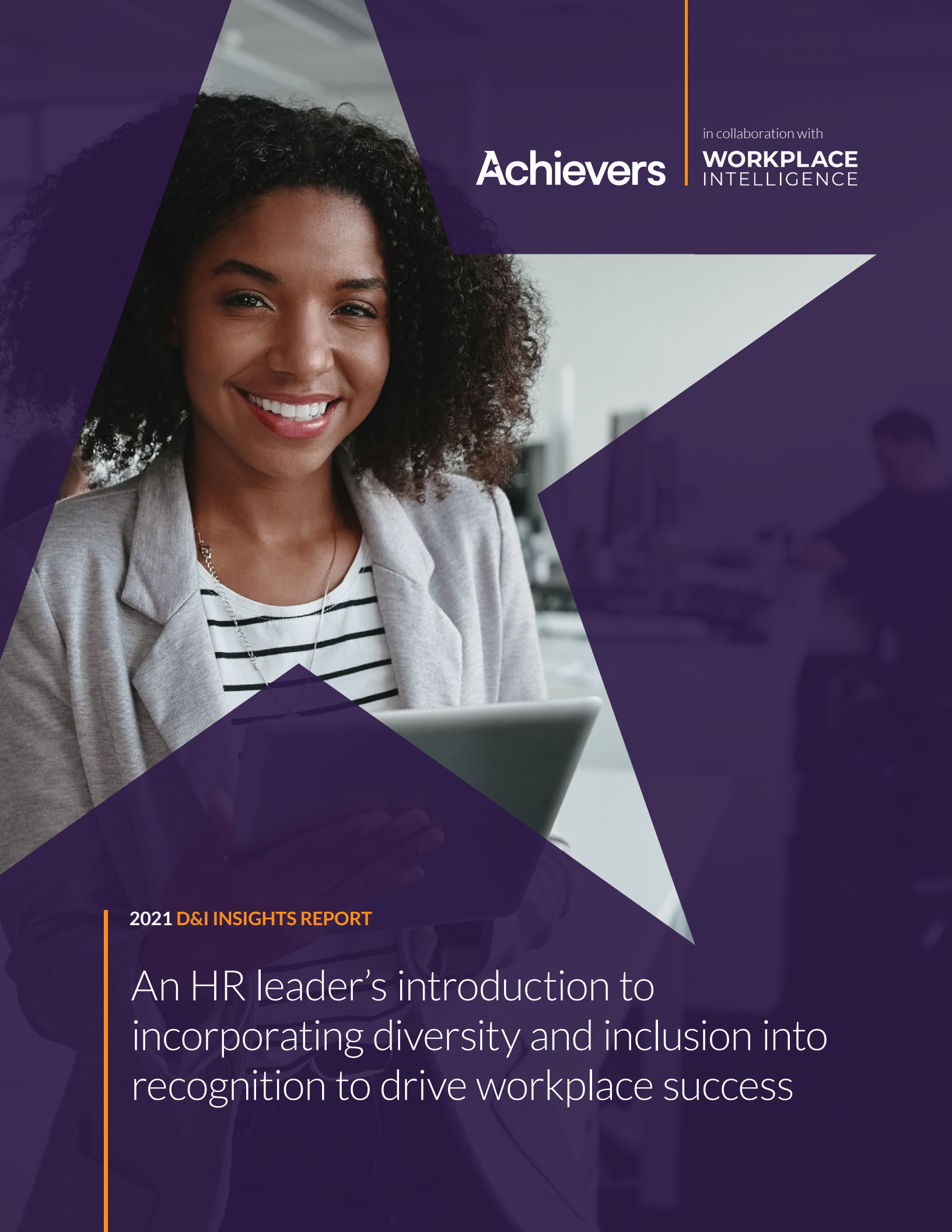
Achievers

in collaboration with WORKPLACE INTELLIGENCE



2021 D&I INSIGHTS REPORT

An HR leader's introduction to incorporating diversity and inclusion into recognition to drive workplace success

Contents

Introduction	3
The relationship between recognition and diversity and inclusion	4
Why it's critical that employers incorporate D&I into their recognition practices	7
Incorporating D&I into recognition creates better workplace outcomes	9
Incorporating D&I into recognition makes both programs more effective	11
The path to integration: Recommendations	14
About the study	15

Introduction

In today's increasingly competitive economic environment, having a diverse team of talent is critical for workplace success. Research finds that companies with the greatest diversity outperform companies with little diversity by 36%, and that these organizations also benefit from increased innovation, improved brand reputation, and greater talent attraction and retention. Yet, despite these benefits, statistics show a lack of progress in improving diversity within the corporate workforce, especially at the highest levels of company leadership. For example, just 15% of top executives are non-white and only 7% of CEOs at Fortune 500 companies are female.

What's more, diversity is just one part of the business success equation. Fostering an inclusive environment, where all employees feel respected, heard, and that they truly belong, is also critically important for organizations that want to provide a world-class employee experience, and thus maintain a competitive edge. When employees experience their workplace as a welcoming and safe environment, their engagement increases, their productivity ramps up and they're more likely to share ideas that can contribute to greater company-wide innovation. Yet, despite the indisputable importance of organizational inclusion, just 36% of employees say that their leaders create empowering environments where they feel a true sense of belonging.

The data is in and it's clear that companies have a long way to go when it comes to achieving best in class diversity and inclusion (D&I) practices. The establishment of formal D&I programs can play a significant role in advancing these efforts but, as is true with many aspects of workplace change, real transformation will only happen when a shared mindset and consistent best practices are widely adopted at every organizational level. This means that in order to develop a strong culture of diversity and inclusion, related workplace initiatives must be woven into day-to-day interactions across the entire workforce.

One important, but underutilized, way to boost these efforts is through the use of recognition strategies that reinforce behaviors promoting diversity and inclusion. In fact, data suggests that recognition programs can serve as a key driver of inclusive and welcoming behavior inside companies. These high impact programs can also encourage managers and employees to recognize each other for taking an active role in D&I initiatives, and for expressing their unique ideas, perspectives, and skillsets. This type of recognition behavior not only promotes a more inclusive culture but also helps to accelerate the advancement of a diversity of employees.

