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working world

How will your actions speak louder than words?

EY European DEI Index
February 2024



The better the question. The better the answer.
The better the world works.



EY European DEI Index

Most DEI investments in Austria, Belgium, France, Germany, Italy, the Netherlands, Portugal, Spain and Switzerland aren't getting results, but some organizations are leading the way. What can we learn from them?

- 3.** Introduction
- 4.** Benchmarking DEI across countries
- 6.** The research at a glance
- 8.** Chapter 1 - The inclusion delusion
- 14.** Chapter 2 - The European DEI Index
- 17.** Seven lessons from the DEI Leaders
- 23.** Conclusions
- 24.** Country by Country: the main challenges
- 27.** Research Methodology



Do the work and make a real difference

If you listen to the rhetoric of executives, you'll assume that diversity, equity and inclusiveness (DEI) are more important than ever. Businesses in every sector are declaring their commitment to DEI at work, both seeking to improve their culture and internal processes, and building it into their brand in the marketplace.

The work of global movements such as #MeToo and Black Lives Matter have certainly prompted a lot of employers to re-examine their track record and try to effect real change. But the reality is that too many are still failing to create truly equitable and inclusive workplaces.

It's time for the C-suite to step up – and diversify itself

Our new EY research, which draws on the perspectives of 900 managers, from first line management positions to the C-suite, and 900 non-managerial employees from nine European countries, suggests that senior leaders are struggling to confront the scale of the challenge. Beyond the rhetoric, some senior leaders appear to be over-optimistic about the reality of their organizational performance on DEI.

The research finds that while a slim majority of non-managerial employees rate their organizations as “good” or “very good” on gender diversity, under half give the same level of approval to their performance on ethnic or cultural diversity and LGBTQAI+ diversity.

These divergent perspectives suggest that leaders are failing to understand how much more work is needed. Exploring the existing DEI gap will be the main theme of our study. We attempted to answer the following questions:

- ▶ What makes a DEI leader and how are they different?
- ▶ How do employees feel?
- ▶ How do organizations benefit?

This study is our contribution to a DEI debate based on European data. We are sharing our insights, following our commitment to create a more diverse, equitable and inclusive business environment and by this following our purpose of building a better working world.



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Benchmarking DEI across countries

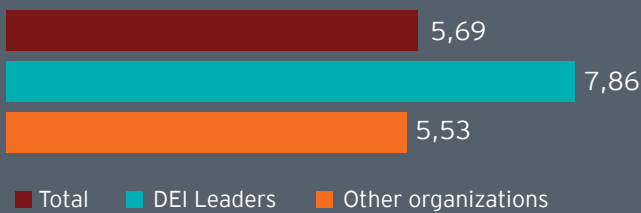
We've used our survey of 900 managers and 900 employees across nine European countries to create the EY European DEI Index, which measures the success of organizations in pursuing their DEI goals. And it shows that diverse leadership is not the only reason why DEI strategies succeed. The index scores are an average of how the employees we surveyed rate their organization on two dimensions: Progress on inclusion and strength of the DEI culture (we go into more detail on this in Chapter 2).

The index reveals that a small group of leading organizations, which we call the DEI Leaders and make up 7% of the sample, are building a genuinely diverse and inclusive culture: where the organization reports a consistent approach to DEI across its locations or regions and business areas, where leaders strive to build a psychologically safe environment, and where employees can be themselves and feel accepted at work – and trust the organization to behave ethically when it comes to DEI. Their approach provides other organizations with a DEI blueprint to follow, which we outline in the seven lessons identified in this report.

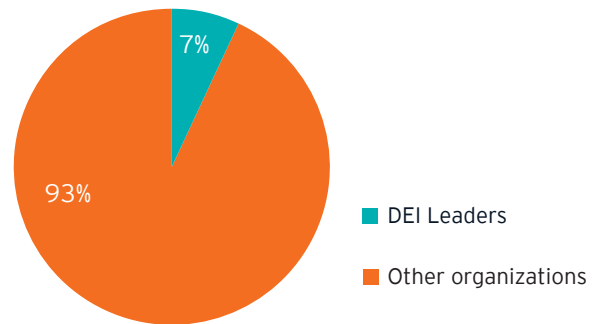
The DEI Leaders' average index score is **7.86** out of 10. For other organizations, the average score is **5.53**. Full details of how we created the index are on chapter 2.

Index mean score

Barometer score

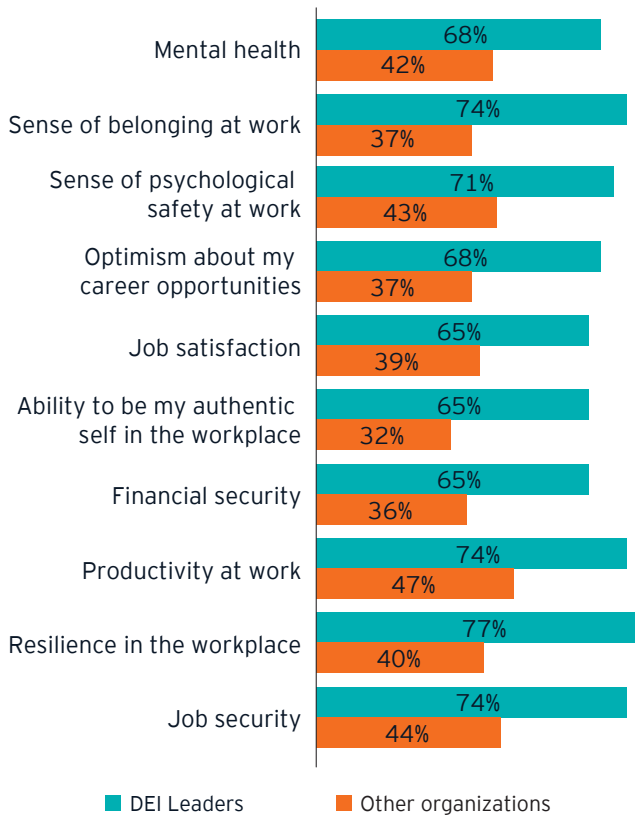


Just **7%** of employees in the survey work for the DEI Leaders



While the data shows that many organizations are addressing some aspects of DEI effectively (notably gender diversity), the relatively low average index score of 5.69 shows that other aspects of diversity are being overlooked – and where organizations are failing to engender inclusive workplaces in the broadest possible sense. Yet the DEI Leaders point the way ahead: non-managerial employees at DEI Leaders are more likely than those at other organizations to say that they have a sense of belonging at work and feel resilient in the workplace.

% of employees who rate each factor as "high"



Being a leading DEI organization pays off. Results show better mental health and less employee churn.

