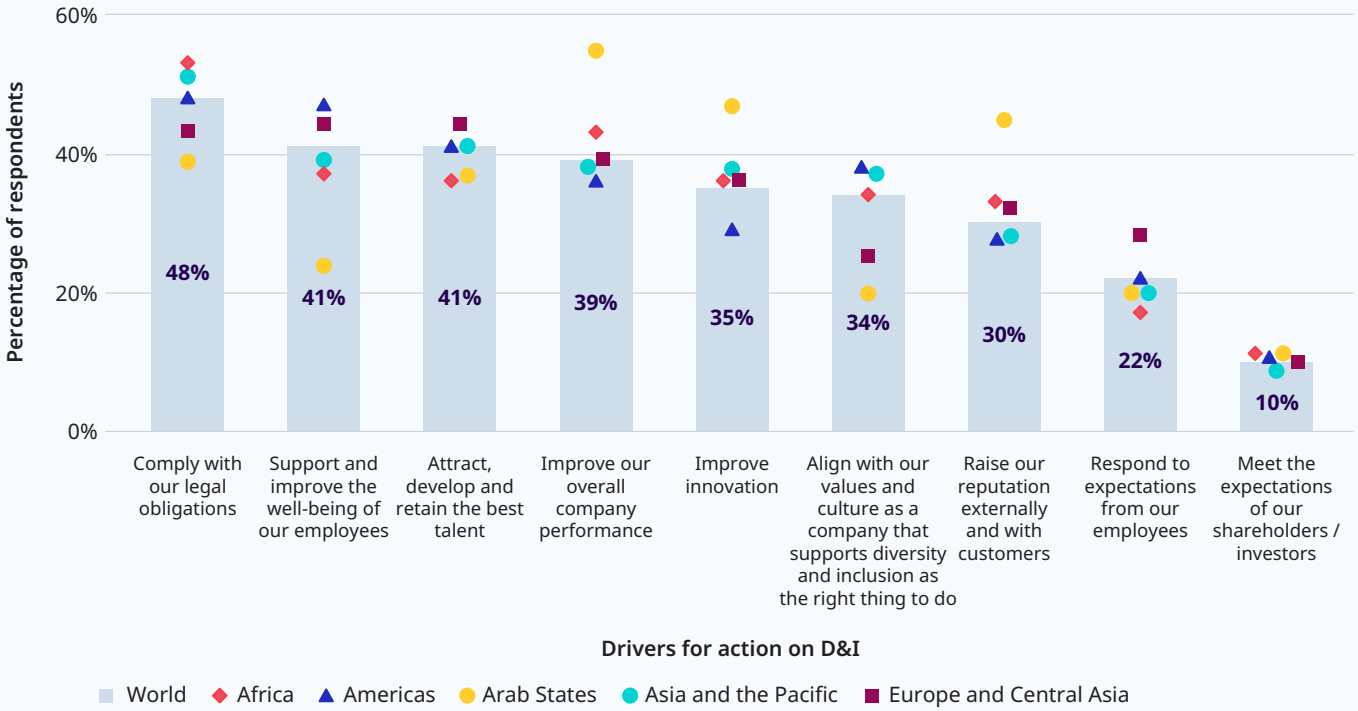
Our study shows that, despite the large body of research on the business case for D&I, the business case is not yet driving action that promotes D&I. For example, only 10 per cent of our survey respondents say that meeting the expectations of shareholders or investors is one of the top three reasons their employer takes action to promote D&I.

Conversely, almost half of all respondents report that complying with legal obligations is one of the top three factors driving action on D&I where they work. The second and third most common drivers for taking action to promote D&I are linked to the business case, namely, attracting, developing and retaining the best talent and supporting the well-being of employees (figure 19).

Supporting the well-being of employees through actions on D&I may be influenced by the timing of the survey, which was conducted in the middle of the pandemic. Supporting well-being – including both mental and physical health – has long been an issue for employers. However, the pandemic has escalated the need to focus on this within enterprises. The pandemic has impacted workers' physical health, time spent caring for others, homeschooling children and adjusting to self-isolating and remote working. Levels of stress and exhaustion have risen hugely during this period (Koss 2020; ILO 2021f).

In Africa, the Arab States and Europe and Central Asia, improving overall company performance is also in the group of top three factors driving action on D&I. The Arab States is the only region where respondents do not include complying with legal obligations as one of the top three drivers influencing action on D&I. Notably, while Governments in the Arab States are introducing workforce equality legislative reforms these generally do not target employees in business and management directly but aim to build greater equal opportunities generally (ILO 2016). Enterprises in that region are more influenced by improving overall performance and innovation and raising their reputation externally with customers.

▶ **Figure 19. "In your experience, which of the following drivers for action on D&I have the most impact in your company? (top three drivers)", results by region**



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A13 for more detailed results by enterprise size.

▶ National laws, programmes and cultures driving action to promote D&I

While anti-discrimination laws and programmes alone are unlikely to lead to enterprises taking the range of actions needed to achieve transformational change on D&I, as highlighted in the previous section, they are a factor driving D&I action. All countries in the study have some form of workplace anti-discrimination law in place (see box 11 for examples). However, the range of groups covered and the extent to which the laws are enforced vary.

All UN member States have agreed to the principle of equal opportunities at work for all, and ending discrimination at work is a core ILO standard. Recent research analysed the extent of anti-discrimination legislation covering hiring, pay, promotion, harassment and protection with respect to 13 groups covered by the Universal Declaration of Human Rights (including gender, gender identity, ethnicity/race, religion, disability and sexual orientation) across 193 UN member States (Heymann et al. 2021). The findings show that 89 per cent of countries have laws protecting against discrimination in the workplace on the basis of gender; 79 per cent on the basis of disability; 77 per cent on religion; and 76 per cent on ethnicity/race. Only 32 per cent of countries'

▶ Box 11. Summary examples of anti-discrimination workplace laws and programmes

South Africa

The Constitution of South Africa, adopted on 10 May 1996, guarantees the right to equality and gives protection to all from unfair discrimination. It acknowledges that affirmative action measures are necessary to advance disadvantaged groups. The Employment Equity Act is in place to ensure workplace equity, including equal pay for work of equal value. It prohibits unfair discrimination in the workplace and guarantees equal opportunity and fair treatment to all employees. In acknowledging historical disparities, the Act imposes an obligation on 'designated employers' to implement affirmative action measures to advance 'designated groups' including African, Indian and Coloured people (persons of mixed-race descent), ethnic Chinese, women and people with disabilities. A key requirement of the Act is the elimination of all barriers, particularly unfair discrimination in the workplace. Examples of barriers include a policy, practice or an aspect of the work environment which limits the opportunities of employees because they are from a designated group (such as the lack of role models from designated groups in senior positions) or job specifications that set requirements which are not essential for job performance (such as a university degree).

India

India does not have comprehensive legislation on discriminatory practices at the workplace; instead there are various laws that prohibit specific kinds of discriminatory practices and protect the interests of vulnerable communities, including women, people living with HIV/AIDS, people with disabilities, transgender people and people from certain social classes. For example, the Equal Remuneration Act requires that women and men employees who perform similar tasks are paid equal wages and prohibits employers from discriminating against women in recruitment, promotions and transfers. The Transgender Act requires enterprises to designate a complaint officer who is responsible for the redressal of complaints relating to violations of the Act and requires an employer to provide the necessary facilities for transgender persons. Every employer is required to put an internal Complaints Committee that will inquire into sexual harassment complaints. On disability, employers are required to ensure compliance with accessibility standards such as providing a "barrier free built environment for persons with disabilities and elderly persons."

Source: Bhoola, 2002; L&E Global, 2021.

▶ Box 12. Enterprise responses in countries without laws supporting LGBTQI+

A total of 71 countries globally criminalize or have laws against LGBTQI+ people (Human Dignity Trust). Research shows enterprises, most commonly multinationals, adopt one of three models when they operate in such contexts.

One model is labelled as 'When in Rome' where enterprises create exceptions to their policies that support LGBTQI+ people. This is most commonly applied in countries where people who are LGBTQI+ face significant legal or safety risks.

Second is the 'Embassy' model where policies, practices and training are adopted in line with the enterprise overall approach to LGBTQI+ inclusion, creating an inclusive internal work environment. This is most commonly applied in locations where the wider cultural context is unwelcoming but, despite laws, is not unsafe or overly hostile.

Third, some enterprises operate the 'Advocate' model where, in addition to supporting LGBTQI+ people internally, there is also engagement in promoting equal opportunities externally by, for example, lobbying the government, or supporting external organizations and events, such as Pride*.

Source: Glasgow and Twaronite, 2019.

* Pride events promote equal opportunities, dignity and visibility of LGBTQI+ people.

laws protect workers on the basis of sexual orientation and 10 per cent on gender identity. Box 12 provides insights on how multinational enterprises approach LGBTQI+ D&I in countries without supportive laws in place.

Fewer countries provide comprehensive protection from discrimination at work across hiring, pay, promotion, termination and harassment for diverse groups, including 23 per cent on gender, 19 per cent on disability, 17 per cent on ethnicity/race and religion and 16 per cent on sexual orientation. There is little difference in levels of legal protection across the income levels of countries, indicating that provision of legislation and policies promoting D&I is not a matter of resources. Bigger differences in laws and policies promoting D&I are evident by region. They are most commonly found in Europe and Central Asia. Laws and policies found to protect 10–13 diverse groups are found in more than half of countries within Europe and Central Asia compared with 31 per cent in the Americas, 21 per cent in sub-Saharan Africa, 16 per cent in East Asia and the Pacific, 12 per cent in South Asia and 11 per cent in Arab States.

In addition to anti-discrimination laws, many countries have implemented additional policies and programmes to encourage equality in employment. Evidence gathered by the OECD shows that both laws and programmes promoting D&I can positively impact attitudes within enterprises by raising their awareness of the issues as well as supporting societal shifts in attitudes and norms (OECD 2020a). ILO data also finds that women's employment has fared better in countries that took measures to prevent them from losing their jobs and allowed them to re-enter employment as soon as possible. For example, in Chile and Colombia, wage subsidies were applied to new hires with higher subsidy rates for women (ILO 2021b).

Countries in the European Union are increasingly introducing voluntary targets and some are introducing quotas to increase the representation of women and people with disabilities on management boards (table 2). Belgium, France, Germany, Italy and Norway, for example, have increased the percentage of women board directors through the imposition of quotas. Around the world, countries such as Australia, Finland, New Zealand, South Africa and the United Kingdom have used voluntary targets. The voluntary path includes bottom-up, company initiatives that have achieved concrete progress. For example, the representation of women on boards of the London Stock Exchange (FTSE) top 100 companies stood at 36.2 per cent in 2021 compared with 12.5 per cent in 2011.

▶ Table 2. Examples of national workplace quotas/targets applied on gender and disability in European Union countries included in this research

Country	Gender quota/target	Disability quota
Austria	30 per cent for boards of publicly listed companies and with more than 1,000 employees	One disabled worker per 25 employees for all companies with at least 25 employees
Germany	30 per cent for supervisory boards in enterprises quoted on the DAX stock exchange	5 per cent for all public and private enterprises with at least 20 employees
France	40 per cent for public limited companies, European companies and limited partnerships	6 per cent for firms with at least 20 employees
Italy	33 per cent for management boards of listed and publicly owned companies	7 per cent for firms with more than 50 employees; at least 2 workers with disabilities in workplace of 36–50 employees; at least 1 worker with disabilities if they operate new intake for firms of 35 employees
Spain	Recommendation for all large public and private companies to include at least 40 per cent of men and women on company boards	2 per cent for firms with at least 50 employees

Source: OECD, 2020b; ILO, 2019d.

The OECD (2020b) also shows that some countries are using public procurement as a policy tool to promote D&I in enterprises, mostly with respect to gender and disability. This includes several countries included in our study, notably, Australia, Austria, Belgium, Canada, Latvia, Mexico, New Zealand, Poland and Spain (box 13).

Laws and policies promoting D&I and anti-discrimination are not always found to be effective, however, particularly where there is a lack of enforcement in compliance (Baker and Fortin 2004). For example, The OECD research shows that in the majority of countries, less than half of the population are aware of their rights related to employment discrimination. Indeed, while China has an employment quota mandating public and private enterprises reserve at least 1.5 per cent of their roles for people with disabilities and financial penalties for non-compliance, research shows a significant proportion of employers prefer to pay the penalty, if caught (Feng 2018).

▶ Box 13. Canada public procurement policy promoting D&I in supplier enterprises

All suppliers to public contracts in Canada are required to sign an Agreement to Implement Employment Equity within 30 days of the contract award. Enterprises are required to take reasonable actions to ensure progress towards full representation of women, people with disabilities and members of visible minority groups and indigenous people within their workforce. Progress is reviewed through regular compliance assessments by the Labour Program. Failure to adhere can result in loss of contract and/or right to bid on future contracts.

Source: OECD, 2020b.