While it may seem obvious that incorporating diversity and inclusion into recognition strategies would be beneficial, few research studies have examined the impact of such programs, so it's remained unclear as to whether this type of integration has been widely adopted by employers. To better understand the connection between recognition tools and D&I goals, Achievers partnered with research firm Workplace Intelligence to conduct a study of 2,000 U.S. employees and HR leaders.

Results of this in-depth analysis revealed a wealth of striking findings. Among them, that recognition and D&I are not only closely connected, but that companies that integrate these two programs benefit from a wide range of benefits: better financial performance, higher employee engagement, and more success in their D&I and recognition efforts. The study also found that, despite these potential benefits, most companies are not integrating their recognition programs and D&I initiatives in a cohesive way, so are missing out on a key opportunity to drive greater engagement and high organizational performance.

Furthermore, the data pointed to room for improvement when it comes to recognition — just 4 out of 10 HR leaders surveyed reported the use of best-in-class recognition practices, and nearly one-quarter (23%) of employees said they aren't being recognized frequently enough for their contributions. Survey respondents also reported a low prevalence of peer-to-peer recognitions programs, which are essential for both fostering a strong culture of recognition and promoting inclusive behavior.

As we look ahead to "what's next" for recognition and D&I, it's clear that both areas could benefit from an empowered, data-informed perspective and an inspired approach to driving best in class business practices. Based on our research, this up leveled approach to success must ensure that recognition and D&I leaders are working together in lockstep as they strive to make improvements in their respective areas. Companies that prioritize the powerful integration of recognition and D&I will be ensuring that their employees feel welcomed, included, and appreciated – resulting in higher levels of engagement, productivity, and overall organizational success.



Dr Natalie Baumgartner
Chief Workforce Scientist
ACHIEVERS Workforce INSTITUTE



The relationship between recognition and diversity and inclusion

Making the connection between recognition and diversity and inclusion

To establish the connection between recognition and diversity and inclusion, we asked employees and HR leaders several baseline questions about these two areas. With respect to recognition, we sought to understand how often employees were being recognized and whether respondents reported an overall strong culture of recognition at their company.

Employees and HR leaders were also asked about their company's D&I efforts, including policies, practices, equitable pay, overall commitment to D&I, and manager and employee accountability in this space. In addition, employees were asked several questions designed to assess their feelings of inclusion and belonging at their organization.

Overall, 71% of employees and 86% of HR leaders "strongly agree" or "agree" that there is a strong culture of recognition at their company. Meanwhile, 35% of employees say they were recognized within the past week and 32% were recognized in the past month. Regarding D&I, 70% of employees and 84% of HR leaders "strongly agree" or "agree" with statements indicating organizational commitment to D&I, and 76% of employees report a high level of inclusion.

These findings are generally positive and would seem to indicate an overall promising outlook for both recognition practices and D&I efforts. However, the survey revealed that in companies where there's frequent recognition and a strong culture of recognition, there's a much greater commitment to D&I as well as higher levels of inclusion.

Where there's a strong culture of recognition, there's also a strong commitment to D&I

Our survey found that at organizations where there's a strong culture of recognition, on average, 82% of employees and 89% of HR Leaders "strongly agree" or "agree" that their company is committed to D&I and 87% of employees report a high level of inclusion. At companies where there's a weak culture of recognition, just 39% of employees and 38% of HR leaders say there's a commitment to D&I and only 43% of employees feel included.

% of employees who report a high level of inclusion at their company:

87%
where there's a **strong** culture of recognition

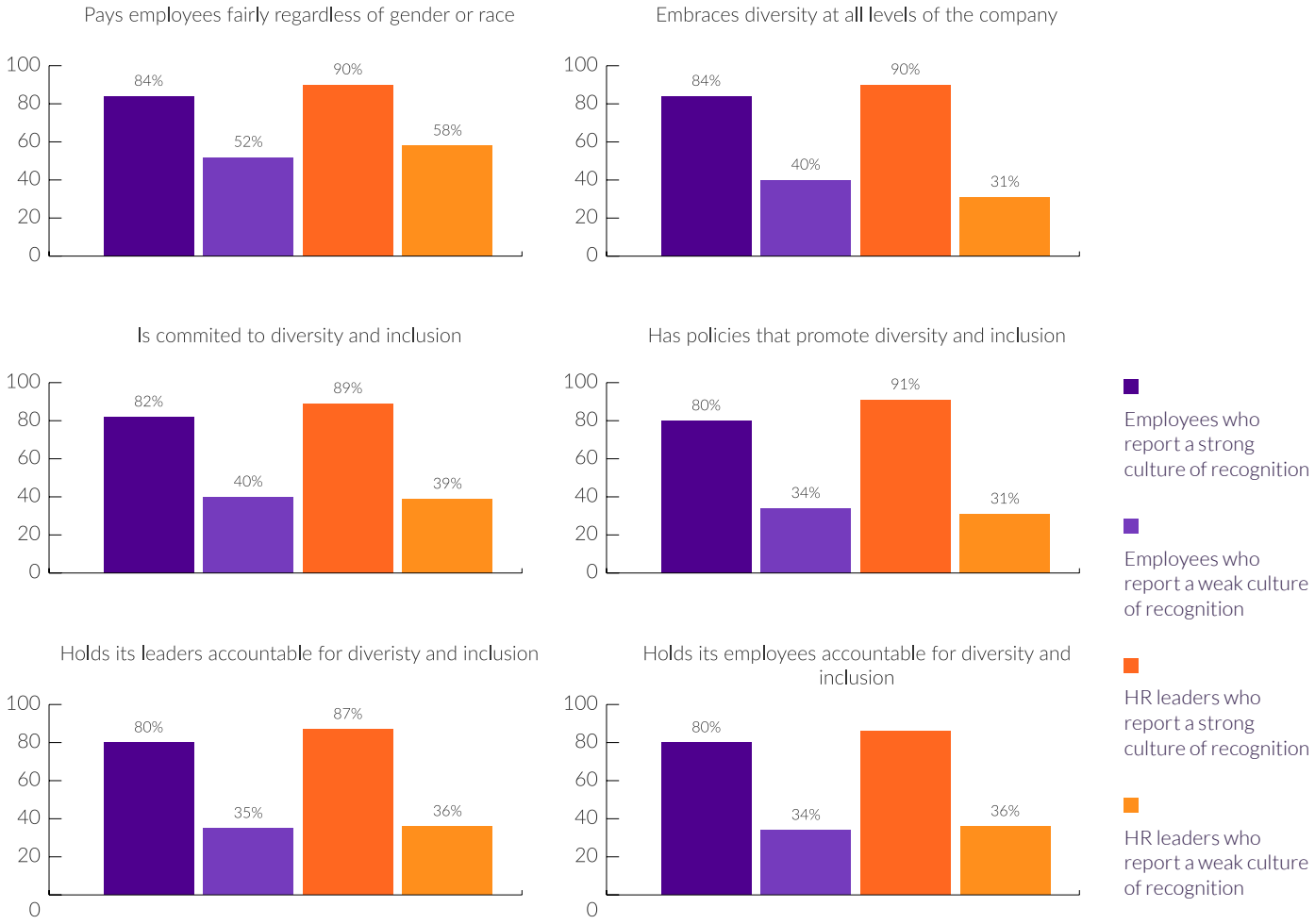
43%
where there's a **weak** culture of recognition