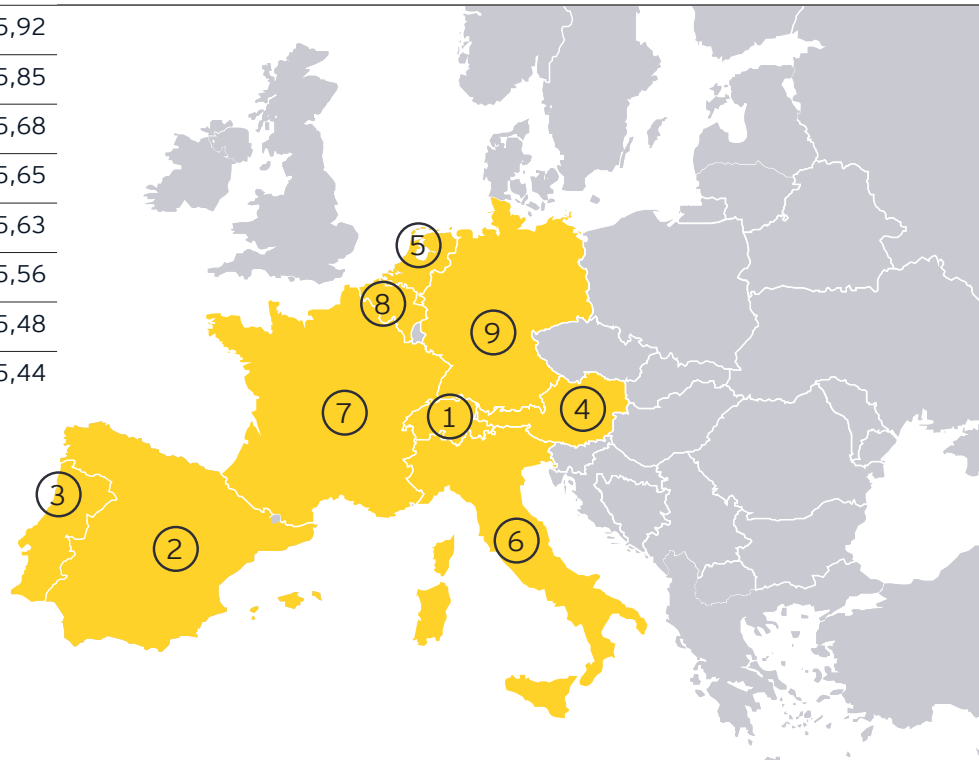
DEI is not only about gender diversity, or any other single set of personal characteristics. Leaders need a much broader understanding of what it takes to create inclusive workplaces.

Switzerland emerges as the highest-ranked country, with an average score of 6.0, followed by Spain (5.92) and Portugal (5.85). Germany scores lowest (5.44), followed by Belgium (5.48) and France (5.56).

The closeness of these scores suggests that businesses are making progress on DEI across Europe, but it also indicates that no European country is excelling in DEI.

Barometer Score

Switzerland	6,00
Spain	5,92
Portugal	5,85
Austria	5,68
Netherlands	5,65
Italy	5,63
France	5,56
Belgium	5,48
Germany	5,44





The research at a glance

A quarter of organizations haven't taken any steps to improve cultural diversity, while **36% haven't taken action on LGBTQIA+ diversity**.

Nearly two-thirds aren't addressing disability diversity (60%).

Managers are more likely than **non-managerial employees** to say that their organization demonstrates **a consistent approach to DEI** regardless of location/region and business area: **58%** vs. **41%**.

Less than half of employees rate their organization as "good" across many dimensions of diversity. The **weakest areas are socioeconomic and disability diversity**, where **just 37%** and **32%** of employees **rate their organization as good**.

About a third of employees have encountered discriminatory behavior, but nearly half (49%) of those who encountered bullying or discrimination didn't report it. Employees in underrepresented groups* are more likely to have experienced most types of non-inclusive behavior.

*Underrepresented employees are those who self-identify as one or more of the following: being a woman, belonging to a cultural or ethnic minority, being LGBTQIA+, having a physical or mental disability, or being from a lower socioeconomic group.



Just 40% of managers are **members of underrepresented groups**, compared with 61% of non-managerial employees.

Organizations led by **diverse teams** are also **more likely to engage with employee advocacy groups (38% vs. 17%)** and to implement policies that support their employees, such as giving the flexibility to work where and when they want (36% vs. 19% and 28% vs. 21%).

DEI Leaders are 9% larger than other firms, based on average annual revenues, and they **spend on average 25% more on DEI** (compared to other organizations of same size): €5.45m spent on diversity initiatives every year, compared with €4.35m at other companies.

Organizations with **diverse leadership teams** are **more likely to have taken steps to improve several aspects of diversity** than those with non-diverse leadership teams: cultural diversity (41% vs. 36%), gender diversity (70% vs. 57%), and LGBTQIA+ diversity (27% vs. 22%).

Diversity of leadership is also **strongly correlated with better business performance**. Organizations led by diverse teams are more likely than the rest to report that customer satisfaction, employee satisfaction and financial growth have increased over the past 12 months.

Chapter 1

The inclusion delusion

Why the C-suite needs a clear view of DEI progress (and its limits)

Senior executives say their organizations are diverse and inclusive, but many employees disagree. Is a lack of diversity in the C-suite leaving leadership teams with a DEI perception gap?

The C-suite is less diverse. That's a risk.

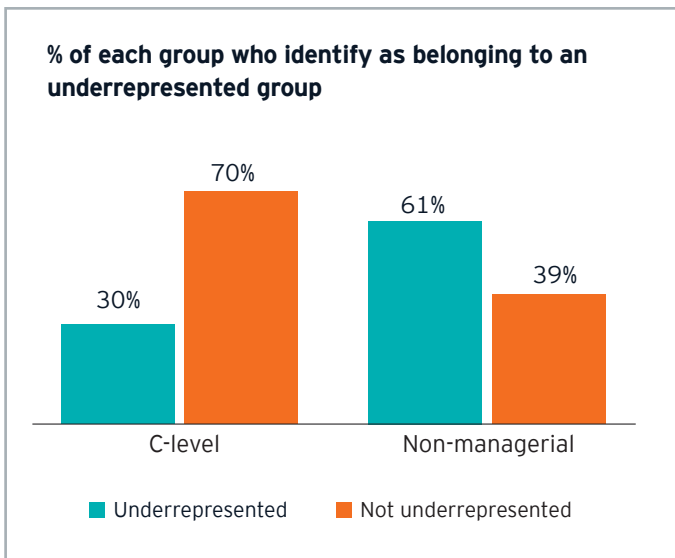
Business efforts to improve diversity often focus on senior leadership, and for good reason. It's where all the most important business decisions are made, and it's also the least diverse part of the organization. The C-level employees in our research are more likely than those at non-managerial levels to be male, white, heterosexual and highly educated.

C-suite leaders aren't just less diverse than employees – they're also most likely to say their organizations are performing well on DEI. Is their lack of diversity affecting their perception?

Two-thirds (66%) of managers rate their organization's ethnic or cultural diversity as "good," compared with less than half of non-managerial employees (48%). And 69% say their organizations are performing well on gender diversity, compared with 53% of non-managerial employees.

The widest gap is in the perception of LGBTQIA+ diversity: 58% of managers say their organization is "good," compared with 35% of non-managerial employees.

Leaving aside real levels of diversity within the organization, this data shows that there is a clear difference in the experiences of people at different levels of the organization, and suggests that many employees remain unconvinced that their employer is doing enough to improve DEI.



If a leadership team is too uniform in terms of representation and hasn't experienced discrimination itself, there's a risk that it will deprioritize DEI compared with other business priorities.

