

Organization Practice

Understanding organizational barriers to a more inclusive workplace

Survey results show that many employees do not feel fully included at work and want their organizations to do more to advance inclusion and diversity. To do so, companies can address four factors.



McKinsey's research has shown that diversity can help organizations increase innovation, reconsider entrenched ways of thinking, and improve financial performance.¹ Organizations can take full advantage of the perspectives of a diverse workforce only if leaders and employees enjoy a sense of inclusion,² which we define as the degree to which an individual feels that their authentic selves are welcomed at work, enabling them to contribute in a meaningful and deliberate manner. We also know from our work that individuals' sense of inclusion is influenced by their experiences with the organization as a whole, the organization's leaders, and peers or team members.³ For our recent McKinsey Global Survey on the topic,⁴ we approximated inclusion by combining survey respondents' reported feelings of authenticity, belonging, and comfort participating in the workplace.⁵ Our survey research finds that respondents of all backgrounds encounter barriers to feeling included—and that women, respondents

who are ethnic and racial minorities, and those who identify as LGBTQ+ encounter additional challenges.⁶

Analysis of the survey results, which were collected before the COVID-19 pandemic and before events in the United States spurred conversations around the world about racial justice and equity, shows that respondents who feel very included in their organizations are nearly three times more likely than their peers to feel excited by and committed to their organizations. What's more, respondents from all demographics say they have taken organizations' inclusiveness into account when making career decisions and would like their organizations to do more to foster inclusion and diversity. While leaders may have shifted their focus to urgent strategic needs amid the pandemic, organizations can consider using this time of historic disruption and heightened discourse about injustice to advance inclusion and diversity rather

Thirty-nine percent of respondents say they have taken organizations' inclusiveness into account when making career decisions.

¹ Vivian Hunt, Dennis Layton, and Sara Prince, "Why diversity matters," January 2015, McKinsey.com; Vivian Hunt, Lareina Yee, Sara Prince, and Sundiatu Dixon-Fyle, "Delivering through diversity," January 2018, McKinsey.com.

² Sandra Sancier-Sultan and Julia Sperling-Magro, "Taking the lead for inclusion," November 2019, McKinsey.com.

³ We will explore these three levels that affect inclusion in a forthcoming publication.

⁴ The online survey was in the field from September 10 to September 20, 2019, and garnered responses from 1,920 participants representing the full range of regions, industries, company sizes, functional specialties, and tenures. The survey was also sent to McKinsey's networks of LGBTQ+ senior leaders and garnered an additional 110 responses among those groups. To adjust for differences in response rates, the data are weighted by the contribution of each respondent's nation to global GDP.

⁵ We define respondents as feeling "very included" based on responses to four statements tested in the survey: "My organization is an inclusive place to work," "I belong at my organization," "I feel comfortable raising my opinions or ideas," and "I am able to be myself at my organization." Respondents answered these questions on a five-point scale, and we scored "strongly disagree" or "not at all" responses as a 1 and "strongly agree" or "entirely" as a 5 before averaging individuals' responses to these statements. An average score higher than 4 is considered "very included."

⁶ LGBTQ+ refers to lesbian, gay, bisexual, transgender, and queer individuals, and those of other sexual orientations and/or gender identities.

than allowing these priorities to recede.⁷ For those seeking to create a more inclusive workplace, the survey results point to specific factors that organizations can address.

Many do not feel a strong sense of inclusion and report barriers to achieving it

According to our latest findings, many employees have considered organizations' inclusiveness while making career decisions, yet almost half of all respondents do not feel very included at their organizations. Most respondents, regardless of their gender, race, ethnicity, gender identity, or sexual