To put this into perspective, this means that where there's a strong culture of recognition, employees and HR leaders are more than twice as likely to report that their company demonstrates commitment to D&I and employees are more than twice as likely to report that they feel included at their organization.

The connection between a strong culture of recognition and D&I commitment

% who "strongly agree" or "agree" with the following statements:

My company....



Frequency of recognition is also tied to D&I commitment

To further confirm the connection between recognition and D&I, we also examined whether frequency of recognition was connected to D&I commitment and feelings of inclusion. Among employees who were recognized within the past week, on average, 81% "strongly agree" or "agree" with statements indicating that their company is committed to D&I, and 87% report a high level of inclusion. Among employees who say they are never recognized, just 38% say there is a commitment to D&I and only 45% feel a sense of inclusion.

% of employees who report a high level of inclusion at their company:

81%
among employees recognized within the **past week**

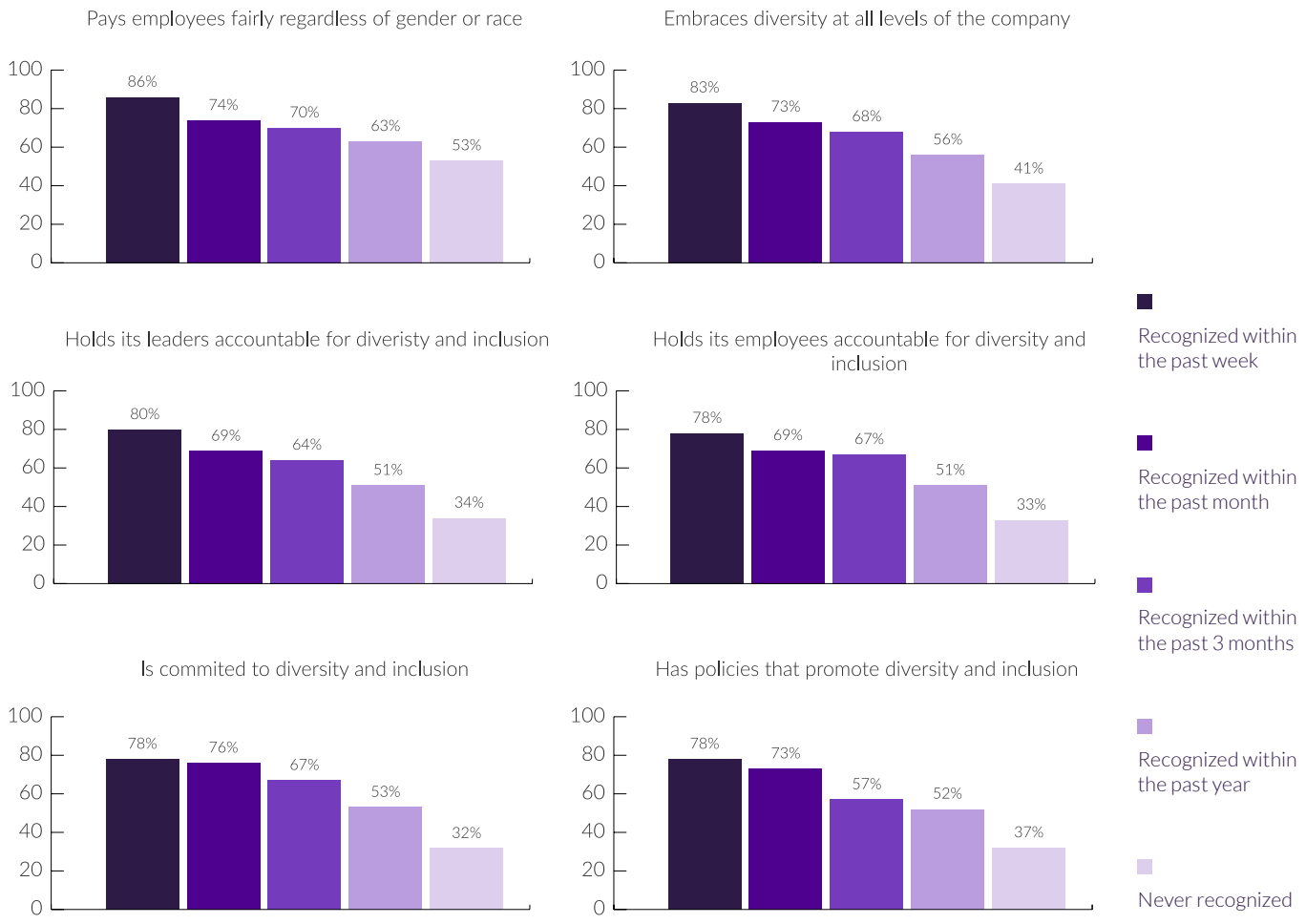
45%
among employees who are **never** recognized

These findings are a powerful testament to the interrelated nature of all workplace programs and initiatives, including those tied to recognition and D&I. And as we'll discuss later on, integrating these programs and practices can have a multiplicative effect on business success, recognition outcomes, and D&I program effectiveness.