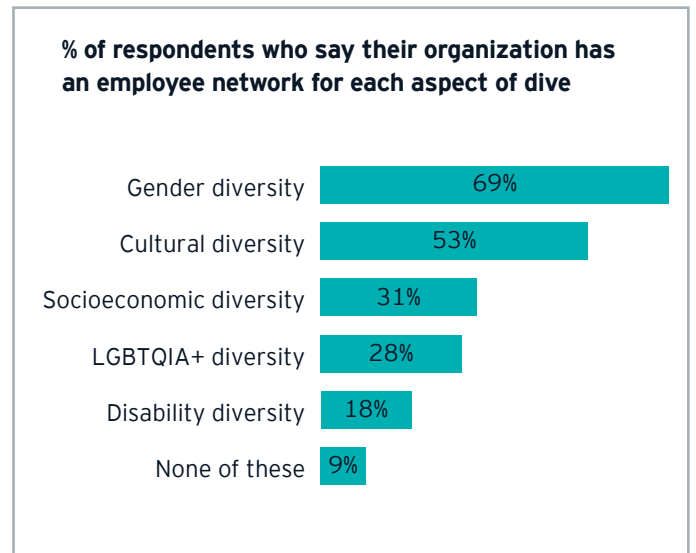


Representation of difference makes a difference

Our data finds that less than half of organizations have implemented measures to promote cultural diversity, LGBTQIA+ diversity and socioeconomic diversity.

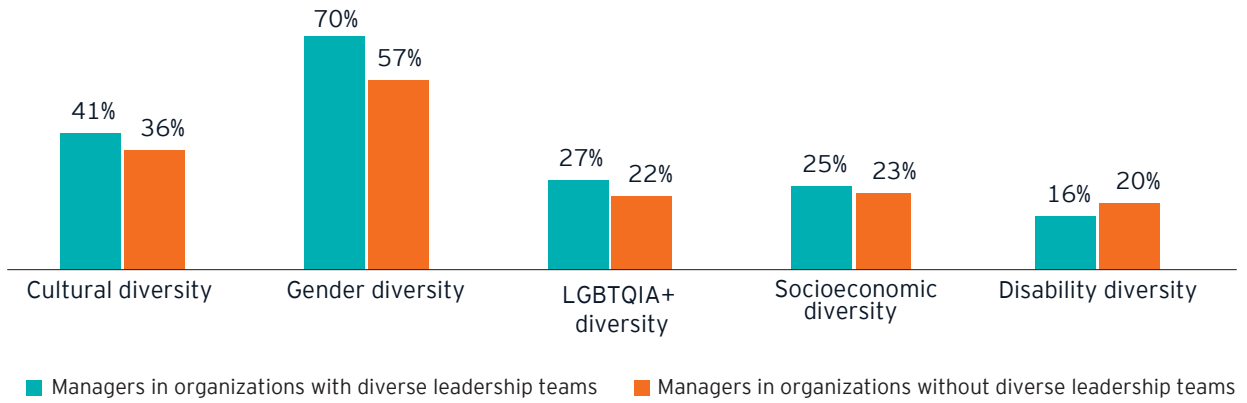
About two-thirds of employees say their organization has an employee network for gender diversity (69%). A smaller proportion say their organization has similar networks for cultural diversity, but far fewer have groups representing LGBTQIA+ diversity and disability diversity. So although organizations have made some progress in areas where there has been sustained pressure for action, other employees haven't had the same opportunities to have their voices heard.

This is a particular problem in the area of disability: 36% of managers say their diversity strategy doesn't include disability diversity, and 24% say that although disability diversity is in their strategy, their organization isn't currently doing anything to improve it.



Employee communities for cultural and gender diversity are relatively common, but far fewer organizations have a network for disabled employees.

% of managers who say their organization has implemented a number of measures to address each diversity dimension



% of non-managerial employees from each group who rate each factor as "high"



More optimism and positive perception shown by employees from organizations with diverse teams

Organizations with more diverse leadership teams are more likely than those with non-diverse leadership teams to have taken steps to improve several aspects of diversity, including cultural diversity (41% vs. 36%), gender diversity (70% vs. 57%) and LGBTQIA+ diversity (27% vs. 22%).

Organizations led by diverse teams are also more likely to engage with employee advocacy groups (38% vs. 17%) and respond to employee requests for measures that can support DEI, such as flexibility about where and when they work.

The differences don't end there. Employees who say their organization has a diverse leadership team are more likely to report better mental health.

Organizations with diverse leadership teams are far more likely to say they have taken steps to address all aspects of diversity

Organizations have behavioral issues

The data also shows that managers may have an overly optimistic perception of workplace culture. While 61% of managers believe that their organization strives to create a psychologically safe environment, our survey reveals that experience of toxic and harmful behavior is widespread in European organizations.

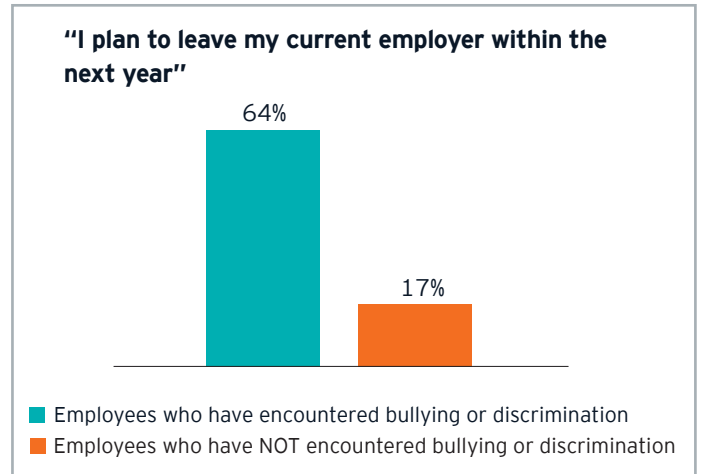
A third of employees say they have experienced or encountered discrimination from another employee, and 30% have experienced or witnessed bullying. Almost one in five (17%) say they have witnessed their colleagues experiencing harassment.

Other discrimination might seem more subtle, but it still gets noticed: 40% of employees have seen colleagues experience microaggressions, and 36% have seen colleagues being excluded or isolated by others.

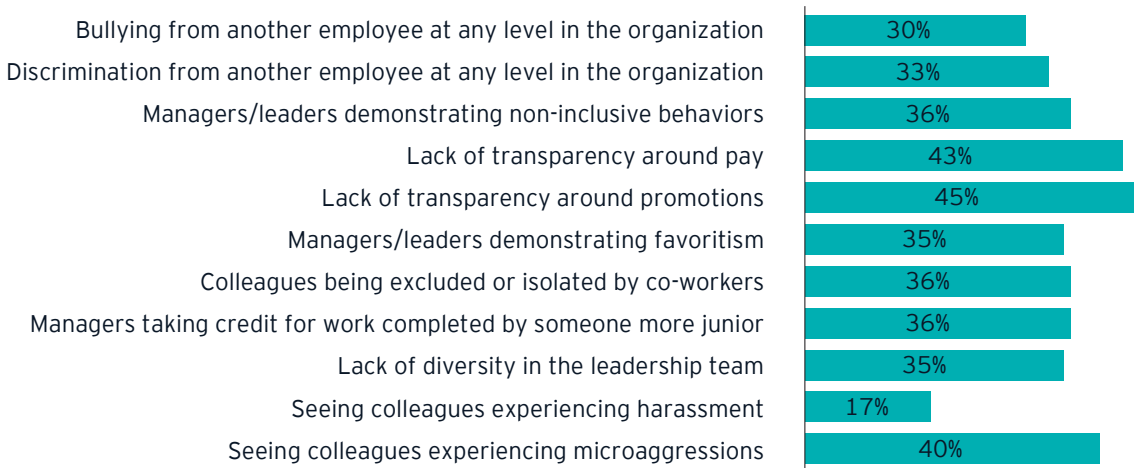
Toxic behaviors such as racist and sexist abuse are traumatic for the individuals involved, and for those around them. They are unacceptable. And their cost for organizations can be substantial: unchallenged, they can erode engagement and damage talent retention.