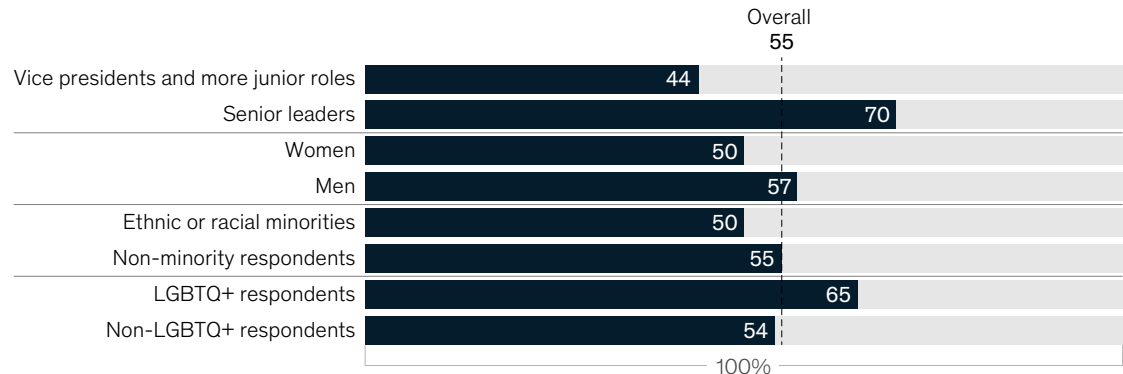
orientation, say they encounter barriers to a sense of inclusion.⁸

A look at demographic segments of the workforce suggests that certain employees are especially prone to feeling less included (Exhibit 1). Entry-level employees through senior managers make up one such group; they are much less likely than senior leaders to report a strong sense of inclusion. Also, the women who responded to our survey are less likely than the men to indicate that they feel a strong sense of inclusion. While LGBTQ+ respondents' degree of inclusion appears to be a bright spot, this finding is likely influenced by that sample skewing toward more senior employees.⁹

Exhibit 1

A look at respondents by demographic suggests that certain employees are prone to feeling less included.

% of respondents who feel very included¹



¹ Respondents who more than somewhat agreed that (a) their organizations are an inclusive place to work, (b) they belong at their organizations, (c) they feel comfortable raising their opinions or ideas, and (d) they are able to be themselves at their organizations. For all respondents, n = 2,030. For entry level through vice president, n = 1,181; for senior leaders (ie, senior vice presidents, presidents, and C-suite), n = 849; for women, n = 524; for men, n = 1,480; for ethnic or racial minorities, n = 255; for those who are not ethnic or racial minorities, n = 1,775; for LGBTQ+ respondents, n = 159; and for those who do not identify as LGBTQ+, n = 1,871.

⁷ Kevin Dolan, Vivian Hunt, Sara Prince, and Sandra Sancier-Sultan, "Diversity still matters," May 2020, McKinsey.com.

⁸ We also analyzed the results of respondents who were male, non-LGBTQ+, and not ethnic or racial minorities, and their inclusion-rate findings were consistent with the overall sample's.

⁹ We sought to bring additional LGBTQ+ leaders into the sample. As a result, the sample of LGBTQ+ respondents has more senior leaders than other groups. Fifty-five percent of the LGBTQ+ respondents are senior leaders, whereas 41 percent of all other respondents are.

A sense of inclusion is strongly linked with employee engagement. Respondents who feel very included are much more likely than others to say they feel fully engaged—that is, excited by and committed to their organizations. Among respondents who feel very included, nearly three-quarters say they are entirely engaged. By comparison, just one-quarter of respondents who do not feel very included say they are completely engaged with their organizations. Furthermore, respondents who feel very included are 1.5 times more likely than others to believe their career advancement is outpacing their peers’.

Responses suggest that an inclusive environment, in which employees feel strong positive bonds that enable better performance, is an important consideration for employees as they plan their careers. Thirty-nine percent of all respondents say they have turned down or decided not to pursue a job because of a perceived lack of inclusion at an organization

(Exhibit 2). LGBTQ+ and racial- or ethnic-minority respondents are more likely than others to report choosing not to pursue a job for this reason. Even still, among respondents who do not identify as LGBTQ+ or as ethnic or racial minorities, 38 percent say they have made such a decision.

