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GETTING TO
EQUAL 2020

THE HIDDEN VALUE OF CULTURE MAKERS

Where Culture Makers lead, organizations grow twice as fast

Think your workplace culture is inclusive? Your employees might think differently. Closing this perception gap will yield substantial benefits for companies and their employees.

We are at an inflection point. When it comes to workplace culture, there is a large gap between what leaders think is going on and what employees say is happening on the ground. Two thirds of leaders (68 percent) feel they create empowering environments—in which employees can be themselves, raise concerns and innovate without fear of failure—but just one third (36 percent) of employees agree.

In addition, employees care increasingly about workplace culture and believe it's important to help them thrive in the workplace (reported by 77 percent of women and 67 percent of men). Their voices are rising, loud and clear, while a growing number of companies recognize the importance of equality.

Yet despite growing awareness, progress just isn't fast enough.

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Why aren't companies more diverse and inclusive, when the business case in favor of a culture of equality strengthens each year? And why is the share of women in leadership positions still so low?

Our global survey of senior company leaders and employees dives deeply into the workplace culture perception gap.

Closing that gap will help companies thrive in a hyper-competitive economic environment and benefit all employees. Findings and recommendations from this research can empower leaders to take action, no matter where they are on their journey to a culture of equality.

VIEW FULL REPORT

Turning caring into doing

Today, women are still incredibly scarce at the top, comprising only 2.8 percent of FORTUNE Global 500 CEOs [1]. Just one in five startups has a woman founder. [2]

On one level, the message is getting through: Our analysis of public company statements over the past decade shows a 30-fold increase in the volume of references to culture. But even still, just one in ten companies mentioned culture publicly in 2019 [see methodology section for more details].

In fact, we see no change in leaders' efforts to create a culture of equality.

For the past three years, we have asked employees to share their perceptions of leaders' actions around building more inclusive cultures. (For example, "Does your organization clearly state its gender pay gap goals and ambitions?" and "Is your organization fully committed to hiring, progressing and retaining women?") We have grouped the answers of nine such questions together to create an overall scorecard. And over three years, the scores are essentially the same:

Index showing employee perception of leaders' efforts to build more inclusive cultures

Score out of 100, where 100 is complete commitment

55
2018

58
2019

55
2020
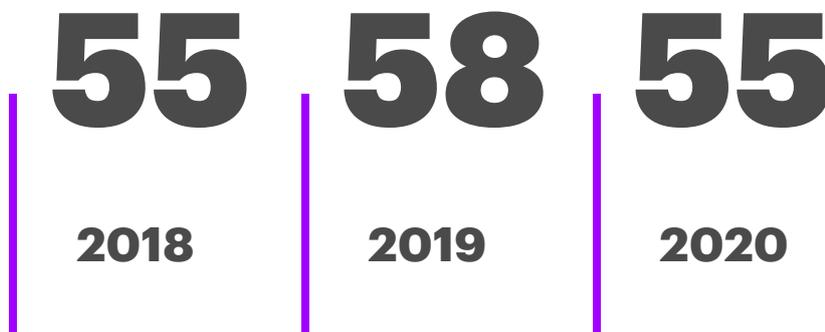
More on this topic

Getting to Equal 2020:
Visible Growth; Invisible Fears

Getting to Equal 2019: Creating a culture that drives innovation

Getting to Equal 2018: Creating a culture where everyone thrives

Culture is a notoriously amorphous concept. But in our 2018 Getting to Equal research, we identified 40 workplace factors that are proven to positively influence advancement [see full list here] The more of these factors there are in an organization, the stronger its culture of equality, and the more likely it is that all employees will advance and thrive.

Two cultures, one company?

This year, we found that leaders say a culture of equality is important, and they think their organizations are inclusive.

But employees feel very differently.

Since we have proven that a culture of equality allows everyone to advance and thrive, the perception gap is noteworthy:

68%

Two thirds of leaders (68 percent) feel they create empowering environments in which, for example, employees can be themselves, raise concerns and innovate without fear of failure. **Just one third (36 percent) of employees agree.**

76%

More than three-quarters of leaders (76 percent) say employees have good control over when, where and how they work. **Just 29 percent of employees agree.**

88%

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of leaders say their organization offers training/upskilling opportunities, **but only 73 percent of employees say the same.**

20%

The proportion of employees who do not feel included in their organizations (20 percent), i.e. who do not feel they are welcome at work and can contribute fully and thrive, is **10x higher than leaders believe (2 percent).**