In our survey, 64% of those who have experienced or encountered bullying or discrimination plan to leave their employer within a year – compared with only 17% of those who haven't experienced or encountered these behaviors. That's a significant risk for employers.

In addition, only slightly over half of employees who have experienced any type of toxic behavior reported it: many employees seem to feel uncomfortable raising concerns – or they lack confidence that their complaint will be taken seriously.



% of non-managerial employees who have experienced or encountered each behavior in their organization



For approximately how long do you intend to stay with your employer?



Poor performance on DEI is damaging mental health

An organization’s approach to DEI is part of its broader story about how it operates and how it cultivates the right working culture, and there’s a perception gap here too.

Nearly two-thirds (63%) of managers rate their organization as “good” or “very good” at building a culture of trust and transparency, compared with only 44% of employees. Only 41% of employees believe their leaders strive to build a psychologically safe environment, compared with 61% of managers.

This is hitting employees’ feelings of inclusion. More than a third (34%) don’t feel they belong at work, 40% say they can’t be their authentic selves and 24% believe their employer doesn’t care about their wellbeing.

Underrepresented employees face greater barriers to speaking up

Underrepresented, undermined and unempowered

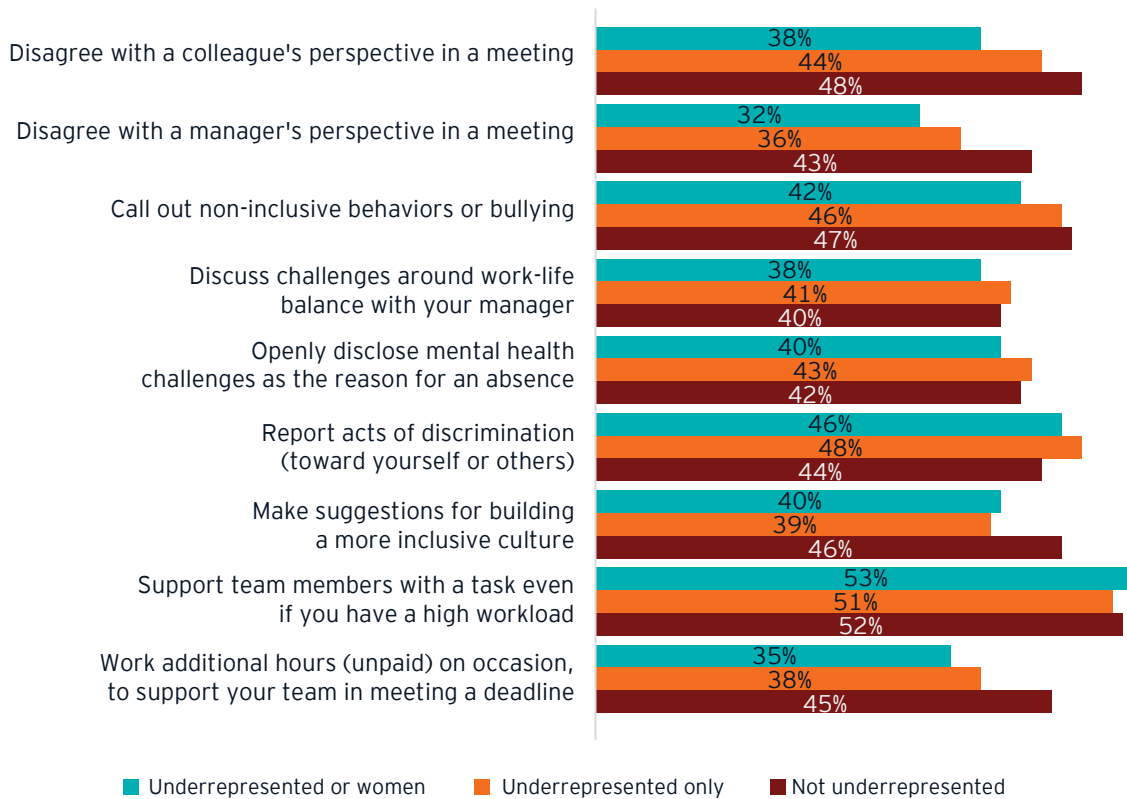
Underrepresented employees* are more likely than others to suffer as a result of their organization’s lack of inclusivity.

We find that they’re more likely to have encountered bullying or discrimination at work. They’re also far less likely to say that their organization has taken steps to support them in the workplace – for example, giving them the flexibility to work where and when they want, listening to their views and taking a position on political issues that are important to them.

Perhaps because of this lack of support, underrepresented employees are less likely to feel empowered to challenge the status quo: 32% say they feel able to disagree with a manager’s perspective in a meeting, compared with 43% of heterosexual, white, educated men without disabilities.

This risks trapping organizations in a negative cycle where minority groups feel powerless to demand changes that would help to drive greater equality.

% of employees who say they would be likely to do each of the following



*Employees who self-identify as one or more of the following: being a woman, belonging to an ethnic minority, being LGBTQIA+, being from a traditionally underrepresented socioeconomic group, and/or having a disability.

DEI is failing underrepresented employees: The data at a glance

55%

of LGBTQIA+ employees give low scores for "ability to be my authentic self in the workplace," compared with 40% of other employees

35%

of women feel a sense of belonging at work, compared with 40% of men

43%

of ethnic and cultural minorities don't feel optimistic about their career opportunities, compared with 36% of other employees

25%

of employees with a physical or mental disability feel a sense of belonging at work, compared with 39% of other employees



Chapter 2

The European DEI Index

Lessons from the DEI Leaders

We've used the data from our survey to create the European DEI Index, which measures progress on DEI.

The index scores are an average of how the employees we surveyed rate their organization on two dimensions.

Dimension 1

Extent of holistic DEI approach (e.g., different DEI dimensions)

Scored according to average progress made across five aspects of diversity:

- ▶ Ethnic/cultural diversity
- ▶ Socioeconomic diversity
- ▶ Gender diversity
- ▶ Disability diversity
- ▶ LGBTQIA+ diversity

Dimension 2

Level of lived DEI culture

Scored according to how employees rate their organization across four areas:

- ▶ How much employees can be themselves and feel accepted at work
- ▶ How much their organization has a consistent approach to DEI across its locations and business areas
- ▶ How much leaders within the organization strive to build a psychologically safe environment
- ▶ How much employees trust the organization to behave ethically when it comes to DEI

The average Index score across all organizations is **5.69** out of 10.



The DEI Leaders edge ahead

A small group of organizations, just 7% of the total, are what we call DEI Leaders: these organizations achieved a DEI index score of 7.86. That leaves the rest scoring an average of 5.53.