The connection between recognition frequency and D&I commitment

% of employees who "strongly agree" or "agree" with the following statements:

My company....



Why it's critical that employers incorporate D&I into their recognition practices

In addition to showing that recognition and D&I are connected, we also wanted to investigate whether integrating them can result in better business outcomes. To answer this question, we asked respondents whether their company provides recognition for the following: diverse employees and skillsets, exhibiting welcoming and inclusive behaviors, everyday actions and behaviors, demonstrating corporate values, speaking up and voicing unique perspectives, taking an active part in promoting D&I, and recognizing their peers or coworkers who support D&I.

% of respondents who say their company's recognition program includes a D&I component:

17%
of employees

32%
of HR Leaders

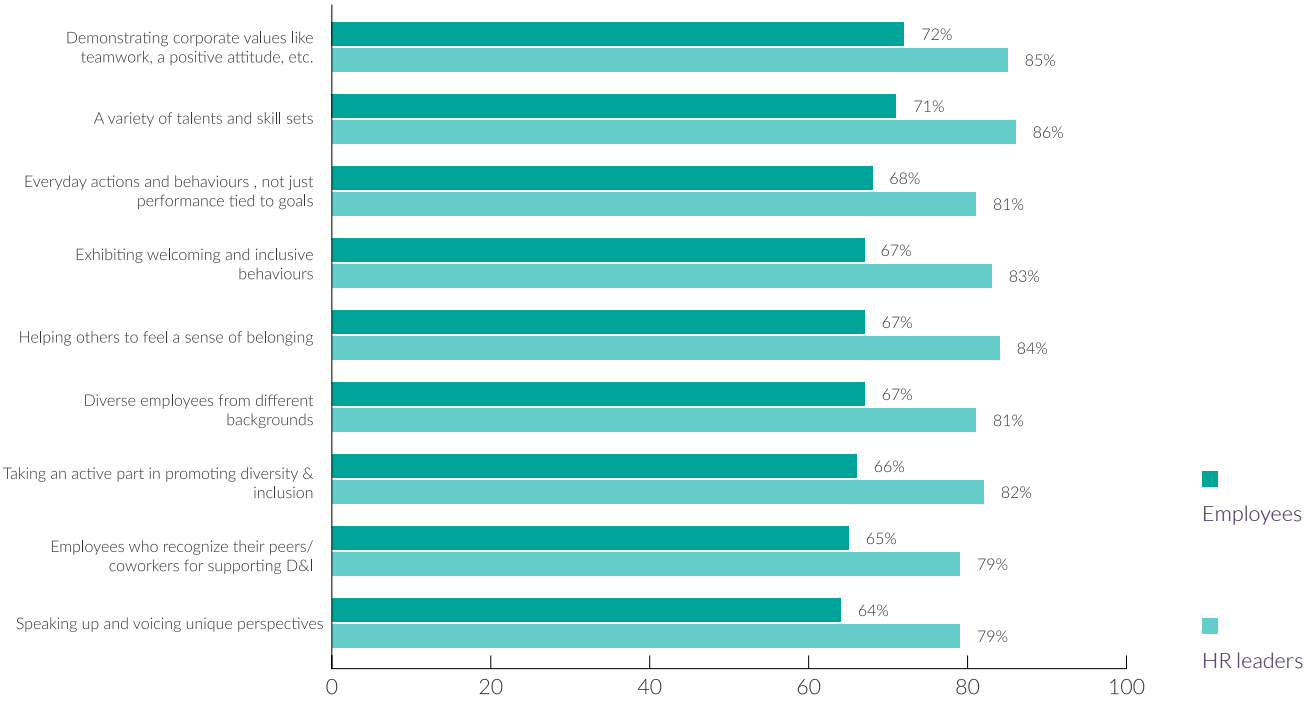
Where companies stand

On average, 67% of employees and 82% of HR leaders "strongly agree" or "agree" that their company recognizes the D&I behaviors and values described above. But in a separate question, just 17% of employees and 32% of HR leaders said their company has a recognition program that includes a D&I component. This means that roughly 1 out of 3 organizations aren't prioritizing D&I within their recognition practices, and at least 2 out of 3 don't formally include D&I in their recognition programs.

It's also important to highlight the gap between employee and HR leader perceptions. While both groups report moderate use of these practices, employees are consistently less likely to report that recognition incorporates D&I values and priorities. In fact, our survey revealed a consistent perception gap between HR leaders and employees in all aspects of recognition and D&I — worth noting, as business leaders consider "what's next" for both programs.

Use of recognition practices that incorporate D&I

% who "strongly agree" or "agree" that their company recognizes the following:





Few companies are connecting their recognition and D&I objectives, metrics, and goals

To better understand how D&I is being incorporated into recognition, we also asked HR leaders how they are defining and measuring their recognition and D&I programs. Companies typically measure the success of their recognition programs using a variety of objectives which are tied to specific metrics — from program use and adoption, to employee engagement, productivity, turnover and more.

We asked HR leaders whether objectives and metrics related to D&I are included in this mix. Only one-third (32%) said they incorporate D&I into their recognition objectives, 38% say they use employee diversity as a success metric, and just 32% measure inclusivity of recognition (e.g., number of diverse employees recognized).

We also wanted to understand whether respondents' 2021 D&I goal setting included a recognition component. For 2021, just 37% of HR leaders say their organization has committed to recognizing the achievements of their diverse employees, 31% are committed to recognizing employees who support D&I, and only 17% are committed to linking recognition programs to D&I outcomes.

Again, we uncovered that roughly 2 out of 3 employers aren't incorporating D&I efforts into their recognition practices. This means that they aren't realizing the numerous business benefits that can be achieved through this integration.

HR leaders

What are the objectives of your recognition strategy?



32%
Foster diversity and inclusion

What diversity and inclusion goals has your organization committed to for 2021?