Employee perception of the influence of national laws and programmes on enterprise action to support D&I are uneven across regions and diverse employee groups

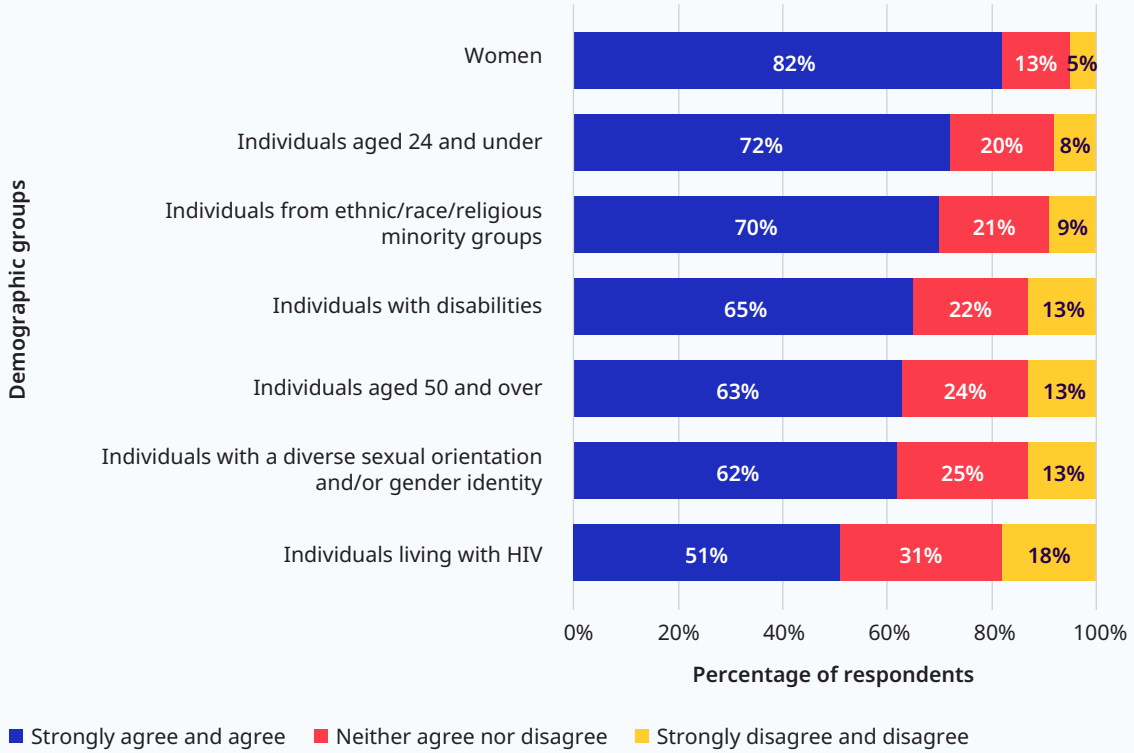
Our survey asked respondents to rate the impact of national laws, statutory policies and programmes in support of the inclusion of diverse groups in employment where they work. The responses show variations across different regions and with respect to diverse groups of employees (figure 20). For example, globally, the survey results show that 82 per cent of respondents agree or strongly agree that national laws, statutory policies or programmes and cultures help to support inclusion for women in employment. This falls to 72 per cent in Europe and Central Asia.

National laws, programmes and cultures are reported by three quarters of respondents to have a positive impact on supporting inclusion for younger workers aged 24 or under (falling to two thirds of respondents in Africa and Europe and Central Asia).

Three quarters of respondents in Asia and the Pacific and the Americas agree that national laws and policies support the inclusion of employees from minoritized ethnic, racial or religious groups (falling to half of respondents in Europe and Central Asia that report this).

Three quarters of respondents in the Americas report that national laws and programmes support inclusion for people with disabilities (falling to around two thirds of respondents in the Arab States and Asia and the Pacific and around half of respondents in Africa and Europe and Central Asia).

▶ **Figure 20. "To what extent do you agree or disagree that the national laws, statutory policies or national/regional programmes and culture of the country where you work support inclusion for the following groups of people in employment", all results**



Source: ILO survey on D&I, 2021.

Only 61 per cent of all respondents agree that national laws and programmes are supporting inclusion for LGBTQI+ people where they work and even less, 51 per cent, report this to be the case for people living with HIV.

It is not clear from our survey why positive responses on the extent to which national laws, policies or programmes are supporting inclusion in the workplace are lower in some regions compared with others, even when anti-discrimination laws exist, as they do, for example, on disability in South Africa. The perception of employees on the impact of national laws and programmes may be linked to their awareness of them, the degree to which they are enforced or to the impact they see them as having day-to-day.

National laws and programmes influence enterprise action to promote D&I

This study shows an important relationship between national laws, statutory policies or national/regional programmes and local cultures that support diverse groups and actions of enterprises that support sustainable and transformational change on D&I.

For example, where respondents report that national laws, programmes and cultures support D&I for women, they are 18 per cent more likely to report that D&I is communicated as one of the top priorities where they work and progress is regularly reported on by leaders. They are 11 per cent more likely to report there is a D&I policy where they work. They are 9 per cent more likely to report that D&I actions are sufficiently resourced and clearly identifiable in the company strategy and culture. They are also 7 per cent more likely to report that women occupy at least 40 per cent of management roles where they work.

Where respondents report that national laws, programmes and cultures support people from minoritized ethnic, racial or religious groups, respondents are 9 per cent more likely to report that there is a D&I policy where they work; that employees from different roles and backgrounds are involved in building greater D&I and that line managers are held accountable for recruiting and developing diverse and inclusive teams.

▶ Global changes and events driving action to promote D&I

While there are differences between national contexts potentially influencing action on D&I in the workplace, global trends and events also have the potential to make an impact. COVID-19 is impacting every country, economy, society, company and individual. It has brought existing social and workplace inequalities into sharp focus. It has also fuelled what has been termed "the great resignation", as enterprises globally have seen record numbers of people leave their jobs. Many employees are re-evaluating their careers, and an evaluation of open positions in United States enterprises has shown that resignation rates are highest among mid-career employees and in the technology and healthcare industries, the latter having borne the brunt of the pandemic (Chugh 2021).

Reports about the impact of the pandemic, the rise in focus on social inequalities and the great resignation on enterprise actions to promote D&I have been mixed. On the one hand, a pulse survey published in March 2020 by the Institute for Corporate Productivity, a human resources think tank in the United States, showed that 27 per cent of surveyed D&I leaders reported that their organizations had put all or most of their D&I initiatives on hold because of COVID-19 (Morrison 2020). On the other hand, the need to move rapidly to remote working removed in one blow the resistance many had been holding onto despite arguments for the benefits and opportunities of remote working. Businesses have created a more inclusive environment for many simply be enabling a culture of remote working during this period. While remote working is not welcomed by all employees and the challenges of working this way at scale long term emerge, it does create many benefits (Sarkar and Basu 2020). The chief executive officer (CEO) of Unilever in Thailand, Myanmar, Cambodia, Lao People's Democratic Republic, Malaysia and Singapore has said:

> "As we accelerate our transition into more digitised, flexible, and remote ways of working, many of those barriers that have held people with disabilities back will crumble. For the first time in history, we have the chance to fully unleash the potential of this large and talented population and the unfair and inaccurate stigmas that accompany them." - Perdikou 2020

There are signs that in the COVID-19 era, CEOs and companies are broadening and strengthening their sense of social purpose. Deloitte (2020) reported the result of a survey of nearly 9,000 business and human resources leaders in 119 countries. Belonging and well-being feature at the top of 2020 priorities at 80 per cent and 79 per cent respectively, with respondents citing them as important or very important to their organization's success in the next 12–18 months. This is one of the highest rates of consensus Deloitte has seen on an issue in a decade of producing Global Human Capital Trends reports.

Heightened awareness of inequalities brought about by the pandemic drives action to promote D&I

In our study, around two thirds of respondents agree or strongly agree that heightened awareness of inequalities in society, brought about in part by the pandemic, has contributed to more focus and action on D&I where they work (figure 21). Respondents in Asia and the Pacific are 15 per cent more likely and those working in the Arab States are 10 per cent more likely than respondents in other regions to agree or strongly agree. Respondents in Europe and Central Asia are 15 per cent less likely to agree or strongly agree that the pandemic has contributed to more focus and action on D&I where they work. Respondents working in the hotels and restaurants sector are 8 per cent more likely than respondents working in other sectors to agree or strongly agree that the

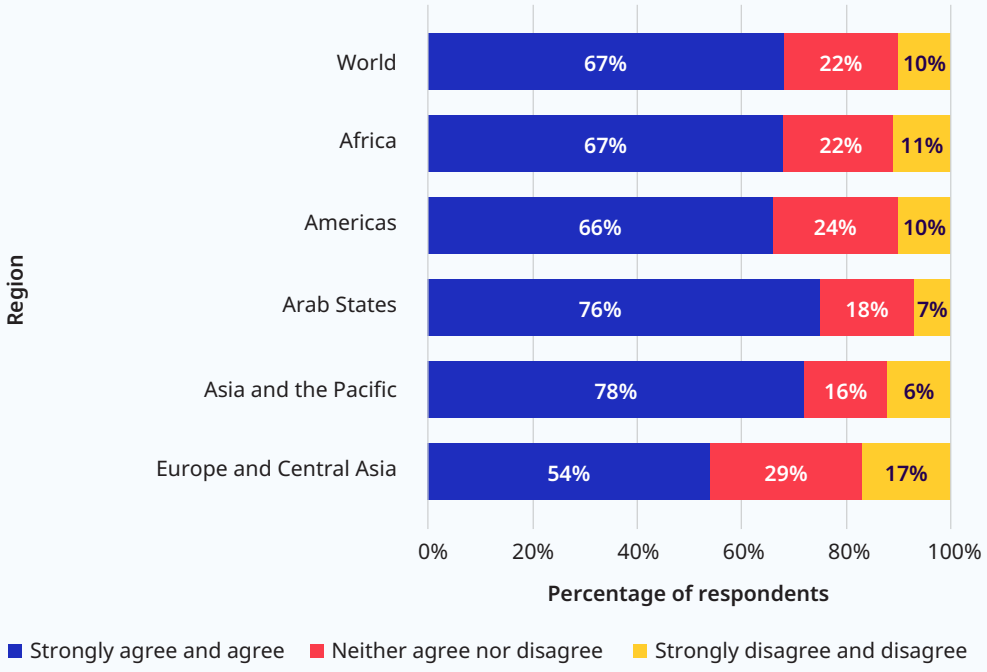
pandemic has contributed to more action being taken on D&I where they work.

Our overall findings reinforce those of a similarly timed global survey of 3,136 business leaders across 17 countries and several industries carried out by the American multinational corporation and technology company, Intel. In the Intel research, two thirds of respondents globally and 81 per cent of business leaders surveyed in India reported that the pandemic has had a positive impact on D&I (Intel 2021; Bhattacharyya 2021). Just under half of respondents reported that remote working and technology made it easier to recruit employees from underrepresented groups and adopt a wider variety of D&I practices.

In considering why some enterprises in different regions or sectors are turning their focus to D&I at this time more than others, it is helpful to look at the bigger picture. For example, the hotels and restaurants sector has been strongly impacted by the pandemic and it is possible that D&I has become part of the response to workforce related challenges, including retention, health and well-being.

About two thirds of respondents globally also agree or strongly agree that their experience of living through the pandemic has increased the expectations they have of their employer to promote D&I (figure 22). Significantly more respondents from minoritized groups agree that this is the case. Respondents living with HIV and who are LGBTQI+ are 11 per cent more likely to agree or strongly agree compared with respondents living without HIV or who are heterosexual, and respondents from minoritized ethnic, racial or religious backgrounds are 9 per cent more likely to agree or strongly agree compared with those from majority ethnic, racial or religious backgrounds.

▶ **Figure 21. "Rate the extent to which you agree or disagree with the following statement regarding the impact of the COVID-19 pandemic on D&I in your company over the past year: Heightened awareness of inequalities in society, brought about in part by the pandemic over the past year, has contributed to my company paying more attention to and taking more action on D&I", all results and results by region**

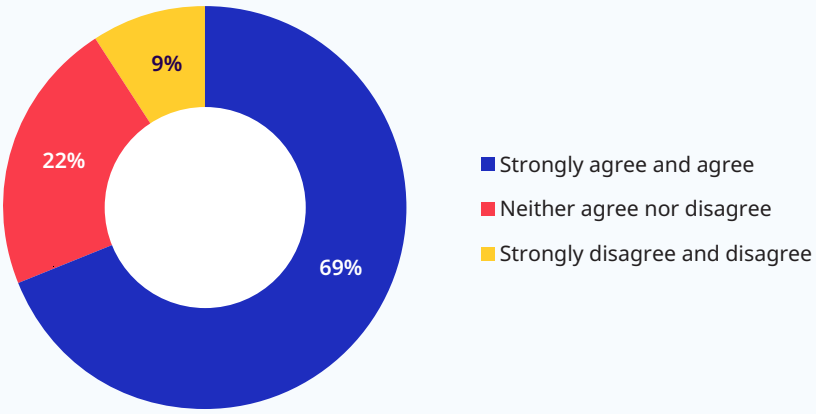


Source: ILO survey on D&I, 2021.

Results show that the expectations workforce members have for their employer to promote D&I is an important insight for employers who may not be well enough connected to the concerns and needs of their employees. Currently, less than a quarter of respondents to this study's survey (22 per cent) say that responding to expectations from employees is one of the top three drivers for action being taken to promote D&I where they work.

Our findings reinforce the findings of an analysis by Workday Peakon Employee Voice of 150 million employee survey responses worldwide.[18] The analysis shows that D&I, health and well-being and flexibility have become central concerns among employees. Comments related to D&I in 2021 increased by 19 per cent and on health and well-being by 46 per cent compared with 2019. Health and well-being comments are predominately linked to the mental and financial health of employees (Workday 2022).

▶ **Figure 22. "Rate the extent to which you agree or disagree with the following statement regarding the impact of the COVID-19 pandemic on D&I in your company over the past year: My experience of living through the pandemic over the past year has increased the expectations I have of my company to value and promote D&I", all results**



Source: ILO survey on D&I, 2021.

Note: See Appendix III, figure A14 for more detailed results by region.

18 Workday Peakon Employee Voice provides a platform for measuring and improving employee engagement.

▶ Different influencing factors driving different D&I actions

A focus on the business case has grown in recent years because it was thought to be more effective than legal or values-based arguments for influencing enterprises to implement actions leading to more sustainable and transformational change on D&I. However, the study shows that while the business case clearly remains important in driving action on D&I, other factors linked to legal obligations and enterprise values are also making a difference.

Enterprises that are influenced to promote D&I to meet their legal obligations are 13 per cent more likely compared to those that are not to ensure that D&I actions are sufficiently resourced and clearly identifiable in the company strategy and culture. They are 11 per cent more likely to hold senior leaders accountable as role models for D&I in their behaviours and actions. They are also 10 per cent more likely to hold line managers accountable for recruiting and developing diverse and inclusive teams.