Our analysis shows that the DEI Leaders have an edge over the competition in terms of both business metrics and employee experience. Managers report higher levels of employee satisfaction and productivity over the past 12 months, as well as increased financial growth, innovation and customer satisfaction.

The DEI Leaders are also likely to benefit from better staff retention than other organizations. Employees at the DEI Leaders are less than half as likely to be job hunting right now (6% vs. 13%), and are a quarter as likely to plan to stay for less than a year (6% vs. 24%).

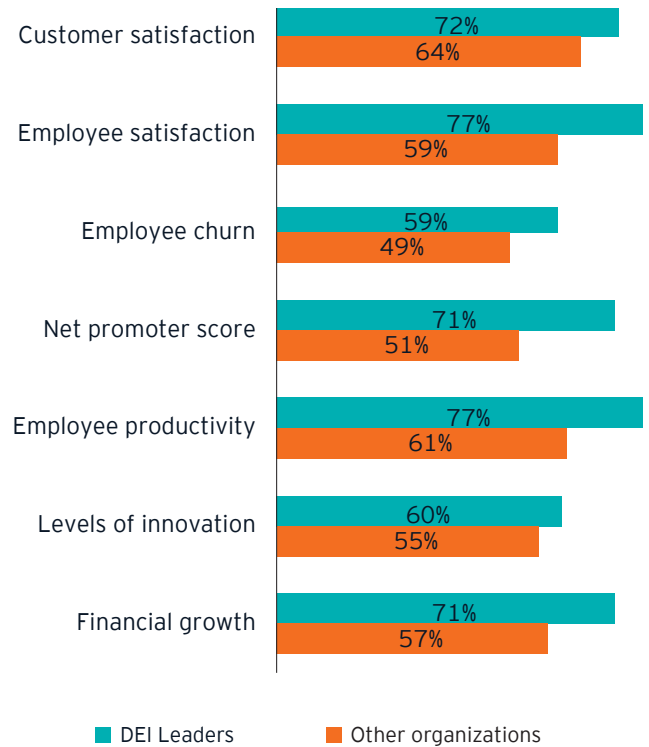
That commitment could be linked to the positive views of employees at DEI Leaders. More of them report high levels of productivity, belonging, psychological safety, optimism about their career and their ability to bring their authentic self to work.

We also find that the gap between managerial and employee perceptions at the DEI Leaders tends to be smaller than at other organizations.

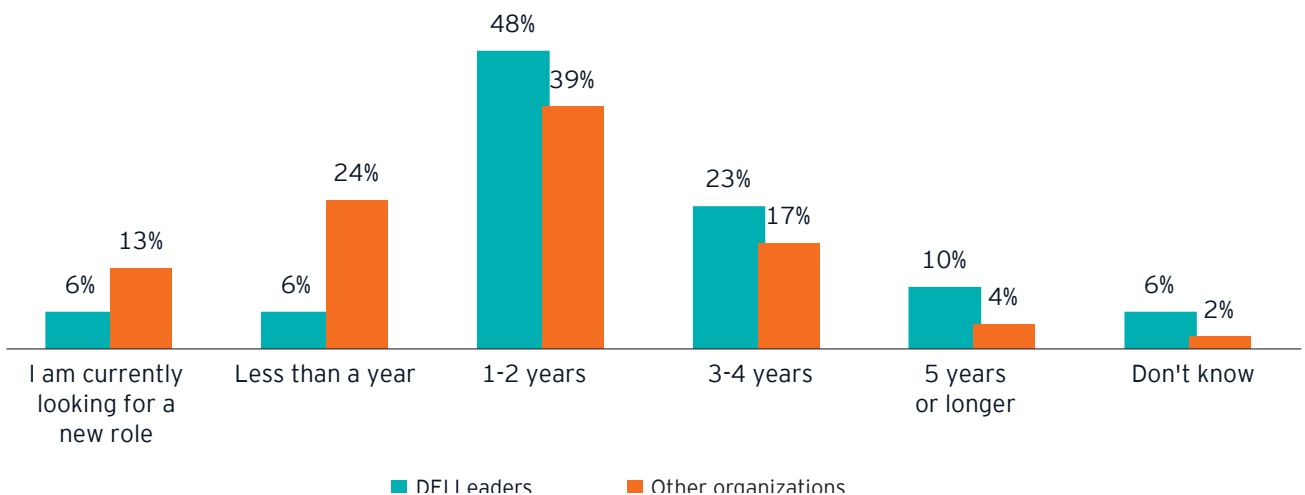
For example, 93% of managers at the DEI Leaders say they have a high level of ethnic and cultural diversity, and so do 90% of non-managerial employees.

At other organizations, this perception gap is a gulf: 62% of managers say they have high levels of ethnic and cultural diversity; among non-managerial employees it's just 47%.

% of managers who say that each metric has increased in the organization over the past 12 months



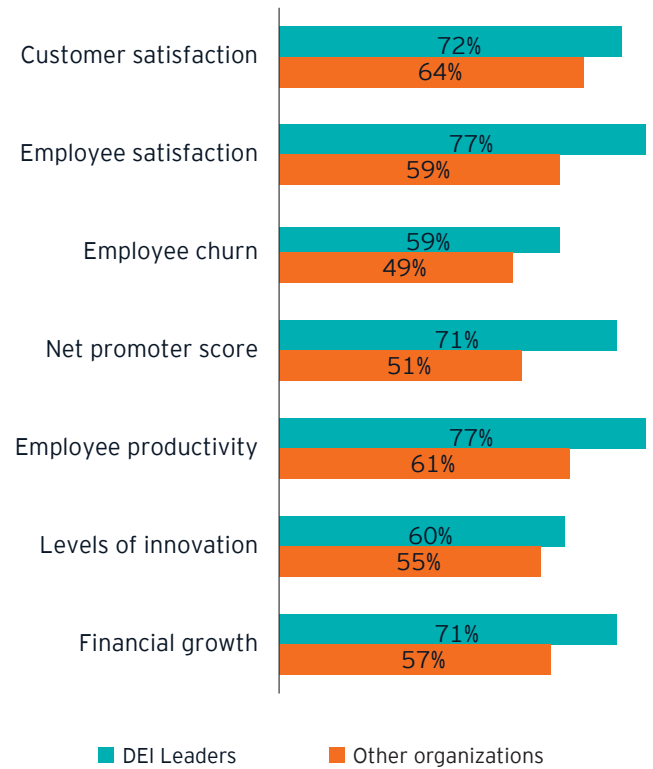
% of employees who plan to stay with their employer for each time period





DEI Leaders show business growth and employees retention

% of employees who say each factor is "high" in their life today



Seven lessons from the DEI Leaders

Our analysis of the organizations that scored highest in the DEI Index reveals six lessons for other organizations.

Lesson 1.

Diversify your leaders for a diverse organization

Organizations with more diverse leadership teams have more comprehensive approaches to DEI.

When it comes to DEI, the characteristics of leadership teams appear to be deeply connected to how they act, as well as how employees assess their leadership on DEI issues. Enhancing diversity at the top tangibly demonstrates the organization's commitment to DEI, brings fresh perspectives on the issue, and creates ripple effects in the talent pool, both by attracting more diverse people to work at the organization and by encouraging diverse employees to pursue leadership roles.