38%
Recognizing the achievements of our diverse employees

What success metrics do you use to evaluate your recognition programs?



38%
Employee diversity



31%
Recognizing employees who support D&I



38%
Inclusivity of recognition



17%
Linking recognition programs to D&I outcomes



Incorporating D&I into recognition creates better workplace outcomes

Few employees and HR leaders reported that their company's recognition practices are integrated with their D&I efforts, but our study revealed that doing so would result in several key benefits for the business. Specifically, in companies where recognition does incorporate D&I elements, employees and HR leaders report greater financial success and higher levels of employee engagement.

Integration improves workplace performance

Overall, 30% of employees and 42% of HR leaders reported that their company outperformed its peers over the past three years. At companies where D&I is integrated with recognition, a slightly higher percentage agreed: 33% of employees and 43% of HR leaders. However, this is twice the number of respondents versus those at companies that do **not** integrate D&I with recognition, where just 17% of employees and 23% of HR leaders believe their company outperformed its peers.

% of employees who say their company financially outperformed its industry peers over the past three years

Where recognition and D&I are integrated

33% of employees

43% of HR leaders

Where recognition and D&I are not integrated

17% of employees

23% of HR leaders

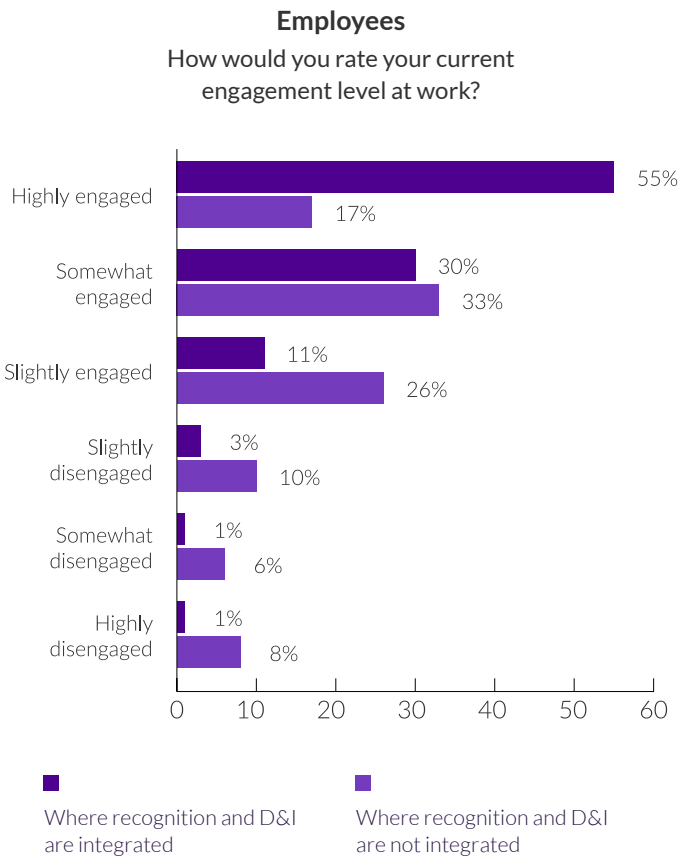
3x as many employees are highly engaged, at companies where recognition incorporates D&I

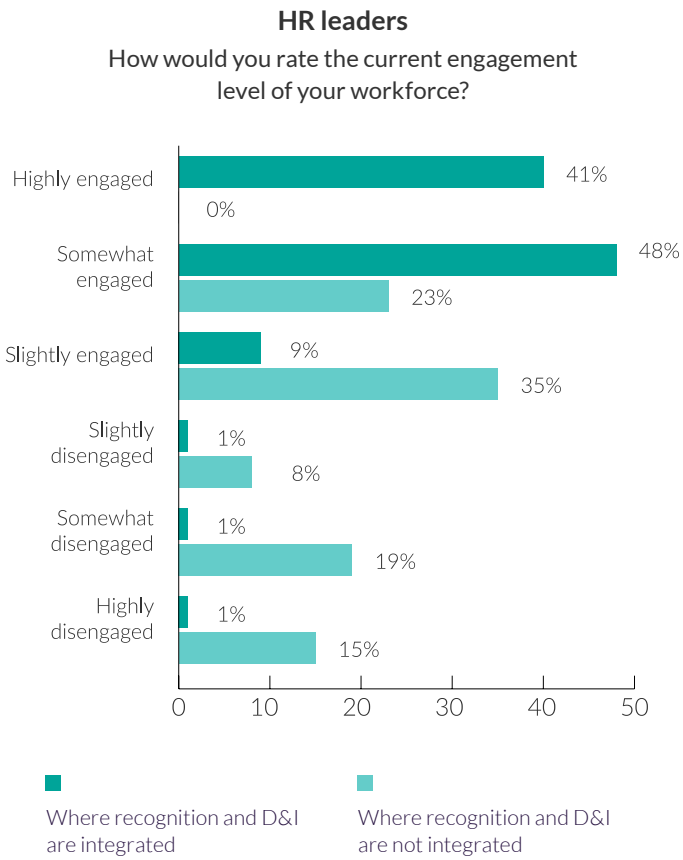
Integration promotes 3x employee engagement

Employee engagement has been widely found to drive important business outcomes. For example, Gallup finds that companies with a high level of engagement report 22% higher profitability, 21% higher productivity, and up to 65% less turnover. In our survey, on average 42% of employees reported that they're highly engaged, and 37% of HR leaders said that they have a highly engaged workforce.

At companies where D&I is integrated with recognition, 55% of employees say they're highly engaged and 41% of HR leaders say they have a highly engaged workforce. But at companies that do **not** integrate D&I with recognition, just 17% of employees say they're highly engaged and 0% of HR leaders say their workforce is highly engaged. This means that at companies where recognition practices go hand-in-hand with D&I efforts, there are three times the number of highly engaged employees!







Incorporating D&I into recognition makes both programs more effective

Our survey revealed that connecting recognition to D&I doesn't just affect high-level outcomes like financial success and employee engagement — it also results in better outcomes for both recognition programs and D&I efforts.

