Inclusiveness Index for  $Q^{12^{\$}}$ 



To learn more about Gallup's Accountability Index, please contact Sarah Van Allen at 1.202.715.3152 or sarah\_van\_allen@gallup.com.

#### **Engagement Drives Inclusiveness**

Diversity is a key competitive differentiator in today's global environment. Organizations espouse the importance of diversity, but few are very effective at creating a culture that truly promotes, embraces, and actively seeks out each employee's unique contributions. According to the latest Gallup research, the most engaged employees are those working in an open, fair, and diverse environment.

#### **Measuring Inclusiveness**

Gallup's employee engagement program is a highly effective solution for organizations seeking to improve important performance outcomes. Gallup conducts ongoing research, analysis, and validation of the science behind its proprietary Q<sup>12</sup> employee engagement measurement. This ensures that Q<sup>12</sup> continues to be the most predictive measure of employee engagement and performance outcomes.

Leading organizations understand that diversity is critical to compete in the new economy. Gallup asked U.S. workers a series of questions addressing how fair and open their organization is to diverse ideas and points of view and then conducted extensive analysis of reliability, validity, and item redundancy to determine the inclusiveness items most useful for measuring this construct.

From the initial items, Gallup selected the four items that explain most of the variance in the other items tested. These items comprise the empirically based Inclusiveness Index to Gallup's employee engagement program.

Gallup's research indicates that adding the Inclusiveness Index to an effective engagement program can help to further explain variance in how fair and open an organization is to diversity.

## **Inclusiveness Index Items**

I always trust my organization to be fair to all employees.

My organization treasures diverse opinions and ideas.

If I raised a concern about discrimination, I am confident my employer would do what is right.

My supervisor creates an environment that is trusting and open.

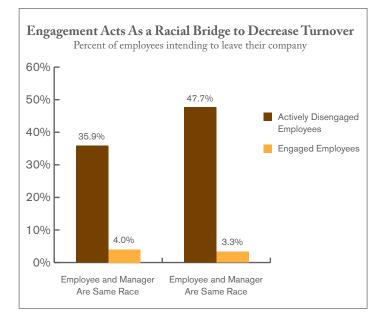
### **Inclusiveness's Effect**

Gallup's Inclusiveness Index research had impressive findings. Engaged and inclusive employees are:

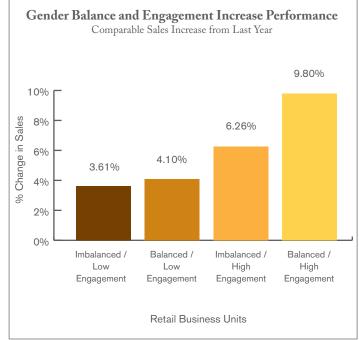
- more likely to recommend their organization as a place to work
- less likely to leave their organization
- more likely to perform better

Engagement and inclusiveness have a direct effect on an employee's likelihood to recommend his or her organization as a place to work. Ninety-six percent of those employees who were engaged and in the top quartile on the Inclusiveness Index were likely to recommend their organization as a great place to work — 2.2 times more likely than the average worker in the United States. This shows that inclusiveness helps to explain more variance in organizational advocacy than engagement does on its own.

Engaged + Inclusive = 2.2 Times More Likely to Recommend Organization as a Place to Work Organizations that have examined the effect of diversity and engagement on performance outcomes have seen outstanding results. With respect to race in particular, engaged employees are much less likely to leave their organization regardless of race. When asked about intent to stay with their organization, engaged employees expressed a similarly low intent to leave, regardless of whether their manager's race was the same as theirs (4% with managers of the same race and 3% with managers of a different race). Actively disengaged employees were much more likely overall to express intent to leave, but there were differences based on race. Thirty-six percent of actively disengaged employees with a manager of the same race intended to leave their organization, while 48% of the actively disengaged employees with a manager of a different race intended to leave their organization.



With respect to gender, Gallup's research demonstrates that gender-balanced workgroups have higher performance results than imbalanced workgroups. The effect is amplified drastically when workgroups are highly engaged. In one leading retailer, gender-balanced units with high engagement produced an increase of nearly three times the year-over-year sales of imbalanced units with low engagement.



Diversity is only an organizational advantage when the culture is inclusive. These findings strongly suggest that when organizations emphasize employee engagement, the chances are greater that an inclusive culture will exist.

# **Key Inclusiveness Drivers**

Only a small proportion, 6%, of the U.S. working population strongly agrees with all four items most predictive of an inclusive culture, creating cause for concern among organizations striving for a diverse culture that attracts top talent. Furthermore, engagement is directly linked to inclusiveness. Fifty-three percent of employees in the bottom quartile on the Inclusiveness Index are actively disengaged, and an additional 44% of the bottom quartile is made up of employees who are not engaged.

For engagement to flourish, organizations must focus on treating their employees fairly. Fifty-nine percent of engaged employees versus only 2% of actively disengaged employees say they always trust their organization to be fair to all employees. New ideas occur most often when employees work with others who value their diverse opinions. Engaged employees are more likely to say their organization treasures diverse ideas. Sixty-five percent of engaged employees, compared with a mere 4% of actively disengaged employees, rate their organization a "5" on this item.

Engagement is also highly linked to employees' perceptions of how their organization responds to discrimination concerns. Half of all engaged respondents were confident that their employer would do what is right if they raised a concern about discrimination. In contrast, only 3% of actively disengaged respondents agreed.

Employees whose supervisor creates an open and trusting environment are more engaged. In fact, 57% of engaged employees versus just 2% of actively disengaged employees have such a supervisor.

# **The Bottom Line**

Employees in an inclusive environment are more engaged, demonstrate higher advocacy for their organizations, and have a greater intent to stay. In order for organizations to create a culture that celebrates different backgrounds and opinions, they must foster an environment of openness and trust that promotes diversity.

Organizations must measure their current state of inclusiveness to understand engagement's role in creating a more inclusive environment. Gallup's Inclusiveness Index enables organizations to more effectively identify and manage variation in diversity levels throughout workgroups. Although designed for internal measurement, the Inclusiveness Index does have external comparable data through Gallup's global client database or within the U.S. working population for organizations that want to benchmark their progress. Beyond asking the right questions, leaders must have focused discussions in which data-driven decisions can occur. In-depth strategy sessions for leaders and managers are available for the Inclusiveness Index to help optimize organizational performance on inclusiveness.

Gallup clients can elect to address specific issues relevant to their organizational culture using one or more of Gallup's 13 validated Indexes: Accountability, Change Management, Collaboration, Communication, Customer Orientation, Ethics, Hope, Inclusiveness, Innovation, Leadership, Strengths Orientation, Supervisor Effectiveness, and Values. However, in addition to these indexes, Gallup has researched more than 70 topic areas that address the wide range of issues organizations confront.

Gallup has studied human nature and behavior for more than 70 years and has leveraged this deep understanding of people to create research-based measurement tools, development programs, and strategic advisory services with a single focus: to help organizations and individuals maximize their performance.

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#### World Headquarters

The Gallup Building 901 F Street, NW Washington, D.C. 20004

**t** +1.877.242.5587 **f** +1.202.715.3045

www.gallup.com