Companies that are motivated by the business case to promote D&I linked to increasing innovation are 15 per cent more likely than those that are not to have top leaders that communicate D&I is one of the top priorities in the company and regularly report on progress. They are 13 per cent more likely to hold senior leaders accountable as role models for D&I in their behaviours and actions and hold line managers accountable for recruiting and developing diverse and inclusive teams. They are also 11 per cent more likely to ensure that D&I actions are sufficiently resourced and clearly identifiable in the company strategy and culture.

Enterprises that take action to promote D&I because it aligns with their values and because they have a culture that supports D&I as the right thing to do are 11 per cent more likely than other enterprises to hold senior leaders accountable as role models for D&I in their behaviours and actions and hold all employees responsible and accountable for supporting D&I. They are also 10 per cent more likely to have top leaders that communicate D&I is one of the top priorities in the company and regularly report on progress.

▶ Conclusions and implications for action

A combination of driving factors is most impactful in building transformational change on D&I

This study shows that it is not a question of whether enterprises are influenced by the business case or by legal and values-based arguments to implement actions that promote D&I. Rather, all these drivers combined are most likely to lead to enterprises taking action that creates sustainable and transformational change on D&I.

The business case arguments that are most likely to influence enterprise action are those associated with attracting, developing and retaining the best people, including supporting employee well-being, and improving innovation. It seems that other business case arguments, particularly the need to meet the expectations of shareholders/investors, are not yet making as much impact. More research is needed to understand whether enterprises are not yet sufficiently aware of the growing expectations of investors on D&I or whether these expectations are insufficient to drive action.

What is clear, is the relevance of national or local laws, policies and programmes promoting D&I in enterprises, contrary to what has been argued in other studies. Where employees in our study are aware of these, it shows that they make a contribution in driving enterprise actions that go beyond the bare minimum level and support sustainable and transformational change on D&I. While it is unlikely that legislation alone will lead to transformational change on D&I, it makes a positive difference if laws, policies and programmes are known to employees and applied. This provides an argument for developing national frameworks of laws, policies and programmes that are practical, well communicated and applied, promoting D&I in employment across all marginalized groups.

Workforce expectations on D&I are growing and enterprises need to respond

Increased awareness of social inequalities in the global environment, fuelled by the pandemic, also appears to be influencing some enterprises to implement actions promoting D&I because it aligns with their values and it is the right thing to do, beyond any business case arguments or legal responsibilities. These enterprises are also more likely to make D&I a clear business priority and build shared responsibility for it across leaders, managers and all employees.

As awareness of inequalities continues to be heightened beyond the pandemic and reinforced by climate change and political and economic uncertainty, there is a growing need for enterprises to be clear about their values on D&I and how this influences decision-making and actions on D&I.

5 Unlocking the potential of D&I

▶ Introduction

This global study is among the first and most extensive to present a picture of D&I in enterprises through the eyes of the workforce predominately in lower-middle-income to upper-middle-income countries. Alongside analysis of more than 12,000 survey responses, we have drawn on existing theories, studies and literature to explore what inclusion means and how it can be measured. In so doing, we have focused on the workforce's experience of inclusion and the extent to which it is impacted by diverse personal characteristics and hierarchical level as well as by enterprise characteristics, considering size, region, sector, national or multinational operations. We have examined the actions respondents report that their enterprises take to promote D&I, what drives them to do so and the impact of those actions. We have conducted this study at a time of immense social, labour market and economic turbulence as COVID-19 continues to impact all enterprises and the workforce, necessitates remote and hybrid working, and exposes and worsens, in many cases, existing social and workplace inequalities.

D&I offers considerable benefits to employers, employees, economies and societies and presents a significant complex challenge

Our study has shown that the benefits offered by greater D&I to individual employees, enterprises, the global economy and society are well documented. A more diverse workforce, supported by inclusive cultures, has the potential not only to increase the productivity and performance of individual enterprises but also to contribute to increasing the annual global income growth rate and overcome global talent shortages. Individual employees have the potential to benefit through equal opportunities and treatment for quality employment and career advancement. Findings from our survey reinforce the findings of previous studies that have shown that employees benefit from increased levels of well-being and fulfilment at work through greater collaboration, engagement and opportunity to contribute to improvements and innovation when they experience higher levels of inclusion. With a focus on both diversity and inclusion, employees have the potential to experience a strong sense of belonging at work and be seen, understood and valued as an individual. The costs of inequalities in pay, reward and opportunity, as well as the harm caused by discrimination and exclusion that impact both individuals and wider communities, can be avoided.

> Full inclusion happens when individuals experience a balance between belonging with others at work – feeling they are part of the whole enterprise – as well as being seen, understood and valued as an individual.

Yet fully unlocking the potential of D&I globally remains challenging in proportion to its complexity. Our study shows that D&I is complex for three main reasons. First, how we define diversity and how different groups are socially seen, impacting opportunities at work, vary between regions and countries and are further influenced by local laws, policies and enterprise cultures. Second, fully achieving inclusion in the workplace results from a number of different variables. Full inclusion happens when individuals experience a balance between belonging with others at work – feeling they are part of the whole enterprise – as well as being seen, understood and valued as an individual. Achieving this balance is influenced by the behaviour of the individual, of others around them and societal attitude, and the context at work, including the workplace culture. Third, enterprises seeking to promote D&I do not operate in a vacuum. They are an integral player within the labour market, and are both impacted by and can impact the wider economic and social system.

We present the following conclusions and thinking for the way forward in the context of the challenges of unlocking the potential of D&I globally.

▶ Conclusions and the way forward

Stronger awareness of the four principles of transformational change on D&I is needed globally

Our study reinforces previous work which argues that there is no one-size-fits-all solution when it comes to promoting D&I within enterprises in order to achieve equality for all employees and realize business benefits through differences and similarities of individuals. The context in which the enterprise is operating, influenced by national laws, programmes and policies, the cultures associated with the sector and the individual enterprise, as well as its size, are all significant factors that shape the specific actions needed to develop D&I.

However, in testing a series of actions and approaches to D&I identified in previous research and literature as being linked to achieving transformational and sustainable change on D&I, our study shows that there are four principles that are applicable globally. When these principles are present, survey respondents report higher levels of inclusion regardless of individual diversity and hierarchical level or enterprise sector, size or region (figure 23). They also report higher levels of experiencing the benefits of inclusion, such as feelings of well-being, commitment and collaboration that have the potential to bring business benefits to the enterprise in the form of innovation, retention, productivity and overall performance.

When respondents report that **D&I is a priority and part of the strategy and culture** where they work, embedded in values and behaviours as well as policies and processes, respondents globally across all diverse groups and

▶ **Figure 23. Four principles for achieving transformational change on D&I**

hierarchical levels are more likely to report that promotion decisions are made transparently and fairly and they are more likely to feel encouraged to speak up about better ways of doing things, which can fuel innovation. They report higher levels of productivity and performance. When there is **diversity in top management**, this has a positive impact on inclusion across all survey respondents and an even greater impact among respondents from minoritized groups who see their personal characteristics represented in top management. When **senior leaders and all managers and staff are held accountable as role models for D&I** in their everyday actions and behaviours and work together to co-create the approach to D&I, our survey respondents report higher levels of well-being, collaboration with colleagues and commitment to their employer. Indeed, globally, our respondents tell us that this collective responsibility and accountability for D&I is likely to make the most impact on promoting D&I in enterprises going forward. Finally, higher levels of inclusion and the benefits of inclusion for employees and their employer are only fully realized when **actions are applied across the employee life cycle from recruitment through development and retention and targeted at creating both a strong sense of belonging and enabling everyone to be themselves at work with their individual needs seen, understood, cared about and, wherever possible, met.** Across all diverse groups, hierarchical levels and enterprises, respondents report higher levels of inclusion when **there is a focus on both belonging and individuation**.

More action is needed to generate greater awareness of the four principles linked with creating transformational change on D&I within enterprises, the potential benefits of D&I to employers and workers as well as the economies and societies in which enterprises are operating. Action is also needed to strengthen internal capabilities to apply the transformational approach in practice. Case studies focusing in particular on how SMEs in developing countries across a range of sectors are implementing and benefiting from a transformational approach to D&I are needed to support awareness and capability-building.

More support is needed to expand the scope and benefits of D&I programmes

Our study has shown that when respondents work in enterprises that focus on promoting D&I adopting the four principles of transformational change described above, the benefits of D&I follow. However, there is much more scope for the principles to be applied in practice. Not only is the application of the principles uneven across different enterprises by region, sector and size, so too are the range of diverse groups they are being applied to.

If we take the groups covered by D&I policies as one indication of the current scope of D&I programmes, our study shows that of the two thirds of respondents who say that there is a D&I policy where they work, around half of them say this applies to gender and age but only a third say it applies to ethnicity/race/religion, a quarter to sexual orientation and 18 per cent to people living with HIV. Another indication of the focus of D&I programmes is representation of diversity in top management. There remains much more to do here. Our study shows that only a quarter of respondents report a critical mass of women (40–60 per cent) in top management positions and a third of respondents report that there is zero representation of people with disabilities at senior levels. Only 12 per cent of respondents report that people from minoritized ethnic/racial/religious backgrounds hold about a third of top management positions where they work.

In contrast to most other studies that have focused on D&I within enterprises based in high-income countries, this study mainly focused on the experience of D&I in the workplace within lower-middle-income and upper-middle-income countries. There was one noticeable difference in our results. Hierarchy shows up as a stronger differentiating factor influencing the experience of inclusion at work than personal characteristics. Higher levels of inclusion are reported by survey respondents at the senior executive level compared with those at staff level. There is a pattern of small but consistently lower levels of inclusion reported by women compared with men, by people with disabilities compared with those without and by people from minoritized ethnic/racial/religious groups compared with those from majority groups.

If we look at the wider context, evidence clearly shows that inequities persist, and women, people with disabilities and people from minoritized ethnic/racial/religious groups are more likely to be clustered and often stuck at more junior levels in enterprises. This highlights the potential double disadvantage of intersectionality, experienced by minoritized groups who are missing out on the benefits of inclusion and career development opportunities.

When employees miss out on the benefits of inclusion, enterprises risk missing out too. Numerous studies show that enterprises with higher levels of D&I have higher levels of productivity, performance and innovation.

Indeed, our study also shows that the four principles of transformational change on D&I are being applied more in some enterprises than others, and where they are applied, respondents report experiencing higher levels of the benefits of inclusion. Respondents working in Asia and the Pacific, in the information and communications sector and in multinational enterprises stand out in this study, as they are more likely to report higher levels of inclusion, higher levels of the benefits of inclusion and that the four principles of transformational change are in place where they work. We have also seen that D&I can be applied in countries across different income levels. Indeed, in our study, more respondents in lower-middle-income and upper-middle-income countries than in high-income countries report higher levels of inclusion and the application of the principles leading to inclusion.

More support is needed to build greater understanding the impact of intersectionality, considering different personal characteristics, such as ethnicity/race and gender, as well as an employee's level in the enterprise hierarchy, on inclusion and how enterprises can benefit from inclusion. Steps should focus on encouraging enterprises to broaden the focus of action on D&I across multiple minoritized groups and hierarchical levels.

A stronger focus is needed to encourage and enable enterprises to measure inclusion

Measuring inclusion at a granular level within enterprises is important for three reasons. First, as described above, inclusion holds the key to enterprises realizing the benefits of equality and diversity. While an enterprise may be successful in attracting and recruiting a diverse workforce, it is inclusion that influences equality of outcomes, that is, the extent to which diverse members of the workforce are retained, able to thrive and fully contribute. Second, when overall experiences of inclusion within a workforce are examined without breaking down results by personal characteristics, the sometimes-different experiences between groups that are small in number can be masked. This can give a false sense of high inclusion when in fact high inclusion is experienced by some groups more than others. Third, inclusion is complex as it reflects individual feelings and behaviours, and how individuals perceive the behaviours of others around them and the environment in which they are working. Inclusion and its benefits are realized when members of the workforce experience a balance between feelings of belonging where they work and that they are seen, understood and valued as an individual.

Despite the complexities of measuring inclusion, our study shows that it can be done. By doing so, enterprises will be able to identify the level of inclusion they have achieved, factors that promote inclusion, gaps and the actions needed to achieve inclusion across the workforce and for diverse groups. For example, our survey shows that when women see other women in top management roles, they are more likely to feel encouraged to advance their career. When there is zero tolerance for discrimination, harassment and or violence, respondents are more likely to report high levels of personal well-being. Useful data that can help employers to identify actions to promote D&I are gained when inclusion is measured at three levels: (1) overall inclusion; (2) factors that contribute to both belonging and individuation; and (3) benefits of inclusion. The results should be analysed by respondents personal characteristics and level in the enterprise hierarchy.

Enterprises will benefit from additional information, tools and resources to measure D&I to ensure efforts to promote D&I achieve both business and workforce benefits.

Driving transformational action on D&I needs to come from multiple sources

Our study has identified the range of potential benefits of greater D&I in the workplace for the workforce and the enterprises as well as for the wider economy and society. It has also shown that the full potential of these benefits is not yet being realized and is unlikely to be unless a more comprehensive and transformational approach to D&I is adopted within enterprises. Our findings are clear in terms of what drives action on D&I. Just as there is no one-size-fits-all approach to building greater D&I in the workplace neither is there a single factor motivating all enterprises to prioritize D&I and adopt a transformational approach to change. Instead, our survey respondents identify a combination of factors that drive their enterprises to promote D&I. The drivers of action on D&I include the potential business benefits linked to greater D&I, particularly the need for increased innovation; national laws, programmes and cultures that support D&I in the workplace; and alignment with the core values of the enterprise such that prioritizing D&I is the right thing to do. Unexpected events can also drive action on D&I within enterprises. Around two thirds of respondents report heightened awareness of inequalities in society, brought about in part by the pandemic, contributed to more attention and action on D&I where they work. Similarly, around two thirds of respondents say that their experience during the pandemic has increased their expectation of their employer to promote D&I. Significantly more respondents from minoritized groups share this expectation.