Integration increases the likelihood of achieving D&I goals

Overall, 89% of HR leaders say their company is "very" or "somewhat" likely to achieve its 2021 diversity goals. Among those who say their company integrates D&I with recognition, this percentage rises to 93%. However, among HR leaders whose companies do **not** integrate D&I and recognition, just 27% believe their company is likely to achieve these goals.

Integration boosts D&I program effectiveness

About half (53%) of employees say that D&I initiatives such as Employee Resource Groups, D&I learning courses, talent exchange or job shadowing programs, and mentoring/sponsorship programs are "very effective" or "somewhat effective" at making them feel a sense of inclusion. Among employees whose companies integrate D&I with recognition, this number rises to 69%. Meanwhile, among workers whose companies do **not** integrate D&I with recognition, just 10% say these programs have a positive effect on their feelings of inclusion.

In addition, respondents noted that when it comes to the effectiveness of D&I initiatives, recognition has a key role to play. Programs that recognize their support of D&I were the second most effective way to boost employee inclusion, reported as being just slightly less effective than mentoring/sponsorship programs.



% of HR leaders who say it's "very" or "somewhat" likely that their company will achieve its 2021 diversity goals:

93% where D&I and recognition are **integrated**

27% where D&I and recognition are **not integrated**

% of employees who say D&I programs are "very" or "somewhat" effective at making them feel a sense of inclusion:

69% where D&I and recognition are **integrated**

10% where D&I and recognition are **not integrated**

2x as many employees feel a strong sense of inclusion at companies where recognition incorporates D&I

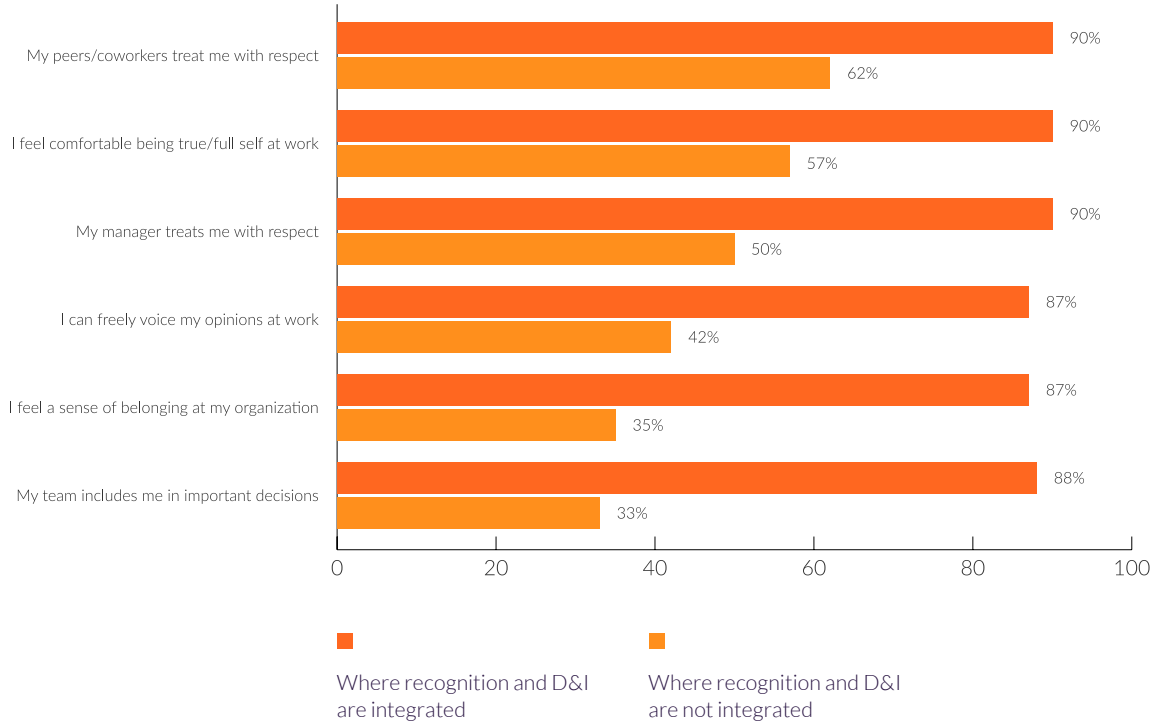
Integration doubles employees' feelings of inclusion

In addition to investigating the impact of integration on overall D&I program success, we also took a closer look at the effect on inclusion. To do this, we asked employees to reflect on their overall feelings of inclusion and belonging at their organization, as well as whether their team includes them in important decisions, their manager and coworkers treat them with respect, they feel comfortable being their true/full self, and they can freely voice their opinions.

Overall, around three-quarters (76%) of employees reported that they "strongly agree" or "agree" with these statements, indicating a relatively high level of inclusion among respondents. However, among employees whose companies integrate D&I with recognition, on average, 89% agreed with these statements around inclusion. This is nearly twice as many employees compared to workers whose companies do not integrate D&I with recognition, where just 46% agreed with these statements. When you consider that inclusion is a key driver of employee engagement, productivity, and innovation, it's clear that there are real, tangible benefits to be gained by connecting your company's D&I and recognition efforts.

Effect of D&I and recognition integration on inclusion

% of employees who "strongly agree" or "agree" with the following statements:



Integration supports stronger recognition outcomes

We suspected that incorporating D&I values into recognition might not only boost D&I success — it could also improve recognition outcomes. To investigate this, we asked employees about the impact recognition has on a wide variety of work-related and individual outcomes. Not surprisingly, employees reported exceedingly positive effects of recognition, stating that being recognized makes them more productive, engaged, satisfied, creative, and innovative; more likely to stay with their company and refer people to their company; improves their feelings of belonging, inclusion, and connection to their team; and boosts their overall well-being.

However, when we compared the data for employees whose companies integrate D&I with recognition with those whose companies do not connect D&I and recognition, a stark contrast emerged. At companies where the two areas are linked, 88% of employees "strongly agree" or "agree" that recognition leads to these positive outcomes.