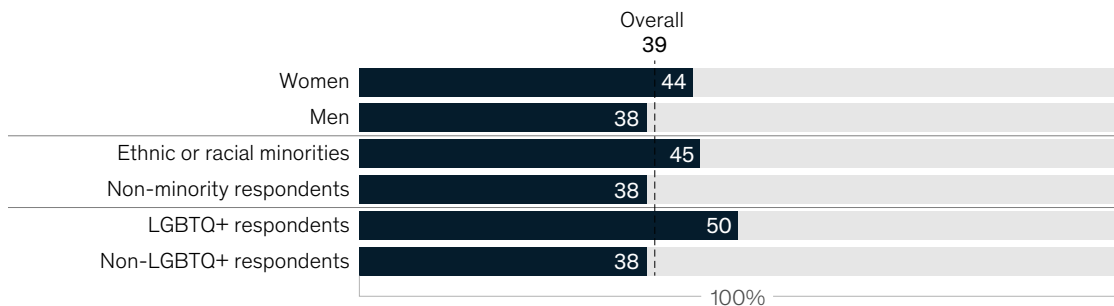
Overall, respondents often indicate that their organizations should do more to build inclusion in the workforce. Thirty-five percent of respondents say their organizations put too little effort into creating a diverse, inclusive environment. By comparison, just 6 percent say too much is being done.

The results also point to several issues that might hinder respondents’ sense of inclusion. One is a disconnect between the individual capabilities that employees value most and their perception of which capabilities matter most to their organizations.

Exhibit 2

Respondents of all demographics say they have chosen not to pursue a job because of a perceived lack of inclusion.

% of respondents who say they have decided against pursuing or accepting a position because they believed the organization would not be an inclusive place to work¹



¹For all respondents, n = 2,030. For women, n = 524; for men, n = 1,480; for ethnic or racial minorities, n = 255; for those who are not ethnic or racial minorities, n = 1,775; for LGBTQ+ respondents, n = 159; and for those who do not identify as LGBTQ+, n = 1,871.

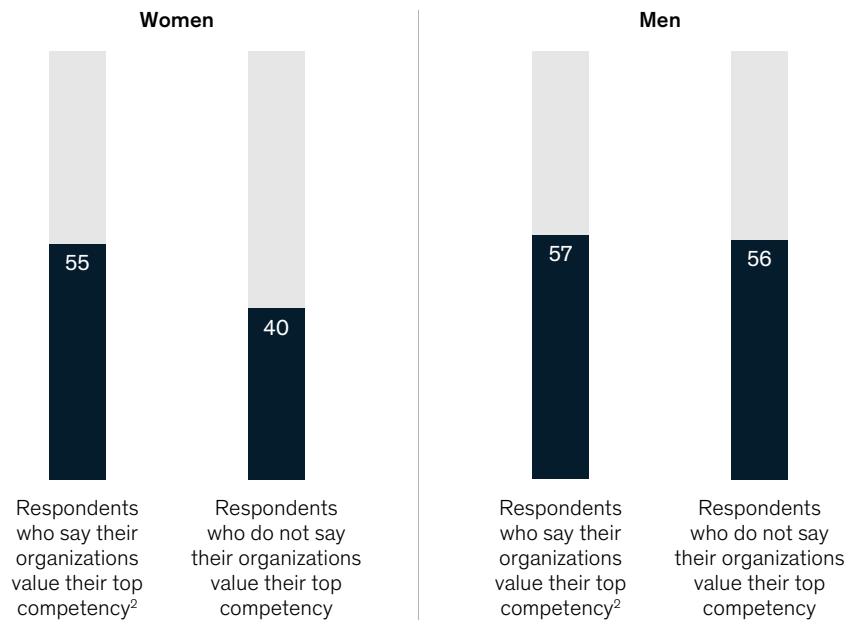
When asked to identify the leadership competencies they and their organizations value most, 37 percent of respondents say the one that is most important to them is not among the three most valued by their organizations. This mismatch is associated with feeling less included, but primarily among women. Women respondents are much less likely than men—and also less likely than respondents in the other demographic categories—to feel very included if they view their top competency as not being among those their organizations value most (Exhibit 3).