Approximately 2/3

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of employees feel comfortable reporting a range of sensitive issues, such as a concern about their mental health or the behavior of a senior colleague. **But that's ~15 percentage points below the level leaders believe.**

Make the win with culture

If the leader/employee perception gap were narrowed, employees—and the organizations they work for—could benefit significantly.
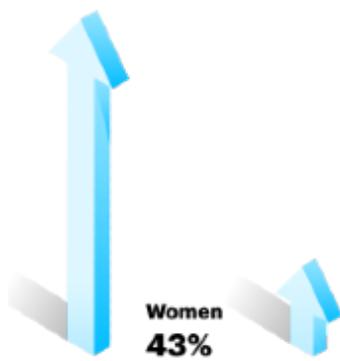
That's because equality = growth.

If the employee perception gap were narrowed by 50 percent...

We estimate that global profits would be higher by 33 percent, equivalent to $3.7tn in 2019. $1.05tn of the uplift would come from the US.

Canada **$120B**

US **$1.05T**

Europe **$850B**

Africa/Middle East **$170B**

Asia/Pacific **$1.35T**

Latin America and Caribbean **$200B**

[In USD]

Employees would benefit, too:

The proportion of women who feel like a key member of their team with real influence over decisions would rise by 43 percent, from 1-in-4 to over 1-in-3,

The proportion of women who have a strong ambition to reach a leadership position in their organization would climb by 21 percent, from 24 percent to 29 percent,

The proportion of women planning to stay with their current employer over the next 12 months would rise by 5 percent, from 85 percent to 89 percent.

Women
43%

while the proportion of men who also feel that way would rise by 5 percent.

29%

24%

women

Men
5%

men
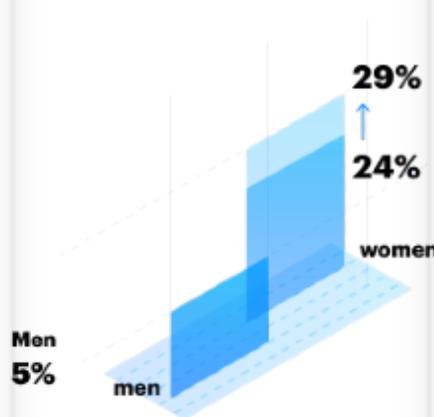
while men's leadership aspirations would remain the same.

5%

women

1%

men
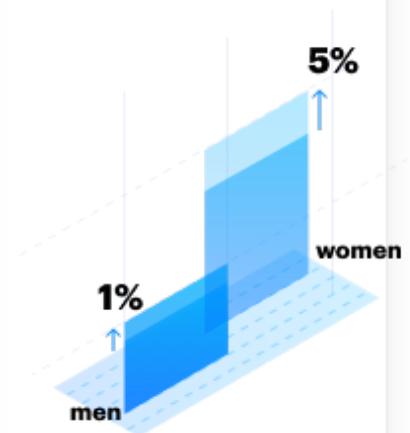
The retention rate for men would rise by 1 percent.

These factors matter:
Studies have shown that feeling more included, for instance, boosts productivity, while having an ambition to reach leadership is important to advancing in an organization.

In the past, our Getting to Equal research has looked at the impact of career strategy on women's chances of advancing in the workplace. We found that aspiring to leadership had a positive effect on the likelihood of women advancing to manager or higher: 93 percent of women on the "fast-track" aspire to leadership vs. 79 percent on average.

Given that lower attrition rates also help offset the high cost of recruitment, we estimated how much organizations would save if the expected retention rate of women climbed by 5 percent, i.e., if for every 100 women employed, 89 were retained (instead of 85). Studies suggest the average cost per recruit is equal to 20 percent of their salary. That means that increasing the retention rate of women by 5 percent would save a company employing 50,000 employees, of whom half are women, $8m per year.

Meet the Culture Makers

A small group of leaders—we call them Culture Makers— are ahead of the curve.

We looked at leaders along the "say-do-drive" spectrum of commitment to building more equal cultures.

Culture Makers

These Culture Makers...

SAY:

make the difference

Simply put, Culture Makers get it: They are more in tune with the workforce, and they recognize the importance of cultural factors like pay transparency, the availability of family leave and the freedom to be creative in helping employees thrive.

Interestingly, they skew female and younger. They are a more gender-balanced group, since 45 percent of them are women, whereas women comprise just 32 percent of all the leaders we surveyed. A full 68 percent of them are Millennials, compared to 59 percent of all leaders.