Other drivers for change on D&I are referred to in the wider literature, including the reputation of the enterprise with consumers and the influence of ESG factors on consumer buying decisions and investors' financial analyses did not emerge in our study as making as much impact on respondents' perceptions. However, that is not to say they could not or will not make more impact in the future. Indeed, few respondents report that employee expectations are driving action on D&I where they work, but at the same time two thirds of respondents report that the pandemic has raised the expectation they have of their employers to promote D&I.

There is an important role for enterprises, representative business organizations and labour market institutions to act and stimulate progress towards a transformational approach to D&I. As awareness of inequalities continues to be heightened during the pandemic and beyond, and likely to be reinforced by the consequences of climate change and political and economic uncertainty, there is a growing need for enterprises to define and be increasingly aware about their values on D&I, and how this aligns with the values of their workforce.

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Appendix I. Methodology

Objectives

This is the first extensive global study by the ILO on diversity and inclusion (D&I) within companies. It sought to identify and close the gaps in knowledge including analysing how enterprise' perspectives on D&I, benefits, potential opportunities and challenges vary across sector, size and geographic region. It also sought to identify patterns and good practice to help inform how D&I is taking shape globally and what is required for enterprises to implement D&I approaches that achieve positive impacts. The five core objectives of the study included examining:

- **The scope of diversity** – to understand the extent to which company policies and actions focus on promoting inclusion for different groups of people in the workplace-employees, line managers and senior leaders.
- **How inclusion works** – to identify the actions that make the most impact in creating inclusion among different groups of employees.
- **Company practice** – to understand how and the extent to which company approaches to D&I vary by size, geographic region and sector.
- **The business case** – to assess how the business case for D&I is understood by companies, the extent to which it is influencing actions and its benefits are experienced in practice.
- **Challenges** – to identify the barriers that continue to face companies in making progress on and reaping the rewards of D&I and recommendations to support further progress.

Scope

The study included the following groups and parameters in its scope and analysis:

- **Personal characteristics**: age, disability, gender, ethnicity/race, religion, sexual orientation and people living with HIV/AIDS.[19]
- **Hierarchy**: staff, manager and senior executive level.
- **Geographic regions**: Africa, Americas, Arab States, Asia and the Pacific, and Europe and Central Asia.
- **Economic development level**: low-income, lower-middle-income, upper-middle-income and high-income countries.
- **Enterprise size**: small (1–99 employees), medium (100–250 employees), large (more than 251 employees).
- **Enterprise scale**: national and multinational.
- **Sector**: all grouped using the International Standard Industrial Classification of All Economic Activities (ISIC) Revision 4.

Appendix III provides a breakdown of the survey respondents according to the groups above.

Phase 1: Background literature study

In the first phase of the study an analysis of more than 100 written sources was undertaken reviewing how D&I are currently approached in enterprises across different size, sectors

19 On gender identity, the number of survey responses received from people who preferred to self-describe their gender identity or expression was too low (less than 50) to conduct and report on a separate, specific analysis. Gender identity is different to sexual orientation, however, lesbian, gay, bisexual, transgender, queer, intersex and other people (LGBTQI+) face significant obstacles to exercising many of their human rights and discrimination in gaining entry to and within the workplace. For these reasons, we have grouped responses on sexual orientation and gender identity together under the heading of LGBTQI+.

and geography. Key findings from the review were used to design the phase 2 survey and are included in this final report. The background study identified five significant gaps in current available global research on D&I that helped to shape the phase 2 survey:

- **Comparisons across region, sector, size and respondent groups** – not enough global research considers D&I in SMEs, particularly in lower income economies or generally in relation to disability, age, religion or belief or people with HIV/AIDS.
- **Relationship between context and D&I outcomes** – While most research on D&I acknowledges aspects of the national culture(s) of the enterprises in the study, little detail is included and almost no attempt is made to understand or analyse results in relation to the enterprise's internal and external context.
- **Factors driving companies to take action on D&I** – Very little research exists to help understand the factors that drive enterprises to take action on D&I.
- **Change process and approach** – More research is needed on the change process approach being applied to D&I and its relationship to outcomes achieved, in addition to the specific actions being taken.
- **Insights from a range of stakeholders** – The majority of survey research involves senior executives, HR or D&I professionals and/or employees. Almost no research draws on the experience of line managers who have been identified as critical to the success of D&I programmes. Only a small proportion of research considers the similarities and differences in responses by diversity group or role/level in the organization.

Phase 2: Survey

The global professional services firm, PricewaterhouseCoopers (PwC) undertook the survey pilot and distribution and collection of responses using their local network and other channels including Pollfish, an online survey platform. The survey was piloted and distributed online during the period July to September 2021.

The survey was distributed using the following networks and platforms:

- PwC network and other channels
- National employer and business membership organizations
- Local chapters of the ILO Global Business and Disability Network

A total of 12,087 responses have been included in the study's analysis with a survey response time of at least 5 minutes. A survey response time of more than 7 minutes was used in the Dominican Republic in order to balance the shares of responses collected in the Americas. The PwC network and channels provided more than 93 per cent of the total survey responses.

The country selection for the online survey was based on a few criteria. High internet penetration and mobile internet users were a prerequisite for issuing an online survey. Countries selected were also based on their economic development status with a preference given to lower-middle-income and upper-middle-income economies. Consideration for countries surveyed was further given to balance representation across the five regions, presence of an active national employer and business membership organization and assessed needs to pursue advocacy or services on D&I, and presence of local chapters of the ILO Global Business and Disability Network.

Questions relating to sexual orientation were included only within countries that do not criminalize people who are LGBTQI+.

Survey data analysis

Survey data were analysed using Stata and Excel. Findings were analysed by region, countries' income level, enterprise size, scale of operations and sector. This quantitative analysis also considered respondents' characteristics, namely role (i.e., staff, manager or senior executive), gender, age, sexual orientation, and whether respondents reported living with a disability, being from a minoritized ethnic, racial and/or religious group, and living with HIV.

Additionally, regression analysis was performed to understand the relationship between key variables in the survey. Results of statistically significant regressions were interpreted and included in the findings of the study.

Appendix II. Survey questionnaire

Introduction

By completing this survey, you are contributing to one of the largest global studies on diversity and inclusion in the workplace undertaken by the International Labour Organization (ILO). The survey will feed into the ILO Global Study on Diversity and Inclusion in the Workplace to be published towards the end of 2021. This survey aims to identify how companies across different countries and sectors approach diversity and inclusion; the extent and impact of company actions on diversity and inclusion; and the challenges and opportunities.

In this survey, we are interested in how inclusion is approached and experienced by people in different positions at work – leaders, managers and non-managerial employees - by age, disability, ethnicity/race, gender, religion, and HIV status, among others. You will be asked to share information about yourself at the end of the survey so that we can analyse similarities and differences in responses across these various groups. All responses will be anonymized and treated with confidentiality.

There are no right or wrong answers, simply mark the box that most accurately reflects your own profile, experience and views of diversity and inclusion at work and how your company approaches these issues. The survey should take you no more than 12 minutes to complete. Thank you for your participation.

Respondent and company information

1. Choose the position that most closely aligns to your role in your company

- ☐ I am in a senior / executive decision-making position
- ☐ I manage / supervise one or more other people or a department / business unit
- ☐ I am an employee without management/supervision responsibilities

2. What type of company do you work in?

- ☐ National / local
- ☐ Multinational

3. How many people are employed in your company?

(if you work in a multinational company please reply in relation to the number of people employed in the company in the country where you work)

- ☐ 10 to 99
- ☐ 100 to 250
- ☐ 251 or more

4. Choose the sector that best describes your company

- ☐ Administrative or support services
- ☐ Agriculture, forestry or fishing
- ☐ Arts, entertainment or recreation
- ☐ Construction
- ☐ Education
- ☐ Financial or insurance activities
- ☐ Hotels or restaurants
- ☐ Human health or social work
- ☐ Information and communications
- ☐ Manufacturing
- ☐ Mining or quarrying
- ☐ Professional, scientific or technical activities
- ☐ Public administration or defence
- ☐ Real estate activities
- ☐ Shop-keeping, sales or trade activities
- ☐ Supply of electricity, gas, water or waste management
- ☐ Transportation or storage services
- ☐ Other service activities

5. Select the region where you work

- ☐ Africa
- ☐ Arab States
- ☐ Asia and the Pacific
- ☐ Americas
- ☐ Europe and Central Asia

6. Select the country where you work

Filtered from above

Experience of inclusion

The term **inclusion** refers to the extent to which people feel valued for who they are; the skills and experiences they bring; and the extent to which they feel heard and have a strong sense of belonging at work.

An inclusive company is one in which differences between people (diversity), whether linked to personal characteristics (e.g. age, gender, disability etc.) or work related (e.g. role, hierarchical level, working hours or location), are valued and respected in its culture, environment, policies and processes.

7. Do you feel included at work?

☐ Always ☐ Most of the time ☐ About half the time ☐ Sometimes ☐ Never

8. Please rate the general level you experience of the following factors when you are at work:

- ▶ Personal sense of well-being
  ☐ Very high ☐ High ☐ Medium ☐ Low ☐ Very low
- ▶ Ambition for career development and promotion
  ☐ Very high ☐ High ☐ Medium ☐ Low ☐ Very low
- ▶ Personal productivity and performance
  ☐ Very high ☐ High ☐ Medium ☐ Low ☐ Very low
- ▶ Encouragement to speak up about new or better ways of doing things
  ☐ Very high ☐ High ☐ Medium ☐ Low ☐ Very low
- ▶ Feeling committed to your company and happy to go above and beyond day-to-day expectations when needed
  ☐ Very high ☐ High ☐ Medium ☐ Low ☐ Very low
- ▶ Collaboration with your work colleagues / team
  ☐ Very high ☐ High ☐ Medium ☐ Low ☐ Very low

9. To what extent do you agree or disagree with the following statements about the organizational culture and work environment where you work:

- I am generally treated with respect
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I experience a positive sense of connection and belonging with others where I work
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I am valued in the company as my authentic self without having to excessively adapt to fit in
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- My perspectives are sought out, and considered in decision-making at work
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

10. To what extent do you agree or disagree with the following statements about how your company supports you to perform at work:

- I have access to the information I need about my company's purpose, vision and strategy to do my job well
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I feel supported to work flexibly in time and/or location when it fits with both my own and my company's needs
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I'm confident that if I speak up about inappropriate workplace behaviour (including discrimination, harassment, or violence) that it will be acted upon in a timely and confidential manner
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I'm confident that if I need changes or adaptations* to enable me to work that these will be provided.
  *Changes or adaptations refer to modifications of equipment, job content, working time and work organization for employees with different needs (e.g. employees with disabilities, living with or affected by HIV, who are pregnant, have care responsibilities or who hold a particular religion or belief)
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

11. To what extent do you agree or disagree with the following statements about how opportunities for professional development are managed where you work:

- I'm rewarded fairly for my work and contributions
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- Opportunities and decisions about promotions are made fairly and transparently
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I'm encouraged and supported to advance my career
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- I have access to learning and development opportunities relevant to my work
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

Actions to promote diversity and inclusion

The term **diversity** refers to the multiple differences as well as similarities that exist between people at work that can impact employment and business opportunities and outcomes. It includes not only personal characteristic similarities and differences such as age, gender, disability, ethnicity/race, sexual orientation, living with HIV/AIDS but also others such as values, workstyles and work roles.

People from **minoritized** or **under-represented** groups are from groups that are not dominant socially, economically or politically or are numerically under-represented in your workplace or in society.

12. Does your company have a stated policy on diversity and inclusion?

If Yes: Select the aspects that your company policy on diversity and inclusion considers.
Select all that apply.

- ☐ Age
- ☐ Disability
- ☐ Gender
- ☐ People living with HIV
- ☐ Ethnicity/race
- ☐ Religion
- ☐ Sexual orientation

13. To what extent are the following groups represented in your company's top management positions (those in a senior or executive decision-making position)?

- ▶ Women
  ☐ 0% ☐ 1–10% ☐ 11–29% ☐ 30–39% ☐ 40–60% ☐ 61%+ ☐ Don't know
- ▶ Millennials (born between 1981 and 1996
  ☐ 0% ☐ 1–10% ☐ 11–29% ☐ 30–39% ☐ 40–60% ☐ 61%+ ☐ Don't know
- ▶ Individuals with disabilities
  ☐ 0% ☐ 1–10% ☐ 11–29% ☐ 30–39% ☐ 40–60% ☐ 61%+ ☐ Don't know
- ▶ Individuals from minoritized ethnic/ racial /religious groups
  ☐ 0% ☐ 1–10% ☐ 11–29% ☐ 30–39% ☐ 40–60% ☐ 61%+ ☐ Don't know
- ▶ Individuals with a diverse sexual orientation and/or gender identity
  ☐ 0% ☐ 1–10% ☐ 11–29% ☐ 30–39% ☐ 40–60% ☐ 61%+ ☐ Don't know

14. Are any of the following in place to support diversity and inclusion in your company?
Select all that apply.

- ☐ Diversity and inclusion actions are sufficiently resourced and clearly identifiable in the company strategy and culture
- ☐ Goals and actions to recruit and develop people from diverse backgrounds that are currently under-represented in the company.
- ☐ Zero tolerance of discrimination, harassment or violence in day to day business operations
- ☐ Employees from different roles and backgrounds are involved in building greater diversity and inclusion
- ☐ Progress on diversity and inclusion is measured and used to identify future priorities and actions

Leadership of diversity and inclusion

15. To what extent do you agree or disagree with the following statements about leadership of diversity and inclusion in your company:

- Diversity and inclusion are communicated as one of the top priorities in our company and progress is regularly reported on by leaders

  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- Senior leaders are held accountable as role models for diversity and inclusion in their behaviours and actions

  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- Line managers are held accountable for recruiting and developing diverse and inclusive teams

  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- All employees (including those without management responsibility) are responsible and accountable for supporting diversity and inclusion

  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

Improving diversity and inclusion

16. Please choose the **top three** actions according to the positive difference you think they would make to increasing diversity and inclusion in your organization.