The DEI Leaders are ahead here. A large majority (87%) say there is a good level of diversity in their leadership team, compared with just below half of other organizations (49%). Our data shows that they're right: 54% of managers at the DEI Leaders are from underrepresented groups, compared with 39% of managers at other organizations.

As a result, managers at the DEI Leaders are much less likely than those elsewhere to say that a lack of diverse leadership is one of the biggest barriers to improving DEI (9% compared with 16%).

Actions: Work harder to create more diverse leadership teams. Boost leadership and career development programs for underrepresented groups. And encourage mentoring and sponsorship to help diverse leaders to go further in their careers.

Lesson 2.

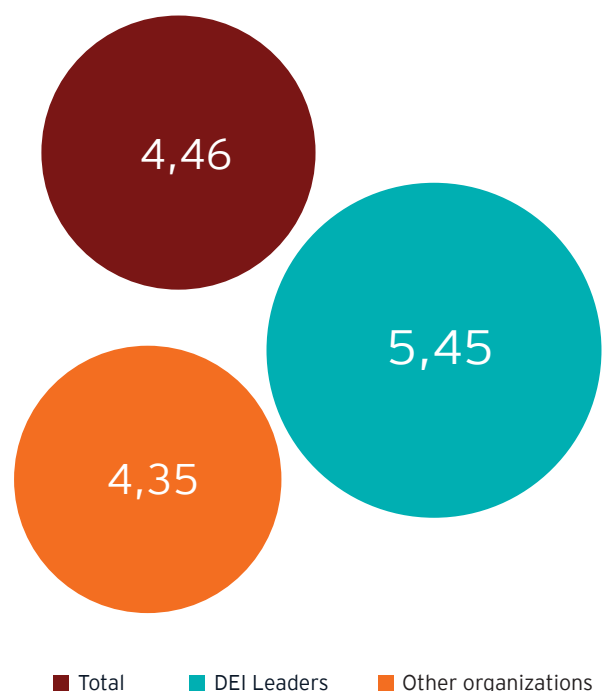
Invest more and invest better

The DEI Leaders invest more resources in DEI – both financially and with dedicated personnel – and they get better results.

The DEI Leaders spend an average of €5.45m on DEI initiatives every year, compared with €4.35m at other organizations – that's 25% more, even though they are comparable in size to other firms. And they dedicate 15 employees to DEI full time, compared with 11 in other organizations.

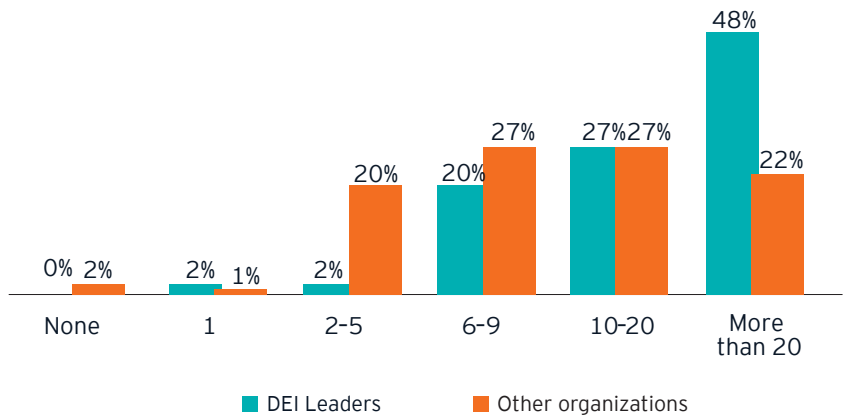
This shows that the DEI Leaders are not just talking the talk about DEI. Their investment is evident in the higher numbers that report undertaking a wide range of initiatives to foster diversity and inclusion, including mandatory unconscious bias training, diversity quotas and mentorship and sponsorship programs. Their approach is holistic and strategic, rather than ad hoc and reactive.

Average amount spent on DEI initiatives each year, in €millions





The DEI Leaders dedicate more employees full time to DEI initiatives



Despite these investments, budgetary restraints are managers' top barrier to improving DEI – both at the DEI Leaders and elsewhere. The second-ranked barrier is a lack of training. Managers and employees recognize that further targeted investment is needed.

But organizations struggle to ensure that spend is allocated effectively. For the DEI Leaders, the top five barriers to further progress include the difficulty of measuring the impact of DEI spending, and uncertainty about where to focus their efforts. If businesses are going to maintain or increase their investment, they need to better measure its impact so that resources can be channeled to where they really work.

At the same time, leaders need to remember that not all benefits of improving DEI outcomes will be directly attributable to inputs, to generate a sort of DEI ROI. They need to remain mindful of the big picture: namely, that the costs of failing on diversity, equity and inclusiveness are much higher than what might be spent on specific initiatives.

Actions: Improve measurement of impact on DEI, including metrics on employee diversity and the talent pipeline, and perceived inclusion. Use data-based insights to direct resources to areas where progress is slow and increased spend will deliver measurable impact – but remember that achieving DEI is not about a delivering a crude ROI. The bigger strategic costs of falling short on diversity, equity and inclusiveness far outweigh potential investment in DEI initiatives.

Lesson 3.

Let's talk about pay and promotions

Transparency about pay and promotions can increase accountability and encourage equity.

Transparency is essential to DEI efforts. Keeping important information on leadership, pay, promotions, workforce demographics and problem areas as well as growth areas can foster a culture of suspicion and distrust. Openly communicating such key details reassures employees that their organization values them and is committed to change. Moreover, transparency enables management to better track DEI progress and identify where improvements can be made.

It's understandable then, why our research shows that the DEI Leaders are more likely to encourage transparency around employee pay and promotions.

Across both managers and employees in the survey, more than half (54%) say that their organization has a transparent process for assessing employees' performance and rewarding them accordingly, compared with 34% at other organizations.

And just 23% of employees working for the DEI Leaders report encountering a lack of transparency around pay, which is almost half the proportion in other organizations (44%).

Pay transparency is quite controversial, and transparency can feel uncomfortable. But revealing unfair discrepancies can be a necessary step toward improved equity – and for EU countries it's also becoming a legal requirement. The EU's Pay Transparency Directive, which was approved in April 2023, empowers employees to ask for information about average pay levels, broken down by sex, for different categories of employees. It also requires that they have access to the criteria used to determine pay and career progression.

Actions: Increase transparency by ditching formal rules – and informal expectations – about confidentiality on pay and promotion decisions so that decisions can be challenged and decision-makers held to account.

Lesson 4.

Get DEI on the board agenda

The DEI Leaders are more likely to secure top-level strategic engagement on inclusion.

People issues are rarely high on the board agenda, but that has to change if organizations are going to accelerate progress on DEI. After all, the decisions needed to complete the lessons listed here can only be taken with the board's approval. Organizations are devoting substantial resources to DEI (as discussed in Lesson 2). Without the board's backing, ambitious DEI efforts, such as [Amazon's House Equity Fund](#) which provides affordable housing to its employees, could never be sanctioned.

DEI is also highly relevant to business strategy – including through its influence on hiring and talent retention. Let's take the actions of the board of a [global public health NGO](#) for example. The NGO had pivoted to operating in new geographies, while most of the workforce (including the board) was still based in North America. In response, the board decided to recruit directors with extensive knowledge of the local areas who could understand the cultural nuances of each market. This provided the organization with valuable insights it would have otherwise missed.