Building a more inclusive culture is an organizational priority.

DO:

Recognize the importance of culture and identify change as a personal goal.

DRIVE:

Reward their people for building a more inclusive culture.

Culture Makers are advocates: They are much more likely to have spoken out on a range of issues, including gender equality (52 percent vs. 35 percent of all leaders) and sexual harassment/discrimination (51 percent vs. 30 percent). They hold themselves accountable, leading organizations that are 1.8x more likely to have publicly announced a target to get more women into the workforce.

And they model being the same person both inside and outside of work. 85 percent of them believe that senior leaders who talk openly about personal hardships and challenges are stronger leaders.

Notably, they lead organizations that are growing more than twice as fast as those of their peers. In fact, they report their sales are 2.2x higher and their profits are 3.2x higher.

Unfortunately, Culture Makers are still few and far between. Only 6 percent of leaders in our survey (rising to 9 percent of women leaders) reach the standard.

Prioritize culture, get ahead of the curve

While leaders think culture is important, most of them are not prioritizing it. Just 21 percent identify culture as a top priority, and only 23 percent have set a related target or goal.

Leader Priorities:

76%

72%

57%

54%

54%

3

Financial Performance (Growing profits, maximizing shareholder/owner returns, reducing costs)

Brand/Quality (Building the reputation of your organization, increasing responsiveness to customer/citizen needs, improving quality)

Innovation (Driving innovation, developing new products/servi ces/content)

Talent (Retaining your best people/talent, improving employee productivity)

Expansion (Growing market share, expanding into new geographic markets)

← Scroll left/right →

Our research examines the root causes of why culture is low on the list and reveals the hurdles to progress.

We asked leaders who do not have targets in place around building a more inclusive environment—but who think they should have them—what is limiting their organizations' ability to set those targets.

42%
said not all of their organization's leaders believe it's important

40%
said it's hard to link to business performance

38%
said they have other priorities as a

33%
said it's too hard to measure

business

Now that leaders are armed with an awareness of both the perception gap and the barriers to building more equal cultures, they can "say, do and drive" the behaviors and policies that will close the gap and overcome the obstacles in their organizations.

If leaders prioritize a culture of equality now, they will create an environment that is more likely to produce the financial results they want and need. 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. Everyone will rise. And with more gender-balanced leadership teams, workplace cultures will continue to become more inclusive.

Eventually, leaders will evolve to see profit and culture not as separate endeavors at all, but as tightly interdependent goals, equally crucial to success.

Bring everyone in, lift everyone up.

Ready to build a culture of equality? Make it as important as financial growth, talent and productivity.

Fostering a diverse and inclusive culture can no longer fall to the bottom of the agenda. It is not only important to growth, it is also a safeguard against risk in a hyper-competitive economic environment.

Creating a culture of equality anchors back to the three pillars our previous research identified—bold leadership, comprehensive action and an empowering environment. The following recommendations outline ways for leaders to take action and drive growth, no matter where they are on their journey.

BOLD LEADERSHIP

Creating a culture of equality must be at the top of the business agenda. It starts with the belief that diversity is not only the right thing to do, but a business imperative that is treated the same as any other strategic priority.

This includes:

Prioritizing culture	Establishing a roadmap	Holding leaders accountable
Even in challenging financial times, culture must remain a top business imperative like any other, and its importance must be communicated frequently.	Gather your data, establish scorecards, track progress and communicate often with your key stakeholders.	Establish the importance of shared success, rewarding and recognizing leaders and teams for progress toward a culture of equality.

COMPREHENSIVE ACTION:

While establishing and tracking goals and targets is essential, leaders must go beyond the data to fully understand the perception gap. They should solicit meaningful dialogue with employees that allows them to hear firsthand how included their people feel, identify where

gaps exist and focus their efforts to improve.

Consider methods that are:

Varied:

Standard surveys can be a reliable way to take the cultural temperature of the organization. But leaders should also consider face-to-face meetings, focus groups, town halls, online listening, employee networks and chat groups.

Ongoing:

Today's workplaces move rapidly and so should your engagement methods. How employees feel now may be very different from six months ago when a survey was fielded. Leaders must maintain open, two-way conversations with employees to capture feedback in real time and empower leadership to quickly drive change in response.

Sensitive to all frequencies:

Leaders must devise outreach methods and other ways to allow those who are less vocal, or fewer in number, to be heard.