Additionally, the survey found that 84 percent of all respondents have experienced workplace microaggressions, which are everyday slights rooted in bias. In every subgroup—by gender, gender identity, minority status, or sexual orientation—more than eight in ten respondents report these indignities. For example, more than a quarter say they have needed to correct others' assumptions about their personal lives. Those who say they aren't sure whether they have experienced any of the microaggressions we asked about are significantly more likely to feel very included than

Exhibit 3

Unlike male respondents, women are less likely to feel included if they see a disconnect between their capabilities and the ones their organizations value.

% of respondents who feel very included¹



¹ Respondents who more than somewhat agreed that (a) their organizations are an inclusive place to work, (b) they belong at their organizations, (c) they feel comfortable raising their opinions or ideas, and (d) they are able to be themselves at their organizations.

² That is, the leadership competency respondents identified as most important in their work is one of the top-three competencies they said their employer values the most.

respondents who report experiencing one or more. Respondents who have experienced more than one of these microaggressions are even less likely to feel included than those who report just one.

Women, minority, and LGBTQ+ respondents face additional challenges

Women and ethnic- or racial-minority respondents are likelier than others to say their careers have advanced more slowly than their peers'. These respondents, as well as LGBTQ+ respondents, also

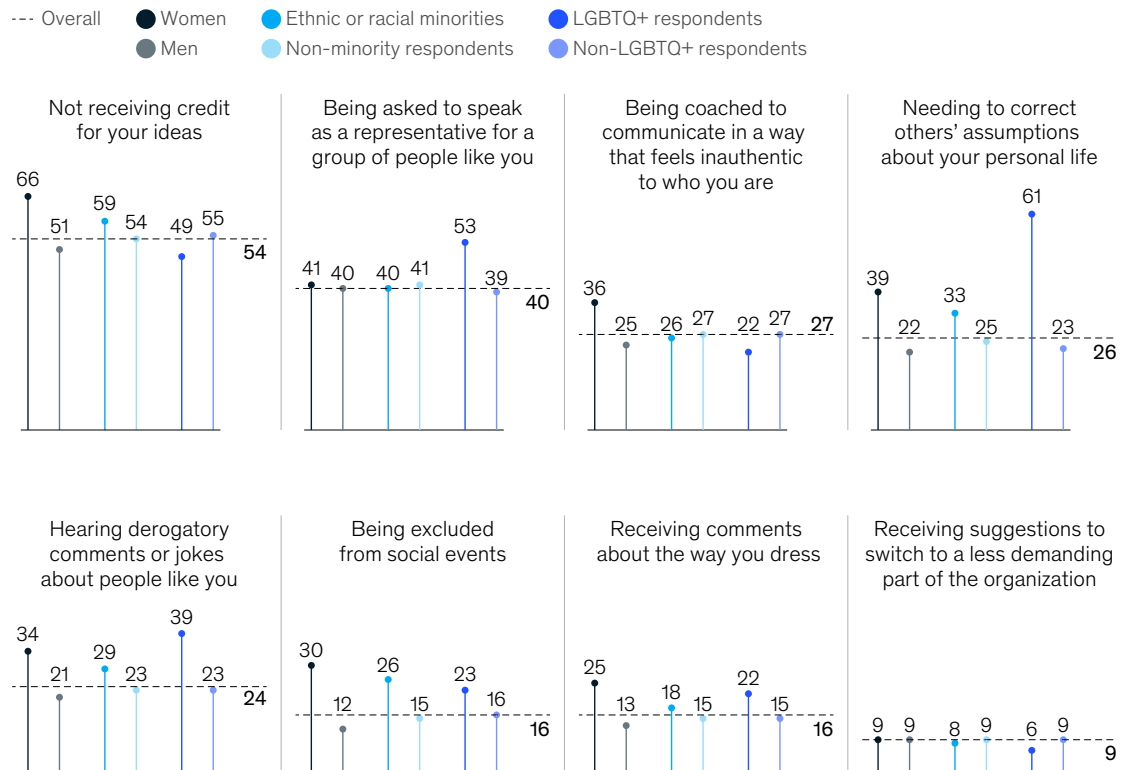
report experiencing more microaggressions at work than other respondents (Exhibit 4). For example, respondents in each of these demographic categories are much more likely than others to say they have been excluded from social events and have heard derogatory comments or jokes about people like them.