- ☐ More proactive recruitment, professional and career development of under-represented groups
- ☐ Everyone in the company held responsible and accountable for diversity and inclusion in our day-to-day behaviours and actions and to be supported in this (e.g. through training)
- ☐ Stronger leadership of and accountability for diversity and inclusion as a priority by senior management
- ☐ Stronger leadership of and accountability for diversity and inclusion as a priority by line managers
- ☐ Greater opportunity for and valuing of flexibility in working hours and location
- ☐ More openness, support and action in challenging and removing inappropriate behaviours (e.g. workplace bias, discrimination, stereotypes, harassment and violence)
- ☐ More focus on measuring and communicating progress and impact of diversity and inclusion within the company
- ☐ Greater awareness and understanding of the diversity and inclusion issues experienced by different groups

Influences on diversity and inclusion

17. In your experience, which of the following drivers for action on diversity and inclusion have the most impact in your company? Select 3 statements.

- ☐ Comply with our legal obligations (e.g. anti-discrimination laws, statutory reporting requirements or quotas
- ☐ Improve innovation
- ☐ Improve our overall company performance
- ☐ Raise our reputation externally and with customers
- ☐ Attract, develop and retain the best talent
- ☐ Align with our values and culture as a company that supports diversity and inclusion as the right thing to do
- ☐ Respond to expectations from our employees
- ☐ Support and improve the well-being of our employees
- ☐ Meet the expectations of our shareholders / investors
- ☐ Don't know

18. To what extent do you agree or disagree that the national laws, statutory policies or national/ regional programmes and culture of the country where you work support inclusion of the following groups of people in employment:

- ▶ Women
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ Individuals aged 24 and under
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ Individuals aged 50 and over
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ Individuals with disabilities
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ Individuals living with HIV
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ Individuals from minoritized ethnic/ racial/ religious groups
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ Individuals with a diverse sexual orientation and/or gender identity
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

19. Rate the extent to which you agree/disagree with the following statements regarding the impact of the **COVID-19 pandemic** on diversity and inclusion in your company over the past year:

- ▶ Heightened awareness of inequalities in society, brought about in part by the pandemic over the past year, has contributed to my company paying more attention to and taking more action on diversity and inclusion
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ My experience of living through the pandemic over the past year has increased the expectations I have of my company to value and promote diversity and inclusion
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree
- ▶ I have felt cared for and supported in managing my work and personal responsibilities by my company during the pandemic over the past year
  ☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

Personal characteristics

What age group are you?

- ☐ 18–24
- ☐ 25–34
- ☐ 35–44
- ☐ 45–54
- ☐ 55–64
- ☐ 65+

What is your gender?

- ☐ Female
- ☐ Male
- ☐ Prefer to self-describe: _____

Do you consider yourself a person with a diverse sexual orientation?

(This may include but not be limited to lesbian, gay, bisexual, pansexual or questioning.

- ☐ Yes
- ☐ No

Do you consider yourself a person with a disability with long-term physical, mental, intellectual or sensory impairments?

- ☐ Yes
- ☐ No

Do you identify as a minoritized ethnic/ racial/ religious group within your company?

The term 'minoritized' refers to groups within the workforce who, whether or not they are in a minority numerically, face structural, social and economic barriers to inclusion, on the basis of factors such as their age, gender, disability, ethnicity/race, religion or sexual orientation.

- ☐ Yes
- ☐ No

Are you a person who is living with HIV?

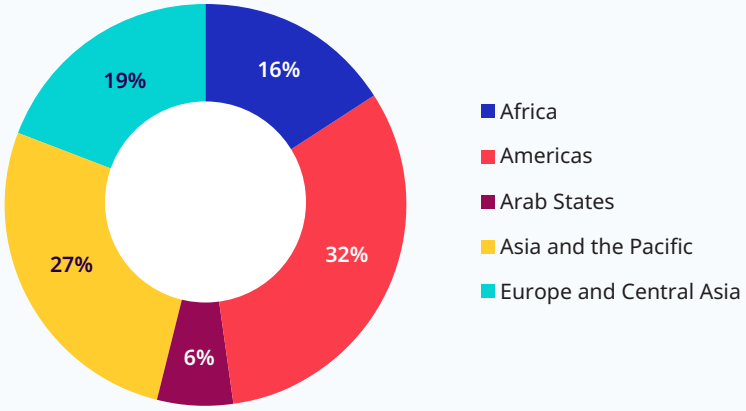
- ☐ Yes
- ☐ No

Appendix III. Survey respondent characteristics and supplementary figures

Company information

The ILO global D&I survey was conducted with 12,087 respondents in 75 countries across five regions. About a third of the responses came the Americas (32 per cent), followed by Asia and the Pacific (27 per cent), Europe and Central Asia (19 per cent), Africa (16 per cent) and Arab States (6 per cent).

▶ **Figure A1. Survey sample by region**



Source: ILO survey on D&I, 2021.

The highest share of responses by region came from Nigeria (21 per cent) in Africa, Dominican Republic (12 per cent) in the Americas, Saudi Arabia (54 per cent) in the Arab States, India (15 per cent) in Asia and the Pacific, and Ukraine (17 per cent) in Europe and Central Asia.

▶ Table A1. Survey sample in Africa

Country	Number of responses	Percentage of respondents (%)
Nigeria	419	21
South Africa	386	19
Kenya	217	11
Morocco	159	8
Egypt	153	8
Mozambique	148	7
United Republic of Tanzania	107	5
Côte d'Ivoire	102	5
Others	303	16
Total	1 994	100

Note: Other countries include Botswana, Ghana, Namibia, Senegal, Tunisia, Zambia and Zimbabwe.
Source: ILO survey on D&I, 2021.

▶ Table A2. Survey sample in the Americas

Country	Number of responses	Percentage of responses (%)
Dominican Republic	474	12
Brazil	437	11
El Salvador	357	10
Mexico	355	9
Canada	352	9
Uruguay	266	7
Colombia	254	7
Argentina	248	6
Chile	238	6
Peru	236	6
Bolivia (Plurinational State of)	227	6
Costa Rica	179	5
Others	213	6
Total	3 836	100

Note: Other countries include Antigua and Barbuda, Belize, Ecuador, Honduras, Jamaica, Paraguay, Suriname, Trinidad and Tobago and the United States.
Source: ILO survey on D&I, 2021.

▶ Table A3. Survey sample in the Arab States

Country	Number of responses	Percentage of respondents (%)
Saudi Arabia	358	53
United Arab Emirates	244	37
Others	65	10
Total	667	100

Note: Other countries include Jordan, Lebanon, Oman and Qatar.
Source: ILO survey on D&I, 2021.

▶ Table A4. Survey sample in Asia and the Pacific

Country	Number of responses	Percentage of respondents (%)
India	504	15
Philippines	464	14
Viet Nam	449	14
Malaysia	393	12
Thailand	368	11
China	351	11
Indonesia	350	11
Bangladesh	212	6
Others	202	6
Total	3 293	100

Note: Other countries include Australia, Cook Islands, Fiji, the Lao People's Democratic Republic, Maldives, New Zealand, Papua New Guinea, Samoa, Singapore and Sri Lanka.
Source: ILO survey on D&I, 2021.

▶ Table A5. Survey sample in Europe and Central Asia

Country	Number of responses	Percentage of respondents (%)
Ukraine	396	17
Russian Federation	357	16
Italy	347	15
Serbia	345	15
France	293	13
Spain	259	11
Turkey	257	11
Others	43	2
Total	2 297	100

Note: Other countries include Armenia, Austria, Belgium, Germany, Latvia, Poland, Switzerland and the United Kingdom.
Source: ILO survey on D&I, 2021.

The highest share of responses were collected from upper-middle-income countries (44 per cent), followed by low-income and lower-middle-income countries (35 per cent) and high-income countries (21 per cent).

▶ Table A6. Survey sample by income group

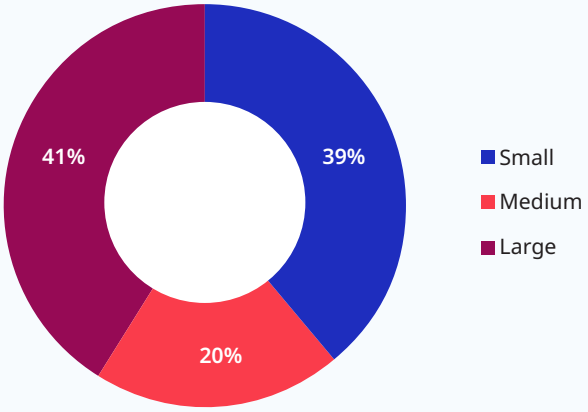
Income group	Number of responses	Percentage of respondents (%)
Low and lower-middle-income	4 207	35
Upper-middle-income	5 316	44
High-income	2 564	21
Total	12 087	100

Note: Mozambique is the only low-income country included in the study with more than 100 responses. Lower-middle-income countries include Bangladesh, Bolivia (Plurinational State of), Côte d'Ivoire, Egypt, El Salvador, India, Kenya, Morocco, Nigeria, the Philippines, United Republic of Tanzania, Ukraine and Viet Nam. Upper-middle-income countries include Argentina, Brazil, China, Colombia, Costa Rica, Dominican Republic, Indonesia, Malaysia, Mexico, Peru, the Russian Federation, Serbia, South Africa, Thailand and Turkey. High-income countries within this study include Canada, Chile, France, Italy, Saudi Arabia, Spain, United Arab Emirates and Uruguay. The above classification includes 37 countries that totalled more than 100 responses each.
Source: ILO survey on D&I, 2021.

Enterprises in the survey were classified into three types according to the number of workers they employed, namely small (employing between 1 and 99 workers), medium (employing between 100 and 250 workers) and large (employing 251 workers or more).

Of total responses, 41 per cent came from large enterprises, 39 per cent came from small enterprises and 19 per cent came from medium enterprises. Africa accounted for the highest share of small enterprises (47 per cent), Asia and the Pacific had the highest share of medium enterprises (23 per cent), and Europe and Central Asia had the highest share of large enterprises (45 per cent).

▶ Figure A2. Enterprise size

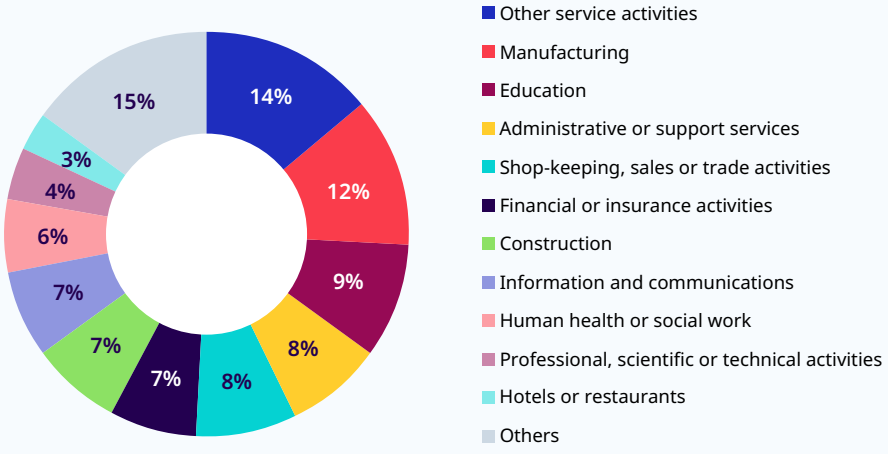


Source: ILO survey on D&I, 2021.

Most enterprises (73 per cent) operated at the local and/or national level, and 27 per cent of enterprises were multinationals. The highest shares of multinational companies came from the Arab States (39 per cent) and Europe and Central Asia (32 per cent). Multinational companies accounted for 27 per cent in the Americas, and 23 per cent in both Africa and Asia and the Pacific.

The highest shares of survey responses came from other service activities (14 per cent) and manufacturing (12 per cent). The education sector represented 9 per cent of survey responses, followed by administrative or support services (8 per cent), shopkeeping, sales or trade activities (8 per cent), and financial or insurance activities (7 per cent).

▶ Figure A3. Economic sector



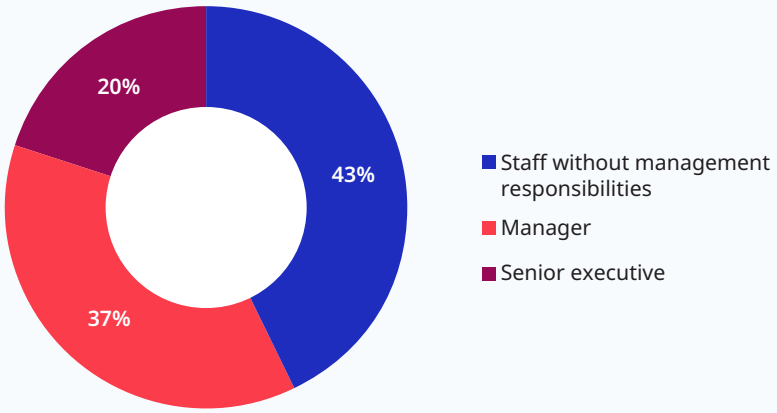
Note: Other economic sectors include agriculture, forestry or fishing; arts, entertainment or recreation; mining or quarrying; public administration or defence; supply of electricity, gas, water or water or waste management; real estate activities; and transportation or storage services.

Source: ILO survey on D&I, 2021.

Respondent information

Of total respondents, 43 per cent were staff, 37 per cent were managers, and 20 per cent were senior executives in decision-making positions.

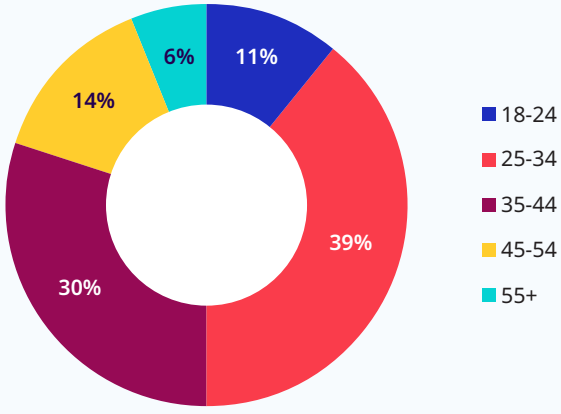
▶ **Figure A4. Position of respondents**



Source: ILO survey on D&I, 2021.