EMPOWERING ENVIRONMENT:

As our research reveals, leaders and employees can have very different perspectives on workplace issues. Understanding the perception gaps is the first step, but closing them will require leaders to roll up their sleeves alongside employees to encourage and cultivate Culture Makers.

Leaders can drive collaboration by:

Connecting:

Culture Makers exist in every organization and at every level. Some may be obvious leaders, while others may need a nudge to step forward. Use inclusion- and diversity-building programs to create opportunities for future Culture Makers to opt-in and take on specific culture-related roles in their offices or departments.

Co-creating:

Find ways to bring leaders and culture-minded employees together, brief them on the challenges the organization is facing and work together to develop specific, actionable solutions.

As more people become Culture Makers, inclusion and diversity strategies will continue to evolve and expand, as will the potential of all employees to find meaning, social support and wellbeing at work—while contributing more fully to the growth of their organizations.

Methodology

Our research explored why there continues to be significant gaps in achieving outcomes in workplace equality, despite growing awareness and commitments from organizational leaders. To find out, we built on our Getting to Equal research from 2018 and 2019 to create new data and analysis in three steps.

Step 1: Quantifying the perception gap ⌃

In our previous research we identified 40 factors (such as flexibility and being encouraged to take parental leave) that work together to create a culture where everyone can advance and thrive. These factors formed the basis of two new surveys designed to uncover how leaders and employees view and experience them. One survey was completed by 1,748 senior leaders (C-suite and management committee in organizations with 50 or more employees) while the other survey was completed by 30,382 employees, split equally between men and women. The surveys were fielded in 28 markets in October and November 2019 and were completed online. Pairs of questions across the two surveys enabled us to compare what executives say about workplace culture and what employees experience on the ground. Collectively we called these differences "the perception gap."

Step 2: Measuring the impact of the perception gap

on employee outcomes ∨

**Step 3: Measuring the impact of closing the perception gap** ∨

Company statement analysis: We scanned 230,000 public statement transcripts from 14,300 companies in the period 2009-2019 for a pre-determined set of Culture keywords; these included the word "culture" but also those related to our more granular definition such as parental leave and flexible working. Using these keywords and Natural Language Processing allowed us to extract "mentions" of workplace culture by year—in total and by company.

The 40 factors that influence advancement and characterize a culture of equality

BOLD LEADERSHIP	COMPREHENSIVE ACTION	EMPOWERING ENVIRONMENT

- Gender diversity is a priority for management

- A diversity target or goal is shared outside the organization

- The organization clearly states gender pay gap goals and ambitions

- Progress on gender diversity is measured and shared with employees

- Leaders are held accountable for improving gender diversity

- A diversity target or goal is shared inside the organization

- The leadership team is diverse

Get the Essentials
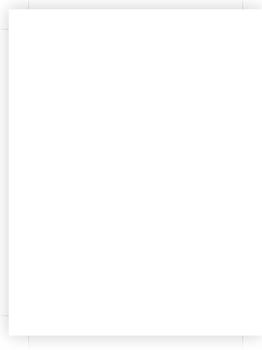
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Full Report

Our Getting to Equal 2020 research reveals that when leaders prioritize equality, organizations grow twice as fast.

👁 **VIEW FULL REPORT**

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Accenture Research shapes trends and creates data-driven insights about the most pressing issues global organizations face. Combining the power of innovative research techniques with a deep understanding of our clients' industries, our team of 300 researchers and analysts spans 20 countries and publishes hundreds of reports, articles and points of view every year. Our thought-provoking research—supported by proprietary data and partnerships with leading organizations, such as MIT and Harvard—guides our innovations and allows us to transform theories and fresh ideas into real-world solutions for our clients.

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Julie Sweet is chief executive officer of Accenture and serves on the company's board of directors. Prior to becoming CEO in September 2019, Julie served as chief executive officer of Accenture's business in North America, the company's largest geographic market. Previously, she was Accenture's general counsel, secretary and chief compliance officer for five years. Prior to joining Accenture in 2010, Julie was a partner for 10 years in the law firm Cravath, Swaine & Moore LLP.

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Ellyn Shook is Accenture's chief leadership & human resources officer, responsible for helping the 505,000 people of Accenture succeed both professionally and personally. Her global team of HR experts is re-imagining leadership and talent practices to create the most truly human work environment, fueling Accenture's differentiation in the market and ability to improve the way the world works and lives.

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