It's also common for these individuals to say they have felt uncomfortable discussing identity-related topics in the workplace—and research demonstrates that feeling unable to speak openly or share

Exhibit 4

Women, racial and ethnic minorities, and LGBTQ+ respondents report experiencing more microaggressions than others.

% of respondents who say they have experienced a given microaggression in the workplace¹



¹ Respondents who said "don't know" or "prefer not to say" are not shown. For all respondents, n = 2,030. For women, n = 524; for men, n = 1,480; for ethnic or racial minorities, n = 255; for those who are not ethnic or racial minorities, n = 1,775; for LGBTQ+ respondents, n = 159; and for those who do not identify as LGBTQ+, n = 1,871.

ideas with team members and peers without a risk of judgment or ridicule can hinder an individual's experience of inclusion and their performance.¹⁰ Thirty-seven percent of LGBTQ+ respondents say they have had an uncomfortable experience coming out—that is, sharing their LGBTQ+ identity—to colleagues in the past month (Exhibit 5).

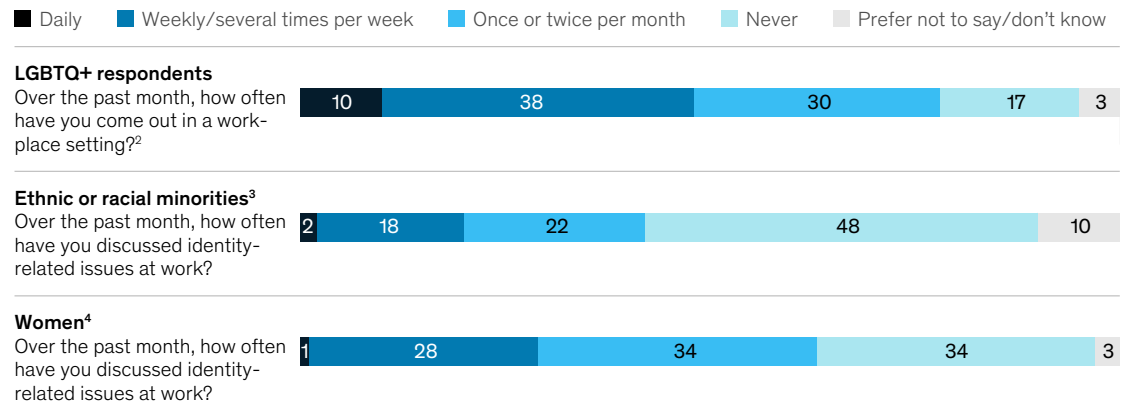
Among racial- or ethnic-minority respondents who indicate they discussed identity-related issues at

work in the past month, four in ten say they have felt at least slightly uncomfortable in such a situation.¹¹ A similar share of nonminority, non-LGBTQ+ women say the same about discussing gender. More than one-quarter of racial- or ethnic-minority respondents and a similar share of women respondents say they have avoided talking about these topics when they would have liked to discuss them, largely because they were unsure how colleagues would respond or they didn't want to be seen as different.

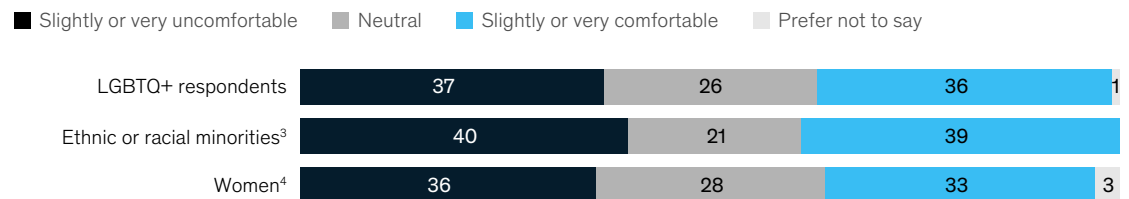
Exhibit 5

LGBTQ+, minority, and women respondents commonly report feeling uncomfortable coming out or discussing other identity-related topics at work.