Such efforts demonstrate the positive influence an active board can have on DEI efforts. Our research shows that the DEI Leaders are about a third more likely to have diversity leaders who report directly to the board (16%, compared with 12% in other organizations), and high levels of visibility, accountability and oversight are likely to be helping their progress. We also find that nearly all employees from the DEI Leaders (80%) say they fully understand the DEI strategy, compared with 55% in other organizations. That clarity could be a result of C-suite or board-level involvement in driving understanding throughout the business.

Actions: Give the board full visibility of the organization's DEI work. Secure its input into DEI programs, and challenge executives to go further and faster.

Lesson 5.

Hire for diversity

The DEI leaders are better at embedding more equitable recruitment processes.

The index data shows that the DEI Leaders are more likely to be taking a range of steps to promote DEI in recruitment processes. For instance, they're more likely to ensure that hiring teams are diverse (45% compared with 38% of other organizations), more likely to train hiring managers in diversity and inclusion (38% vs. 32%), and more likely to use blind CVs when hiring (33% vs. 28%).

These kinds of steps can reduce the impact of personal bias on recruitment decisions. But organizations may need to go further and make diversity an explicit aim within the talent strategy and recruitment policy – where they have identified a lack of diversity in specific categories of roles and can legally justify the goal of increasing diversity.

That does not mean adopting positive discrimination. But with a strategic focus on improving diversity, employers should do all they can to reduce bias and provide equal opportunities for talent.

Actions: Make diversity an explicit goal of the talent strategy and recruitment policy. Embed proven key practices and train hiring managers across the organization.

% of managers who say that their organization has adopted each recruitment practice



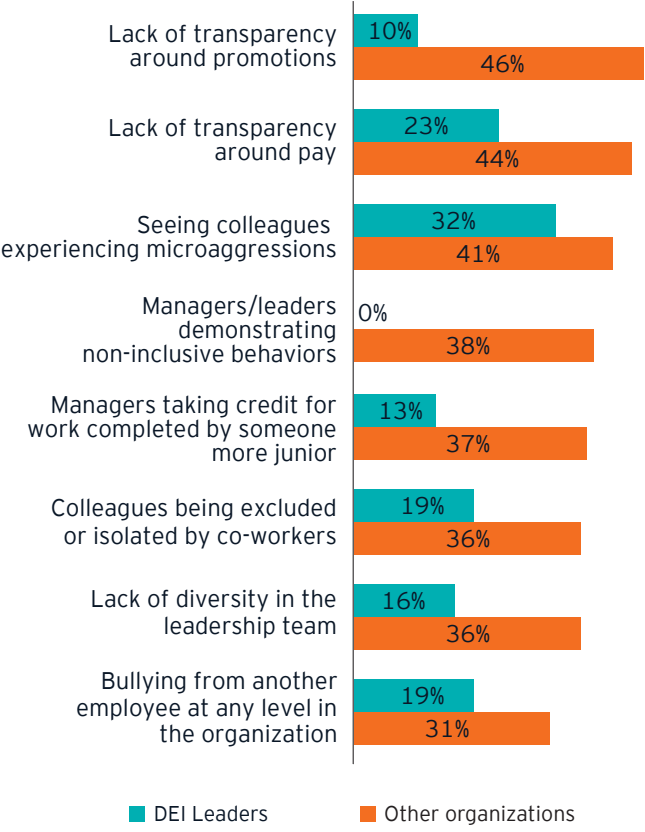
Lesson 6.

Don't ignore toxic behavior

Employees at the DEI Leaders are less likely to encounter toxic behavior, and they feel more confident about challenging it.

Only 19% of employees at the DEI Leaders say they have encountered bullying, while 31% say the same at other organizations. Similarly, only 32% of employees at DEI Leaders have witnessed microaggressions, compared with 41% at other organizations.

% of employees who have encountered or experienced each behavior



As the data shows, the DEI Leaders are not immune to problems: employees at these leading firms are 9% more likely to report seeing colleagues experiencing microaggressions, for example. In addition, 32% report seeing discrimination from employees at different levels of the organization.

But the absence of reported discriminatory behavior among managers at the DEI Leaders is notable, as is employees' perceptions of their own ability to challenge unacceptable behavior. More than two-thirds (68%) of employees at the DEI Leaders feel empowered to call out non-inclusive behaviors or bullying, compared with less than half of those working elsewhere (43%). They also feel better able to report discrimination (58% vs. 45%) and to make suggestions for a more inclusive culture (65% vs. 42%).

Actions: You can empower employees to speak up and challenge poor behavior through clear policies that are designed with employee input, and training on the options available. When poor behavior does happen, leaders should act quickly and firmly, with appropriate consequences for those found to have acted unacceptably – however senior they are.



Lesson 7.

Listen up, then act

The DEI Leaders engage more extensively with employee networks, and they act on the feedback.

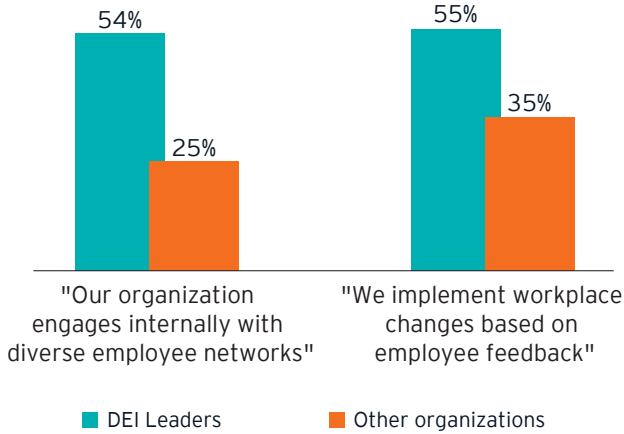
Providing formal ways for employees to air their viewpoints can be a powerful way to build inclusion and ensure that diverse voices are heard. Across both employees and managers, the DEI Leaders are more than twice as likely to be rated as “good” or “great” at engaging with diverse community networks: 54% compared with 25% of other organizations. They’re also more likely to rate their organization highly for listening to employees’ views through channels such as employee surveys or focus groups: 46% compared with 34%.

Critically, the DEI Leaders then act on what they hear: 55% rate their organization as good or great at implementing workplace change based on employee feedback, compared with 35% at other organizations.

Engagement with diverse employee networks can help senior leaders to get a broader perspective on DEI issues and other strategic decisions – particularly when they lack diverse perspectives among the leadership team. Sending a clear signal that executives want to hear diverse voices may have wider benefits, too: employees at the DEI Leaders are less likely to say they have seen their colleagues being excluded or isolated by co-workers (19% vs. 36%).

Actions: Set up community networks to strengthen the voice of underrepresented groups of employees. Ensure that those voices are heard by allocating senior executives to sponsor and support each network.

% of employees who agree with each statement





Conclusions

Meeting the challenge

This research shows that employers' initiatives to improve diversity, equity and inclusiveness remain a work in progress.

Leaders across Europe may have made ambitious rhetorical commitments to DEI, and managers may have positive assessments of the progress being made on multiple fronts. But the experience of people in non-managerial roles is different. Their verdict presents leadership teams with a clear challenge: to ensure that the reality of organizational action matches their ambition.