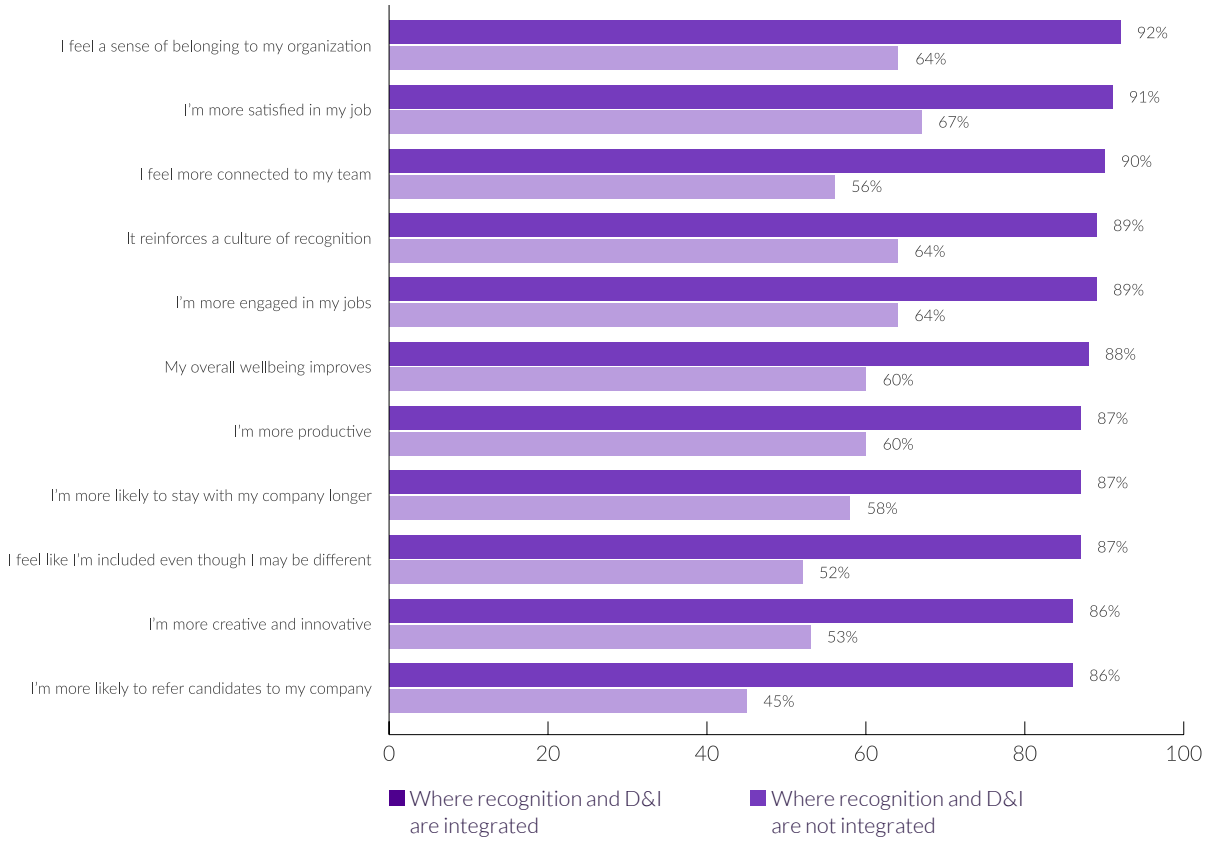
At companies where the two areas are not connected, just 54% of employees feel the same.

This means that at companies where recognition and D&I are connected, 1.5 times more employees say that the recognition they receive actually has its intended impact! Business leaders should take note — if you want to drive the effectiveness of recognition, it's crucial to examine whether you're recognizing a diverse spectrum of employees and skillsets, as well as behaviors that drive greater diversity and inclusion at your company.

It's also critical that organizations support not just manager-to-employee recognition, but peer-to-peer recognition as well. The data in the chart below reflects outcomes from receiving recognition from a manager, but the survey findings were nearly identical when we asked employees about outcomes tied to being recognized by their peers or coworkers. This makes sense, when you consider that people's interactions with their coworkers clearly contribute to their feelings of inclusion and belonging at work.

Effect of D&I and recognition integration on recognition outcomes

% of employees who "strongly agree" or "agree" with the following statements: When I'm recognized at work by my manager...





Four ways to integrate D&I with R&R today

The mandate is clear: D&I must integrate with recognition and reward for organizations to get the most from each program. But how can you do it? Achievers Workforce Institute looked at what cutting edge companies are doing and have found four ways to begin combining these efforts today.

1. Bring program leaders together

The head of D&I and the leader of R&R are often two separate roles that may rarely cross paths. When putting together strategies for each area, bring your respective leaders together to brain storm how their different programs can support each other. Planning in a silo will mean continued separation, whereas bringing those planning initiatives together will help develop organic alignment between programs.

2. Add recognition to existing D&I initiatives

One Achievers customer added a recognition component to an existing D&I week initiative. By encouraging employees to recognize each other for D&I initiatives and efforts, they saw a more than 200% increase in recognition year over year, demonstrating how the two programs can support and improve each other.

3. Create D&I recognition opportunities

Consider adding a recognition for D&I efforts to your program. One company created a recognition category for D&I supportive behavior and has seen approximately 100 recognitions a month in this category. This emphasizes to employees that D&I is a strong part of company values and recognizing these behaviors makes it more likely they will be repeated in the future.

4. Use recognition data to assess D&I trends

Make the most of recognition data to identify language trends. In concert with the Achievers data science team, one customer assessed language patterns between recognition for men and for women. They were able to find specific differences in the words used, which will help inform their recognition training programs going forward.

The path to integration: Recommendations

#1 Employees say the #1 way their company could boost their engagement this year is by recognizing and rewarding them more often

1. Reinforce a strong culture of recognition

A strong culture of recognition doesn't just improve employee engagement, productivity, and other outcomes — it's also tied to D&I commitment. Yet nearly one-quarter (23%) of employees surveyed said they aren't being recognized frequently enough. Our research found that about half (48%) of employees would like to be recognized by their managers and coworkers on a daily or weekly basis, and 26% want to be recognized monthly. Achievers Workforce Institute data shows that at least monthly recognition is required to improve engagement levels. We recommend that companies train managers not only on the importance of regular recognition, but also on the far-reaching impact their recognition can have. Peer-to-peer recognition is also an essential building block for a strong culture of recognition.