Frequency of identity-related discussions at work, % of respondents¹



Least comfortable experience during identity-related discussions at work, past month,⁵
% of respondents



¹For LGBTQ+ respondents, n = 159; for ethnic or racial minorities, n = 221; and for women, n = 414.

²That is, directly or indirectly disclosed your sexual orientation and/or gender identity to a colleague, client, or someone else.

³This finding does not take into account responses from the 12 percent of ethnic- or racial-minority respondents who identify as LGBTQ+, who were not asked these questions.

⁴Women who identify as LGBTQ+ or ethnic or racial minorities were not asked these questions.

⁵Respondents who reported coming out or discussing identity-related issues at work were asked, "What was the least comfortable you felt during one of these times?"

¹⁰Joy Burnford, "Building authentic courage: The essential foundation for successful diversity and inclusion," *Forbes*, February 1, 2020, forbes.com; forthcoming McKinsey research.

¹¹This finding does not take into account responses from the 12 percent of ethnic- or racial-minority respondents who identify as LGBTQ+ and who were not asked this question.

Four tested factors most associated with employees' inclusion

Compared with respondents who say too little is being done to increase organizational inclusion and diversity, those who say their organizations devote the right amount of effort are 1.9 times more likely to feel very included. Responses also suggest which factors matter most for creating inclusive environments. The survey tested 26 organizational practices and employee experiences to see which factors are strongly linked with an individual's

sense of inclusion. The factors that stand out primarily involve the identity and actions of organizations' leaders (Exhibit 6).¹²

1. Diverse, inclusive leadership

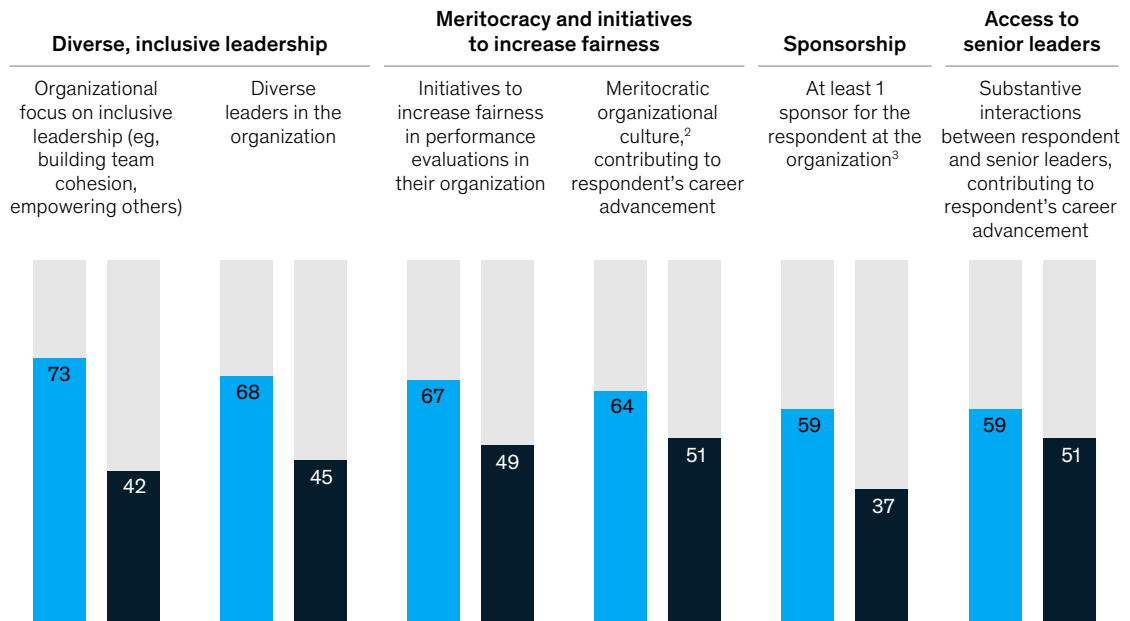
Responses suggest that both the presence of diverse leaders at an organization and an organization's focus on inclusive leadership (for example, leaders empowering others) are correlated with individuals feeling included. When respondents say leaders at their organizations are diverse, they are

Exhibit 6

Four factors are linked with employees' strong sense of inclusion.