About 39 per cent of respondents were between 25 and 34 years, and 30 per cent of respondents were between 35 and 44 years. Of all respondents, 14 per cent were between 45 and 54 years, 11 per cent were between 18 and 24 years, and 6 per cent were over 55 years.

▶ **Figure A5. Age of respondents**

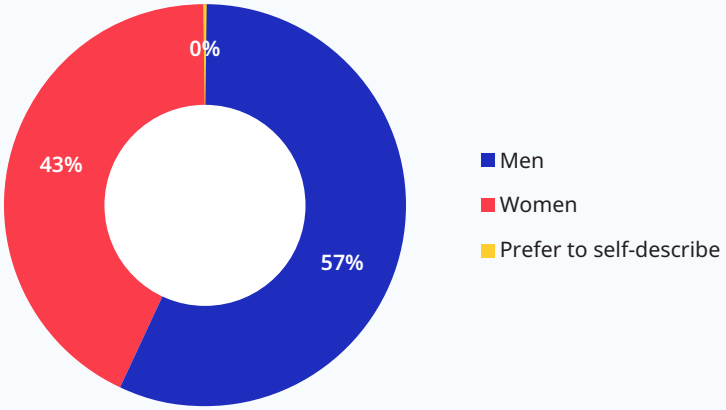


Source: ILO survey on D&I, 2021.

Of total respondents, 57 per cent were men and 43 per cent were women. Less than 1 per cent of respondents preferred to self-describe their gender identity.

Men accounted for about two thirds of respondents in Africa and Arab States. In other regions, however, the shares of women and men were more balanced. Men accounted for 56 per cent of respondents in Asia and the Pacific, 55 per cent of respondents in the Americas and 51 per cent of respondents in Europe and Central Asia.

▶ Figure A6. Gender of respondents



Source: ILO survey on D&I, 2021.

Most respondents (83 per cent) shared that they are heterosexual and 17 per cent of respondents are LGBTQI+.

About 9 out of 10 respondents did not report having any long-term, physical, mental, intellectual or sensory disabilities. 9 per cent of respondents reported having disabilities. Asia and the Pacific accounted for the highest share of people with disabilities (14 per cent), followed by the Americas and Europe and Central Asia (8 per cent), Africa and Arab States (7 per cent).

One in four respondents identified as being from a minoritized ethnic, racial or religious background. About a third of respondents in Asia and the Pacific (35 per cent) and Africa (32 per cent) identified as being from a minoritized ethnic, racial and/or religious background. Additionally, 22 per cent of respondents in the Americas and Arab States and 13 per cent of respondents in Europe and Central Asia identified as being from a minoritized ethnic, racial and/or religious background.

Most respondents (97 per cent) did not report living with HIV. Only 3 per cent of respondents reported living with HIV.

Additional information on respondents' characteristics by position is outlined in tables A7 to A11.

▶ Table A7. Gender by position of respondents

Gender	Staff (%)	Manager (%)	Senior executive (%)
Men	55	59	59
Women	45	41	41
Total	100	100	100

Source: ILO survey on D&I, 2021.

▶ Table A8. Sexual orientation by position of respondents

Sexual orientation	Staff (%)	Manager (%)	Senior executive (%)
Heterosexual	83	86	79
LGBTQI+	17	14	21
Total	100	100	100

Source: ILO survey on D&I, 2021.

▶ Table A9. Respondents with disabilities by position

Respondents with disabilities	Staff (%)	Manager (%)	Senior executive (%)
Person without disability	90	93	87
Person with disability	10	7	13
Total	100	100	100

Source: ILO survey on D&I, 2021.

▶ Table A10. Respondents from minoritized ethnic, racial and/or religious group by position

Ethnic, racial and/or religious group	Staff (%)	Manager (%)	Senior executive (%)
Majority ethnicity, race or religion	75	69	76
Minoritized ethnicity, race or religion	25	31	24
Total	100	100	100

Source: ILO survey on D&I, 2021.

▶ Table A11. Respondents living with HIV by position

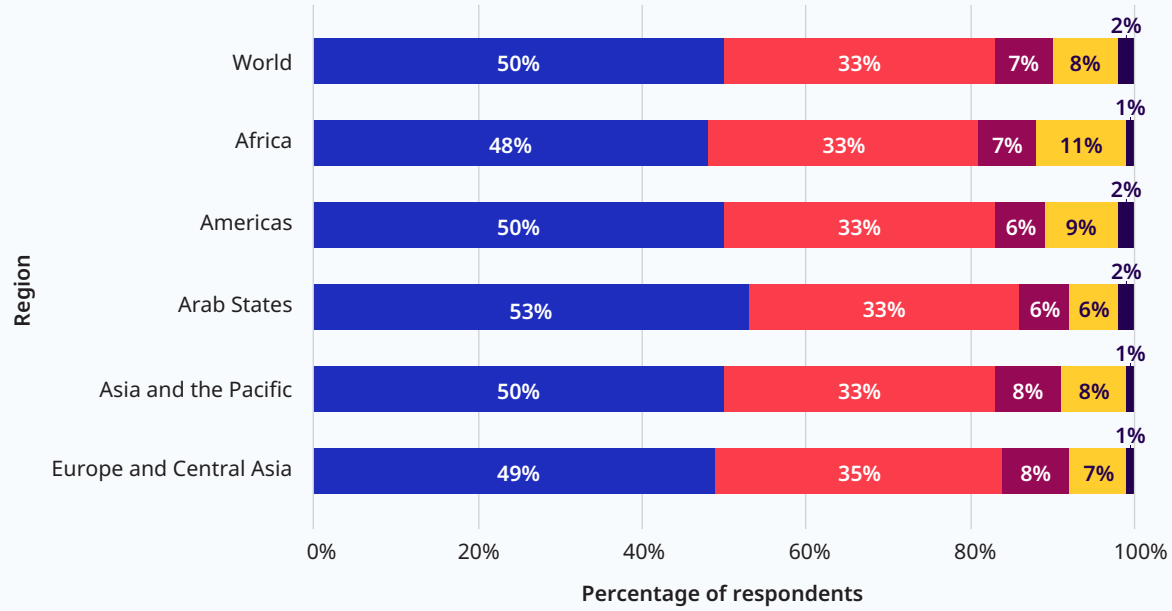
Respondents living with HIV	Staff (%)	Manager (%)	Senior executive (%)
Person living without HIV	98	98	94
Person living with HIV	2	2	6
Total	100	100	100

Source: ILO survey on D&I, 2021.

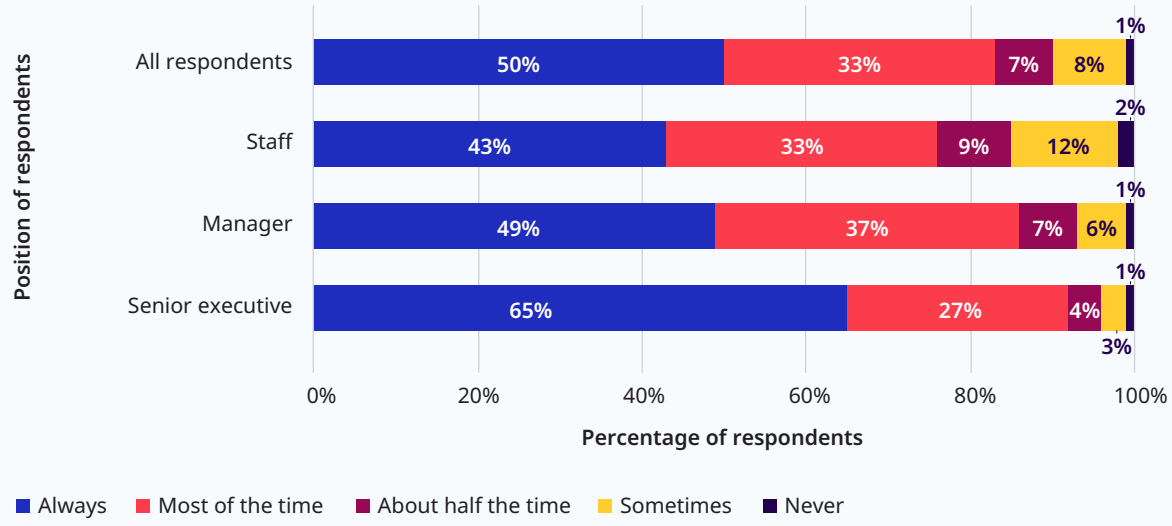
Supplementary figures from the ILO survey on D&I, 2021

▶ Figure A7. "Do you feel included at work?"

Panel A. All results and results by region



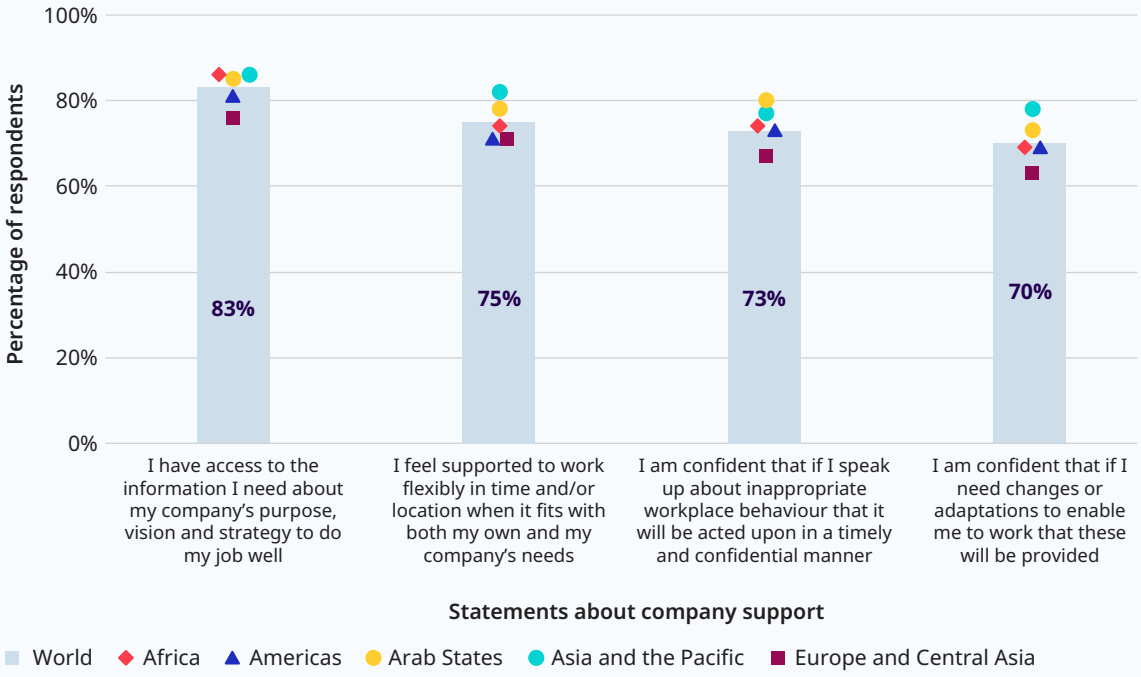
Panel B. Results by respondents' position



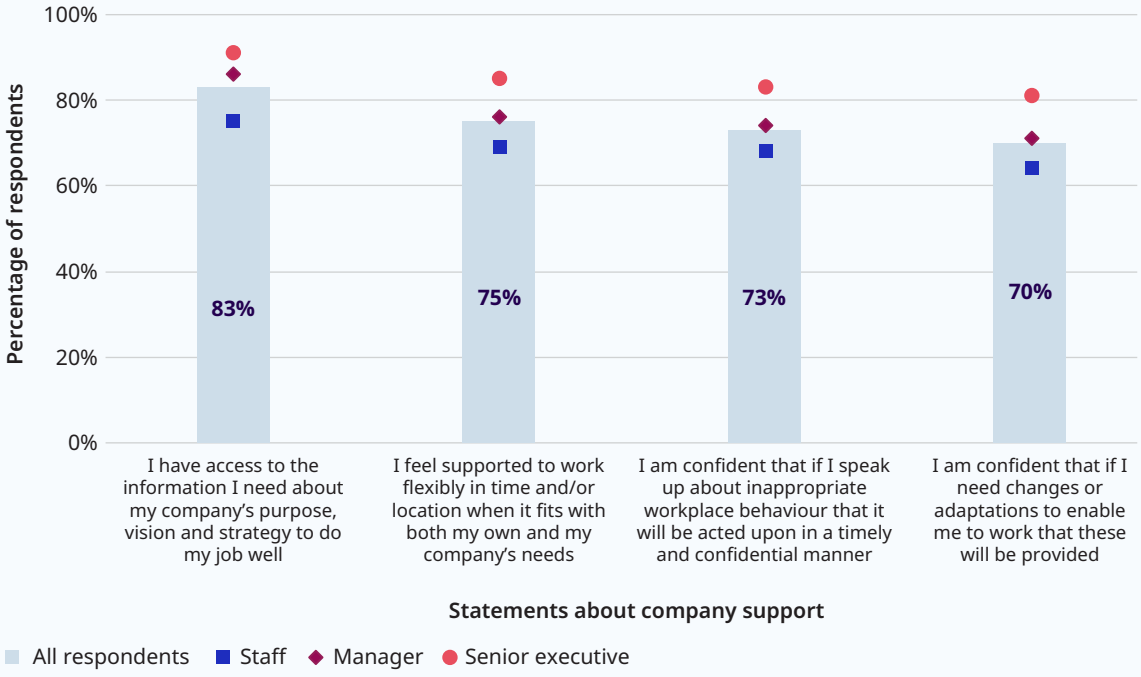
Source: ILO survey on D&I, 2021.