2. Integrate D&I into recognition programs and practices

As our survey revealed, incorporating D&I into recognition can boost a wide range of business outcomes. To integrate these separate but interconnected areas, companies should expand their recognition practices to include a greater diversity of employees, perspectives, and skillsets. Leaders also need to ensure that employees who support D&I are being adequately recognized. Some employees may show their support by participating in D&I initiatives, while others may go above and beyond in demonstrating inclusive and welcoming behaviors—no matter the approach, both actions and behaviors should be recognized. Lastly, leaders should develop recognition and D&I objectives and metrics in tandem, so that they complement and support one another.

3. Ensure your recognition programs are best-in-class

As this report shows, recognition has an important role to play in organizational success and employee engagement. Yet just 4 out of 10 HR leaders say their company's recognition program includes best-in-class functionality, including peer-to-peer recognition, interactive/social recognition, an online and data-driven platform, and customizable features. Similarly, few leaders indicated that their programs are tied to company values (like D&I), nor do they allow for frequent or immediate recognition. An all-in-one employee experience platform can bring together the tools and technologies that employees need to stay engaged, while also promoting D&I values and priorities. With the right platform, companies could be well on their way to greater workplace success.

Overall, just 4 out of 10 HR leaders say their company's recognition program has the following best-in-class characteristics:

- **44%** Allows for peer-to **peer recognition**
- **43%** **Highly visible** among employees
- **43%** Allows for **monetary** recognition
- **41%** Allows for **frequent and immediate** recognition
- **41%** Allows for **interactive/social** recognition
- **41%** Allows direct reports to **recognize managers**
- **38%** **Customizable/ adaptable**
- **38%** Tied to our **company values**
- **38%** Includes an **online platform**
- **30%** **Data-driven**

About the study

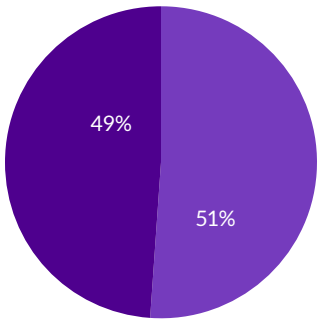
Methodology

Research findings are based on a survey of 2,000 HR leaders and employees conducted by Savanta, Inc. between March 9–March 22, 2021. The study targeted full-time working HR leaders and employees who are 18+ years of age and living in the U.S. Respondents were invited to take part in the survey via email and were provided with a small monetary incentive for doing so. Results of any sample are subject to sampling variation.

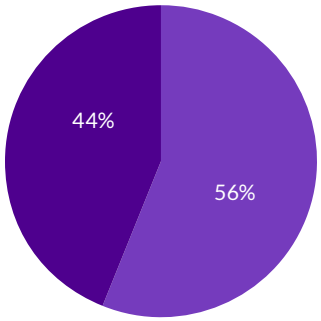
Respondent characteristics

GENDER

Employees



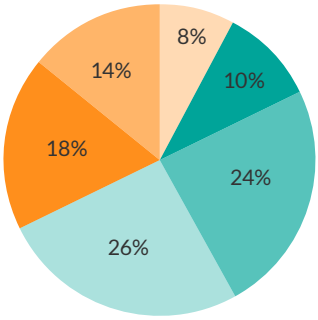
HR Leaders



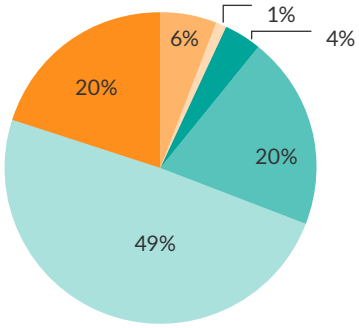
- Female
- Male

AGE

Employees



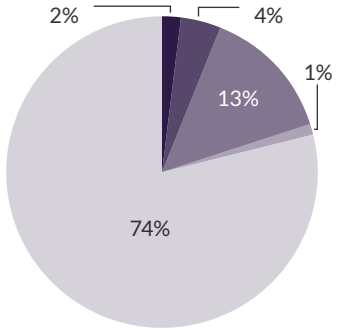
HR Leaders



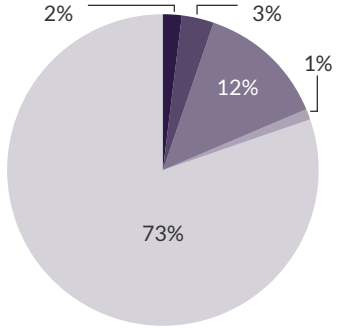
- 18-24 years old
- 25-24 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65+ years old

RACE/ETHNICITY

Employees



HR Leaders



- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Isander
- White



ABOUT ACHIEVERS

Achievers' employee voice and recognition solutions bring your organization's values and strategy to life by activating employee participation and accelerating a culture of performance. Achievers leverages the science behind behavior change, so your people and your organization can experience sustainable, data-driven business results. Visit us at www.achievers.com

ABOUT WORKPLACE INTELLIGENCE

Workplace Intelligence, LLC is an HR research and advisory firm helping leaders adapt to trends, drive performance, and prepare for the future. Our mission is to create more intelligent workplaces using data-based insights. For more information go to our website and our LinkedIn profile.

Contact us today

Toronto | Pleasanton | London | Melbourne
experts@achievers.com
www.achievers.com

Global offices

United States
6220 Stoneridge Mall Road
Pleasanton, CA 94588
U.S.A.
Phone: 1-925-226-9990

Canada
190 Liberty Street, Suite 100
Toronto, ON M6K 3L5
Canada
Phone: 1-888-622-3343

Australia & Singapore
Level 2, 534 Church St,
Richmond, Victoria, 3121
Australia

Phone: +61 3 9107 4418

UK/EMEA
Blackhawk Network
Westside London Road
Hemel Hempstead
HP3 9TD
Phone: 0344 3815061