Reported strong sense of inclusion, by factor, % of respondents¹

■ Respondents reporting factor in place at their organization ■ Respondents reporting factor not in place at their organization



¹ Respondents who more than somewhat agreed (a) that their organizations are an inclusive place to work, (b) that they belong at their organizations, (c) that they feel comfortable raising their opinions or ideas, and (d) that they are able to be themselves at their organizations.

² That is, the best opportunities go to the most deserving employees.

³ That is, one or more colleagues at the organization have gone out of their way to create opportunities for professional advancement.

¹² The survey analyses tested these analyses using multivariate weighted linear regressions.

1.5 times more likely than peers from organizations without diverse leaders to feel very included. Furthermore, regardless of whether an organization has achieved diverse leadership, its leaders' actions can nurture inclusion. At organizations where leaders focus on inclusivity through acts such as building team cohesion, respondents are 1.7 times more likely than those at other organizations to feel very included.

2. Meritocracy and initiatives to increase fairness in performance evaluations

A meritocratic company culture is strongly associated with a sense of inclusion. When respondents say that a culture based on merit has been a top-three factor in their career advancement, they are 1.3 times more likely than others to feel very included. Initiatives to increase fairness in performance evaluations have a similar link to inclusion: people who report these initiatives are 1.4 times more likely than others to feel very included.

However, the data show gender-related differences in the impact of a meritocratic culture. Women senior leaders are less likely than their male counterparts to say they are helped by meritocracy at work. They are also more likely to attribute their success to other factors, such as respect for their educational background or prior work experience. While 40 percent of men say meritocracy has boosted their careers, less than one-third of women say the same.¹³

3. Sponsorship

Respondents who say colleagues at their organizations have gone out of their way to create professional-advancement opportunities for them also are more likely than others to feel a strong sense of inclusion. Respondents with at least one such sponsor are 1.6 times more likely than others to feel very included. The findings also suggest that individuals benefit from having more than two

sponsors. While half of respondents with one or two sponsors feel very included, 72 percent of those with three to five sponsors feel very included.

Other findings indicate that sponsorship aids the career advancement of underrepresented employees. Senior leaders who are LGBTQ+ or ethnic or racial minorities are more likely than other leaders to say that sponsorship relationships have positively influenced their careers.

4. Substantive access to senior leaders

More than half of all respondents say that meaningful interactions with senior leaders have aided their career advancement. This exposure to leaders is linked with a sense of inclusion: respondents who say interactions with leaders aided their advancement are 1.2 times more likely than others to feel very included.

Not all employees are equally likely to report benefiting from access to leaders. Prior research has shown that women are less likely than men to have substantive interactions with senior leaders.¹⁴ When looking at what senior leaders who completed this year's survey say most helped their careers advance, women's responses differ from men's. While 57 percent of senior leaders who are men indicate that interacting with leaders helped them progress, just 45 percent of women leaders report the same.

Looking ahead

Employees' sense of inclusion can contribute to an organization's performance and talent retention.¹⁵ Individuals who say their employers invest the right amount of effort into improving organizational inclusion and diversity are more likely than others to feel very included within their organization. Many respondents want their organizations to do more to create a diverse, inclusive work environment. As

¹³ Whether women miss out on the rewards of meritocracy or are just more cognizant of others' support was not investigated.

¹⁴ *Women in the Workplace 2018*, womenintheworkplace.com.