▶ **Figure A8. "To what extent do you agree or disagree with the following statements about how your company supports you to perform at work" (respondents who agree or strongly agree)**

Panel A. All results and results by region



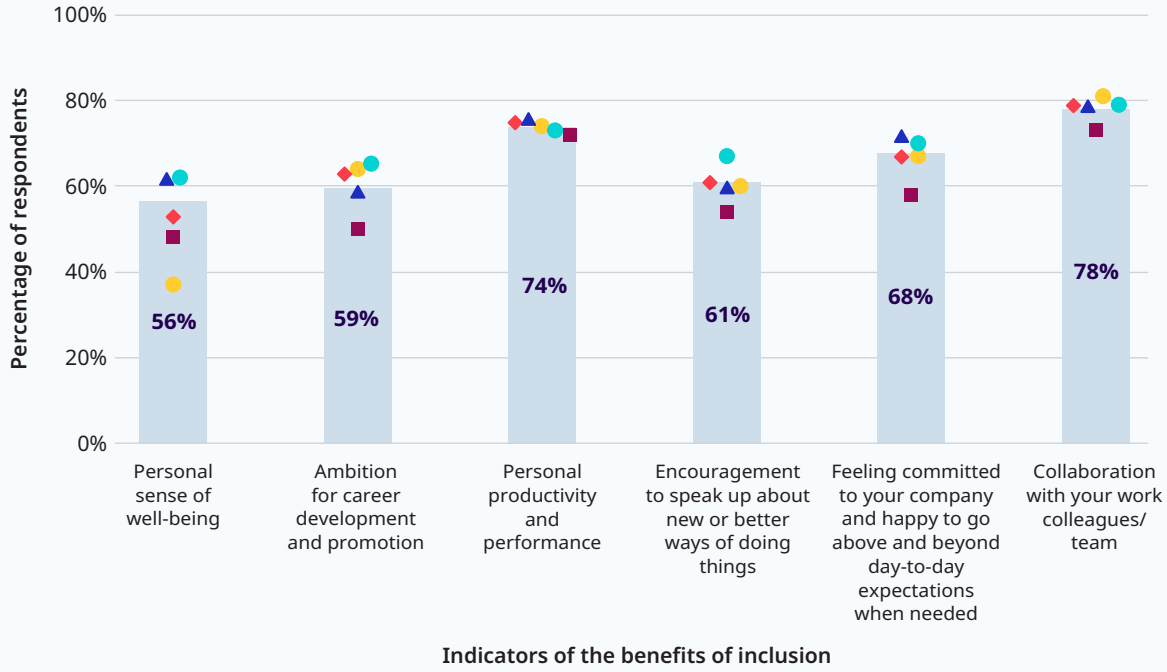
Panel B. Results by respondents' position



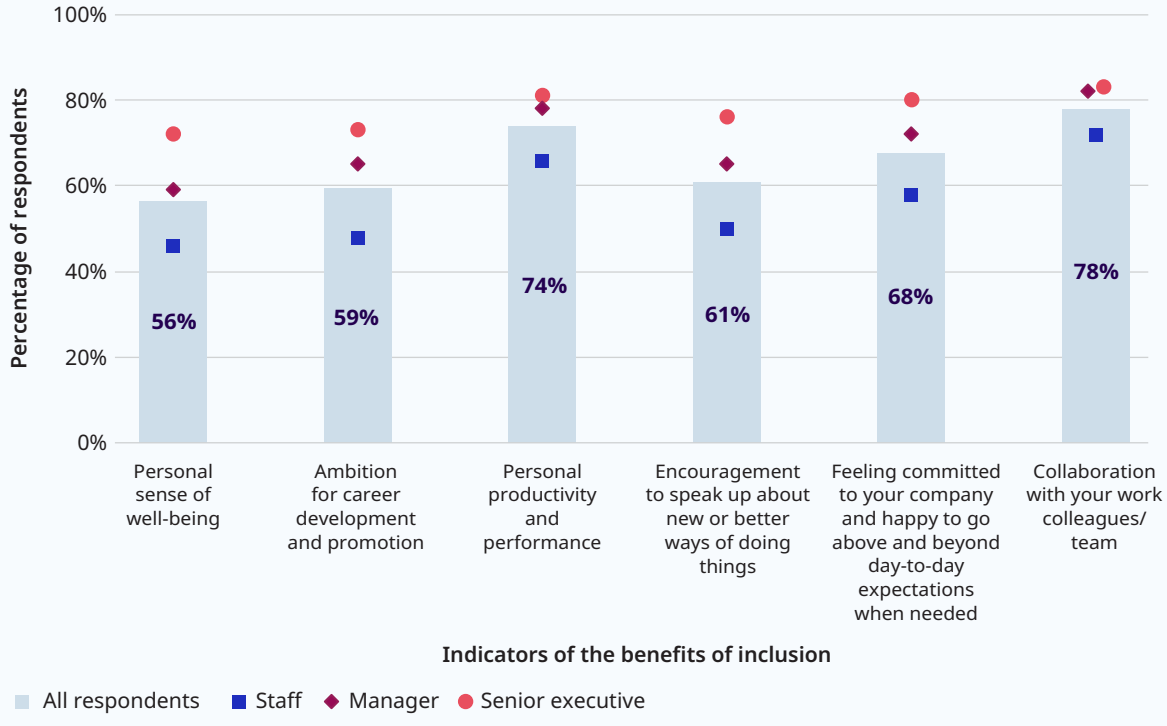
Source: ILO survey on D&I, 2021.

▶ **Figure A9. "Rate the general level you experience of the following factors when you are at work" (respondents who report high or very high experiences)**

Panel A. All results and results by region



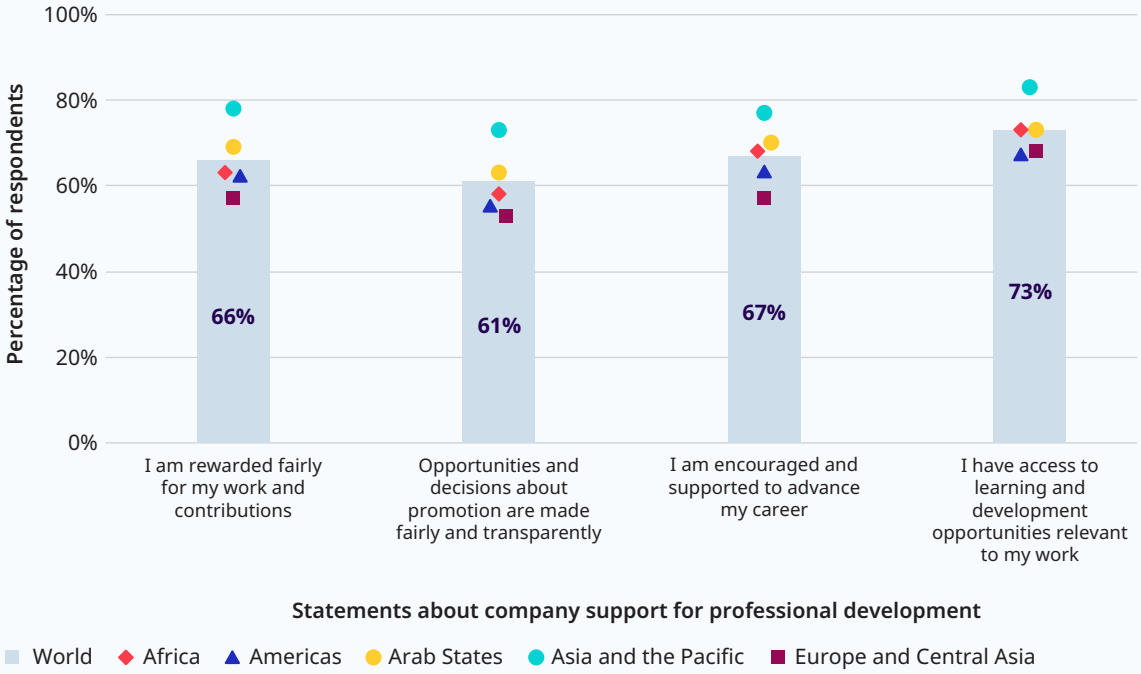
Panel B. Results by respondents' position



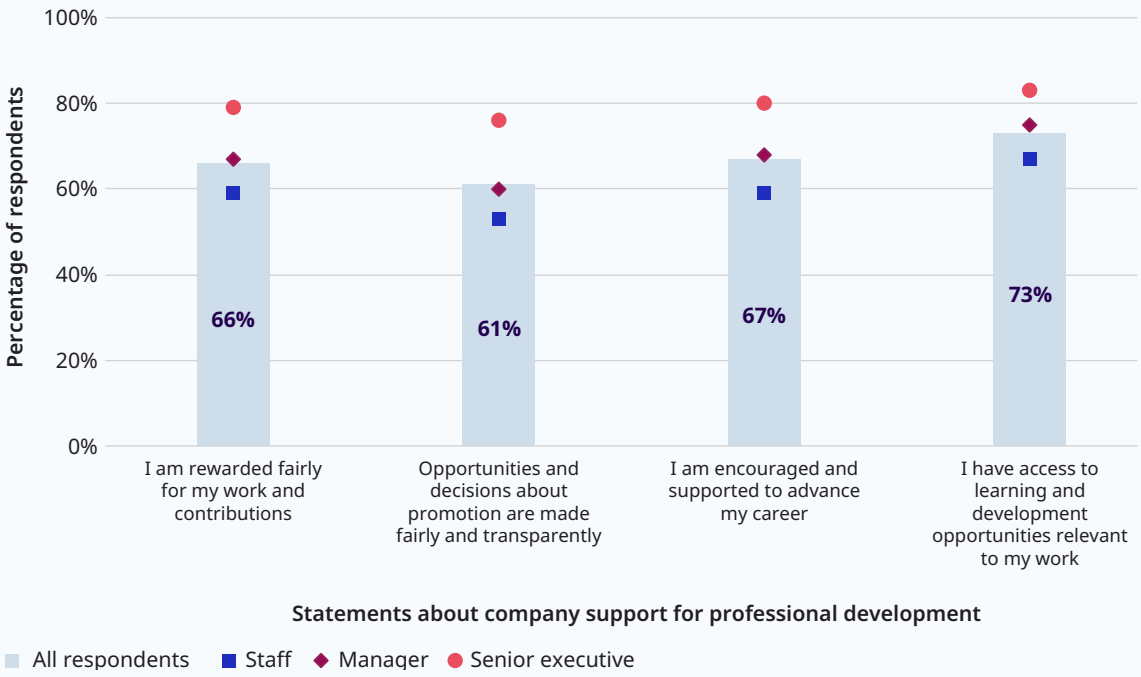
Source: ILO survey on D&I, 2021.

▶ **Figure A10. "To what extent do you agree or disagree with the following statements about how opportunities for professional development are managed where you work" (respondents who agree or strongly agree)**

Panel A. All results and results by region

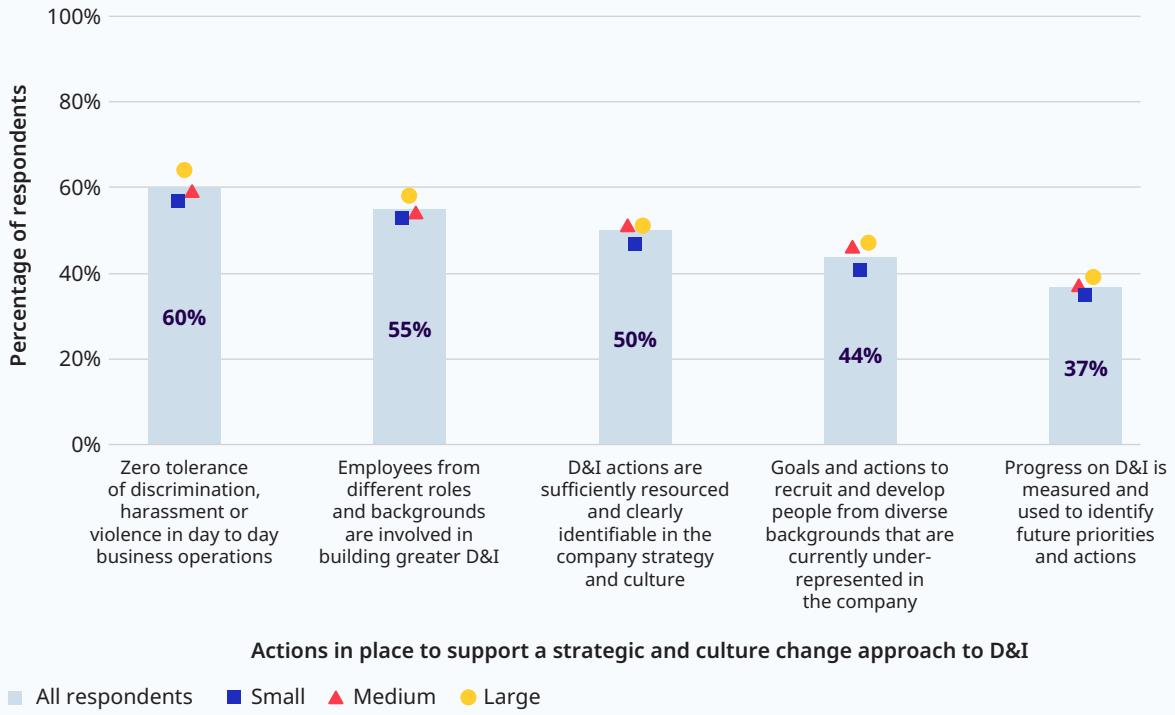


Panel B. Results by respondents' position



Source: ILO survey on D&I, 2021.