The lessons gleaned from the DEI Leaders provide robust, practical pointers to close that gap – and help organizations across Europe to enhance the impact of their DEI efforts.

Country by country: the main challenges

Are there any challenges that stand out across the nine countries included in this research? Here are the headlines.



Austria

Many Austrian employers are focused on the pivotal role of hiring practices: 34% of managers say they have adopted blind CVs (compared with a Europe average of 28%), 48% have adopted a values-based approach to hiring (vs. an average of 39%) and 44% adapt interview formats to suit those with additional needs (vs. an average of 33%).

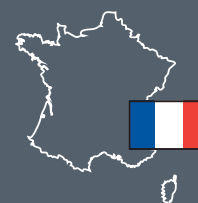
Challenges include cultivating a broad sense of inclusiveness: Austrian respondents are less likely to say they can be themselves at work (41% compared with an average of 49%). Non-managerial employees are also much less likely to report incidents of discrimination (36% compared with an average of 45%), which suggests that employers need to generate greater confidence by adopting more responsive and robust processes.



Belgium

About three-quarters of Belgian managers (76%) say they have implemented multiple measures to address gender diversity – 10 points above the European average – but they lag slightly behind the average on cultural diversity, LGBTQIA+ diversity and disability.

Non-managerial employees are more likely than average to say they would report acts of discrimination (53% compared with an average of 45%). And 51% say they're likely to make suggestions about how to build a more inclusive culture, compared with an average of 43%. Despite this, non-managerial respondents report weak job satisfaction levels: just 28% report high levels of satisfaction, compared with an average of 40%



France

Across all the countries surveyed, French respondents are the most likely to say that their company is good at communicating a perspective on political issues that affect certain groups (34% compared with an average of 29%). French non-managerial employees have the second-highest score for having a sense of belonging at work (44%, compared with an average of 38%), and the second-highest sense of job security (52% compared with an average of 45%).

But French non-managers are also more likely to say that they have encountered a lack of transparency around promotions (53% vs. an average of 45%), and are 10 percentage points less likely than average to say they would report acts of discrimination (35% compared with 45%). Employers may need to examine whether employees lack confidence in how complaints would be handled.



Germany

Germany is the lowest-scoring country for “good” ratings of company approaches to ethnic and gender diversity (50% and 57%, compared with averages of 57% and 61%, respectively). Just 58% of German managers say they have implemented multiple measures to address gender diversity, compared with an average of 66%. Companies don’t seem to be keeping up with employee expectations.

German non-managerial employees are close to the average when it comes to reports of managers behaving in non-inclusive ways (37% compared with an average of 36%), but are above average for experiences of bullying from other employees (reported by 44%, 14 percentage points higher than the average). An above-average proportion says their company has a clear route for reporting discrimination and harassment (40%, compared with the European average of 31%).



Italy

Italian respondents are far more likely to feel able to be themselves and feel accepted at work: 57%, compared with the European average of 49%. Despite this, only 33% of non-managerial employees say they have a high level of psychological safety at work, which is 11 percentage points lower than the average and 47% have experienced managers or leaders demonstrating non-inclusive behavior (compared with 36% on average).

Employees who had experienced discrimination or bullying are more likely than the Europe average to have reported it: 60% compared with just 51%.



The Netherlands

The Netherlands is the highest-scoring country for respondents who say their organization is good on ethnic diversity – despite Dutch managers being less likely to say they have implemented measures to support cultural diversity (29% compared with an average of 39%). Similarly, just 54% of managers say they have implemented gender diversity measures (vs. an average of 66%).

Stronger scores emerge for company action on other dimensions of diversity: 37% report measures to support LGBTQIA+ diversity (compared with an average of 25%), 34% report measures on socioeconomic diversity (vs. an average of 24%) and 26% have taken action on disability diversity (vs. an average of 15%).



Portugal

Portuguese respondents are the most likely to rate their organization highly for gender diversity (67% compared with an average of 61%). Managers are also more likely than average to say they have implemented measures to address cultural diversity (47% compared with an average of 39%), and Portuguese organizations are more likely to have employee networks based on cultural diversity (60% compared with an average of 53%).

However, employers are moving slowly on other aspects of diversity. Just 24% rate their company highly on disability diversity (compared with an average of 32%) – the lowest of all the countries in the survey.



Spain

Spanish respondents are the most likely to rate their company highly on disability diversity (43%, which is 11 percentage points higher than average). They are also more likely than average to say they would not consider working for an organization that had a weak approach to DEI or was not diverse (49% compared with 41%).

But there are other indicators of weakness in creating an inclusive culture. Non-managerial employees in Spain are less likely to rate their mental health at high levels than in other countries (32% compared with 43% on average) and are more likely to work additional unpaid hours to support their team on a deadline (48% compared with 39%).



Switzerland

The data on Swiss employers' progress on DEI is encouraging. Respondents' ratings of organizations' DEI performance are higher than the European average across every aspect of diversity – in some cases substantially: 41% rate their organization highly on disability diversity, for instance, compared with an average of 32%.

That perception is echoed elsewhere. Non-managerial employees are less likely to report experiencing discrimination (23% compared with an average of 33%) and bullying (20% vs. an average of 30%), and they are more likely to report acts of discrimination when they occur (59% compared with an average of 51%). [Q8b] But DEI appears to be a weaker differentiator for talent attraction: only 32% of Swiss respondents say they would not consider working for a company with a weak record on DEI, compared with an average of 41%.

Research methodology

This report is based on research conducted for EY by FT Longitude during September and October 2023.

A total of 1,800 respondents – 900 managers and 900 non-managerial employees – took part, with 15% at C-suite or board level.

The sample excluded organizations with revenues under €50m.

The survey was conducted across nine European countries: Austria, Belgium, France, Germany, Italy, the Netherlands, Portugal, Spain and Switzerland.

The European DEI Index Methodology

The index scores presented in this report are based on two survey questions:

1. To what extent do you agree with the following statements? (Respondents rated each statement on a scale of 1-5, where 1 = completely disagree and 5 = completely agree)

- ▶ I am able to be myself and feel accepted at work
- ▶ Our organization demonstrates a consistent approach to diversity, equity and inclusion, regardless of location or business area
- ▶ Leaders within our organization strive to build a psychologically safe environment
- ▶ I trust that the organization I work for behaves ethically when it comes to issues related to diversity, equity and inclusion

For this question, scores were allocated from 0-10:

- ▶ Completely disagree 0
- ▶ Somewhat disagree 2.5
- ▶ Neither agree nor disagree 5
- ▶ Somewhat agree 7.5
- ▶ Completely agree 10

2. How would you rate your organization in each of the following areas? (Respondents rated each statement on a scale of 1-5, where 1 = very poor and 5 = very good)

- ▶ Level of ethnic or cultural diversity
- ▶ Level of socioeconomic diversity
- ▶ Level of gender diversity
- ▶ Level of disability diversity
- ▶ Level of LGBTQIA+ diversity
- ▶ Building a culture of trust and transparency

For this question, scores were allocated from 0-10:

- ▶ Very poor 0
- ▶ Fairly poor 2.5
- ▶ Neither 5
- ▶ Good 7.5
- ▶ Very good 10

We excluded any respondents who reported witnessing non-inclusive behaviors from management as this would indicate that their organization isn't inclusive.

The total index score is the average of these two questions.

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