¹⁵ Sandra Sancier-Sultan and Julia Sperling-Magro, "Taking the lead for inclusion," November 2019, McKinsey.com.

Organizations can launch “allies” programs to encourage all employees to help combat microaggressions, which 84 percent of respondents say they have experienced at work.

workforces acclimate to the next normal following the pandemic, organizations can use this time as an opportunity to make changes that build a highly inclusive culture—rather than allowing inclusion and diversity to take a back seat.¹⁶ Based on our survey findings, organizations and leaders can take the following actions to help employees feel a stronger sense of inclusion.

- *Include all employees in conversations about inclusion.* Removing barriers to inclusion requires that actions support all employees, regardless of their gender, gender identity, race, ethnicity, or sexual orientation. While many inclusion discussions effectively focus on underrepresented populations, our data suggest an opportunity to expand these conversations to recognize that inclusion applies to and can benefit all colleagues.

Several approaches can help. Organizations can launch “allies” programs to encourage all employees to help combat microaggressions. They also can use tactical inclusion reminders, known as “nudges,” to influence employee behavior. These might include calendar notifications to include quieter team members in group discussions or to acknowledge team members for their contributions. To assess their progress in creating a more inclusive workplace,

organizations can run detailed employee-experience surveys at least annually, maintaining common questions to track improvements on inclusion and engagement over time.

- *Build more representative teams.* Increasing the share of diverse leaders starts with increasing and retaining the numbers of employees from underrepresented groups throughout the organization. Beginning with recruitment, organizations can set incremental goals for underrepresented groups by geography and population and can closely track progress toward those goals as they do for any other business objective. Tracking must also occur in the promotion process. Business units should put forward multiple candidates from underrepresented groups for each leadership opening and then report on advancement of employees in these segments. Formalized succession planning and sponsorship programs, too, can help increase the presence of underrepresented leaders.

Reducing bias in the hiring and promotion processes can lift the numbers of employees from underrepresented groups. One action that can help counter bias is appointing “bias watchers,” respected leaders who are trained to call out unconscious bias in talent-

¹⁶ Sundiatu Dixon-Fyle, Kevin Dolan, Vivian Hunt, and Sara Prince, “Diversity wins: How inclusion matters,” May 2020, McKinsey.com.

related discussions. Because effective leadership takes many forms, it can also help to formalize clear criteria for leadership positions, including leadership competencies that are less traditionally recognized, such as relationship building, along with criteria such as entrepreneurship. These criteria can be used in feedback conversations and performance reviews to ensure organizations value a wide range of competencies.

- *Adopt inclusive behaviors.* Given our survey data suggesting that feelings of inclusion often stem from inclusive leadership, it is important that individual leaders demonstrate inclusive behaviors. These can include participating in “allies” programs that support underrepresented groups, hosting open and honest conversations

about people’s unique identities, calling out microaggressions when they see them,¹⁷ and posting signs of visible support for those groups in leaders’ offices. Regardless of whether a formal sponsorship program exists, leaders can serve as sponsors, recognizing rising talent from underrepresented groups and ensuring awareness of and access to professional-advancement opportunities for these individuals. Leaders can also help underrepresented colleagues develop meaningful support systems by creating opportunities for connectivity, which can improve retention. Finally, it is important that leaders commit to educating themselves on diversity, inclusion, and bias by attending trainings and reading the latest research, just as they would approach any other core responsibility at work.

The contributors to the development and analysis of this survey include **Peter Bailinson**, a consultant in McKinsey’s Washington, DC, office; **William Dechard**, a partner in the Dallas office; and **Diana Ellsworth** and **Maital Guttman**, a partner and a senior regional manager of diversity and inclusion, respectively, in the Atlanta office.

They wish to thank Aaron De Smet, Sundiatu Dixon-Fyle, Kevin Dolan, Ruth Imose, Tanya Lee, and David Mendelsohn for their contributions to this work.

This article was edited by Heather Hanselman, an associate editor in the Atlanta office.

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¹⁷ Our research suggests that leaders can create positive, inclusive experiences by calling out such microaggressions when they occur.