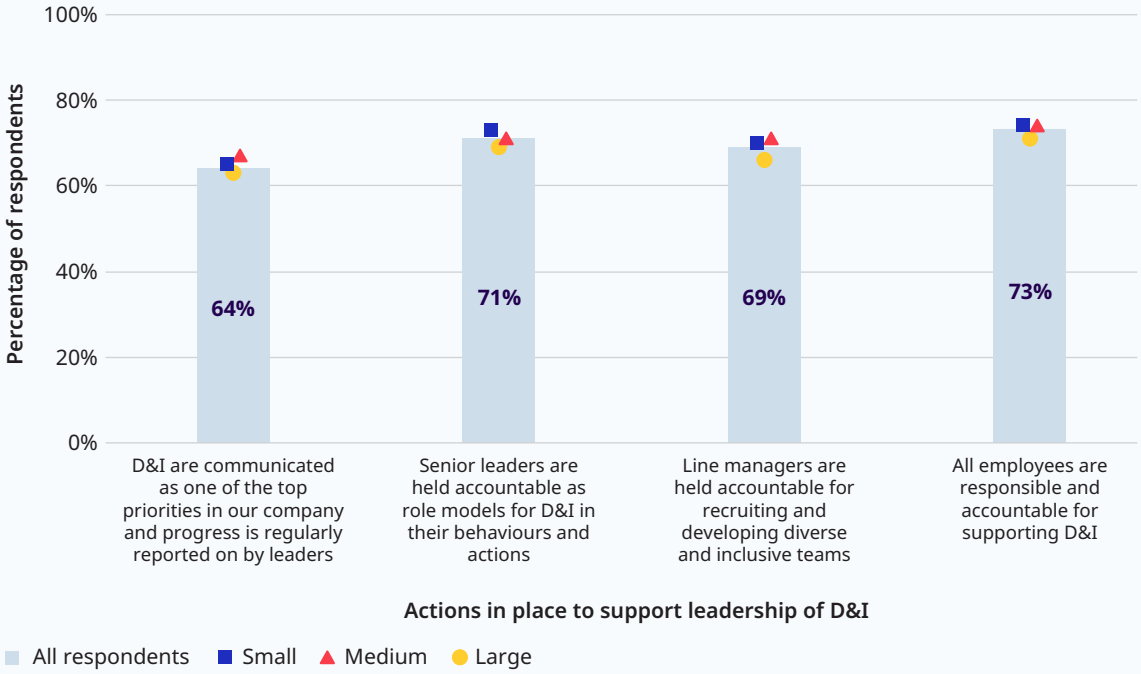
▶ **Figure A11. "Are any of the following in place to support D&I in your company?", all results and results by enterprise size**



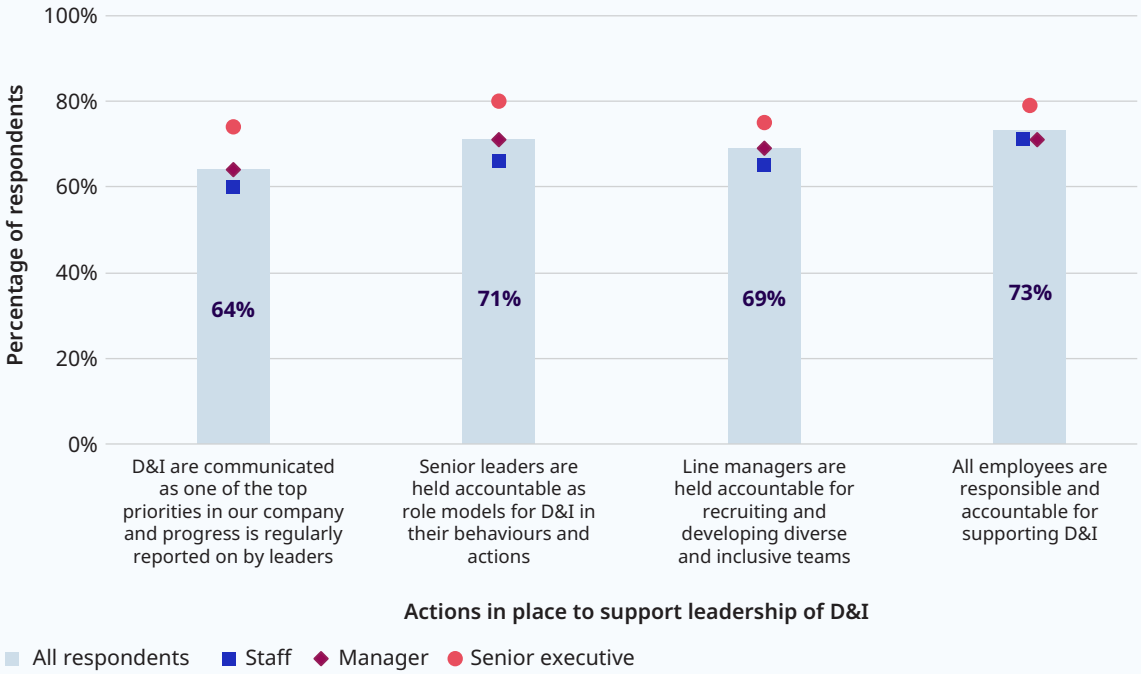
Source: ILO survey on D&I, 2021.

▶ **Figure A12. "To what extent do you agree or disagree with the following statements about leadership of D&I in your company" (respondents who strongly agree and agree)**

Panel A. Results by enterprise size

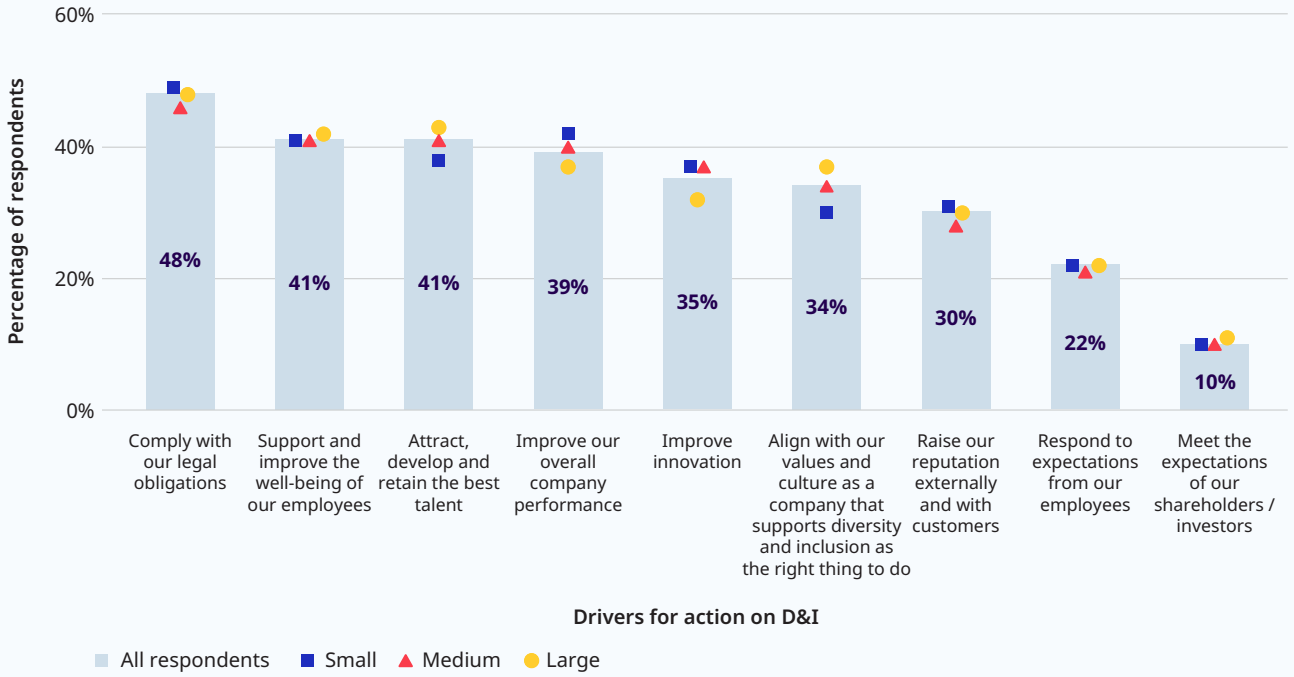


Panel B. Results by respondents' position



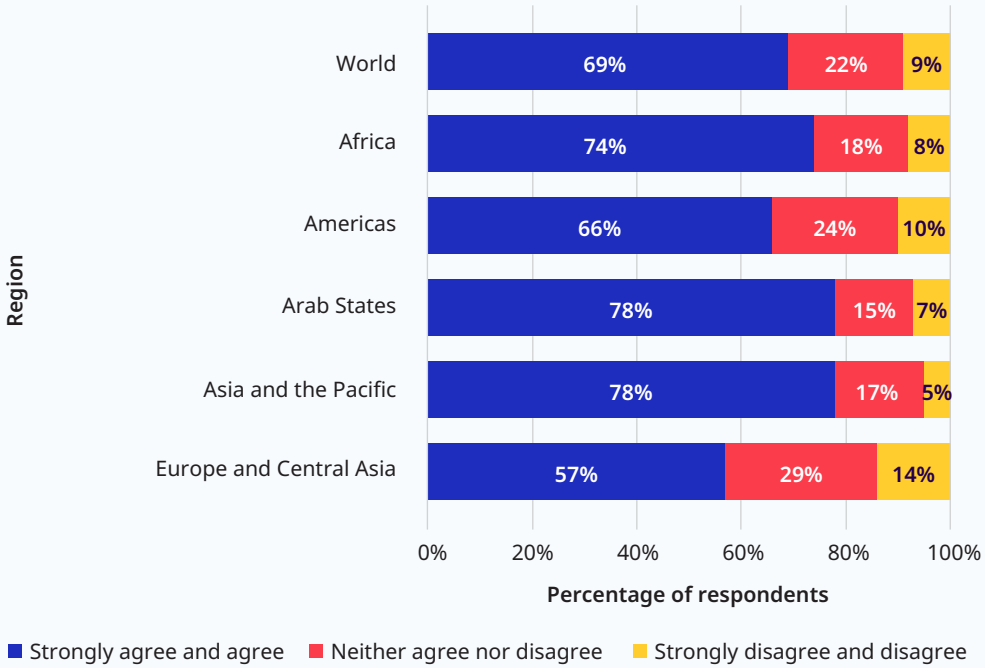
Source: ILO survey on D&I, 2021.

▶ **Figure A13. "In your experience, which of the following drivers for action on D&I have the most impact in your company?" (top three drivers), all results and results by enterprise size**



Source: ILO survey on D&I, 2021.

▶ **Figure A14. "Rate the extent to which you agree/disagree with the following statement regarding the impact of the COVID-19 pandemic on D&I in your company over the past year: My experience of living through the pandemic over the past year has increased the expectations I have of my company to value and promote D&I", all results and results by region**



Source: ILO survey on D&I, 2021.

Appendix IV. Glossary and ILO resources

For the purpose of this report, the following definitions are used.

Bias	Refers to a person receiving different treatment based on their real or perceived identity.
Covering	Refers to a term coined by the 1963 sociologist, Erving Goffman to describe how individuals with known stigmatized identities tried to hide aspects of their identity.
Discrimination	Refers to any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation, as defined in the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111).
Diversity	Diversity in the workplace refers to the similarities and differences that exist between people and that can impact employment and business opportunities and outcomes. Diversity refers not only to similarities and differences linked to personal characteristics but also similarities and differences such as values, workstyles, caring responsibilities, hierarchical levels and work roles. Each person has multiple groups they identify with which can change over time, potentially influencing and shifting their employment opportunities and outcomes.
Enterprise culture	The enterprise culture gives members of that enterprise a common identity. It is displayed in its use of both recorded policies and procedures and through unwritten rules. However, what is expected behaviour and what is practiced in reality can be very different.
Equal opportunities and treatment	All persons regardless of their personal characteristics can participate in and contribute to the labour market according to their capacity without interference of discrimination or bias.
Exclusion	Refers to policies, practices, behaviours or decisions that result in unequal opportunities or treatment.
Inclusion	Inclusion is relational. It refers to the experience people have in the workplace and the extent to which they feel valued for who they are, the skills and experience they bring and the extent to which they have a strong sense of belonging with others at work. A person's feeling of inclusion at work is related to their identity, their own behaviour and that of others and the environment they are in. Creating an inclusive workplace culture and environment enables diverse employees to thrive, increases employee engagement and influences business performance.
Intersectionality	Refers to more than one dimension of an individual's identity or personal characteristics, such as their race and gender.

LGBTQI+	Refers to **L**esbian, **G**ay, **B**isexual, **T**ransgender (someone whose gender identity differs from the sex they were assigned at birth), **Q**uestioning (someone who is exploring their identity), **I**ntersex (someone who was born with sex characteristics that do not fit typical binary notions of male or female bodies), **+** (covers other sexual and gender identities).
Minoritized groups	Refers to groups within the workforce who, whether or not they are in a minority numerically, face structural, social and economic barriers to inclusion, on the basis of factors such as their age, gender, disability, ethnicity/race, religion or sexual orientation.
Personal characteristics	Refers to groups that a person identifies with, for example, age, disability, gender, ethnicity/race, nationality, religion, sexual orientation, living with HIV.
Violence and harassment	Refers to a range of unacceptable behaviours and practices, or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment.
Well-being	Well-being in the workplace refers to all aspects of working life, from the quality and safety of the physical environment, to how workers feel about their work, their working environment, the climate at work and work organization. Well-being is a key factor determining an organization's long-term effectiveness, with numerous studies showing a direct link between productivity levels and the general health and well-being of the workforce.

Relevant ILO resources, research and knowledge products on diversity and inclusion are listed below.

- ILO Global Business and Disability Network: http://www.businessanddisability.org
- Women in Business and Management: The business case for change (2019)
- Gender diversity journey: Company good practices (2017)
- Promoting women in business and management: A handbook for national employers' organizations (2017)
- Promoting diversity and inclusion through workplace adjustments: A practical guide (2016)
- Promoting Equity – Ethnic Diversity in the Workplace: A Step-By-Step Guide (2014)
- Business as unusual: Making workplaces inclusive of people with disabilities (2014)
- LGBTQI+ Inclusion and the World of Work (forthcoming, 2022).

International Labour Office
4 route des Morillons
CH-1211 Geneva 22- Switzerland

Bureau for Employers' Activities (ACT/EMP)
ilo.org/actemp
Gender, equality, diversity and inclusion branch (GEDI)
ilo.org/gender