

Why increasing workplace 'Bliss' can slash attrition risk by 50%

Workplace inclusion is often under-prioritised in corporate diversity, equity, and inclusion (DEI) efforts because it is particularly difficult to define, measure, and influence. But improving employees' experience of inclusion—feeling valued and respected; believing your perspectives matter; feeling happy, motivated, and like you belong; and feeling supported in your mental and physical well-being—can deliver enormous business value, according to a new report released by Boston Consulting Group (BCG).



Jacqueline Foster-Mutungu, partner at BCG, Johannesburg

Titled *Inclusion Isn't Just Nice. It's Necessary*, the report explores findings from BCG's Bliss (bias-free, leadership, inclusion, safety, and support) Index, a tool that draws upon data from more than 27,000 employees across industries from 16 countries, including South Africa, and uses statistical modelling techniques to identify the feelings of inclusion that matter to retention decisions and the workplace factors that drive those feelings of inclusion.

"Employee sentiment data in South Africa followed the major trends observed in all 16 countries we surveyed: leadership actions and safeguards for a respectful, bias-free environment drove more positive individual experiences of inclusion, resulting in higher rates of happiness, motivation and retention across the workforce," says Jacqueline Foster-Mutungu, partner at BCG, Johannesburg. "Leaders play a more profound role than they realise in driving and shaping the experience of inclusion in the workplace. Simultaneously, improving employees' experience of inclusion in the workplace is one of the most actionable levers companies have to attract and retain talent."

Inclusion is a win-win for both businesses and employees

The Bliss Index data unearths what matters most to employees, allowing companies to develop cost-effective strategies and programmes to support workplace inclusion. Companies that increase their Bliss Index scores from the lowest quartile to the median can boost the number of employees who feel happy, empowered, and able to fulfill their potential by nearly 30 percentage points and slash attrition risk by 50%.



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Brian Eagar 29 Jul 2021



Four key drivers of inclusion

The Bliss Index reveals several key factors that enhance feelings of inclusion in the workplace for all employees, across industries and countries:

- **Senior leadership commitment:** Locally, when senior leaders are committed to DEI, 85% of their employees feel valued and respected, as opposed to 38% in companies where leaders are not viewed as committed. This is a wider gap in experience than the other 15 countries studied, where 84% of employees feel valued and respected when senior leaders are committed to DEI, as opposed to 44% in companies where leaders are not viewed as committed.

BCG's survey reveals that globally almost one-third of BIPOC, LGBTQ, and people with disabilities chose not to apply for or accept a role due to lack of inclusion in the work culture of a particular organisation. In South Africa, 30-40% of BIPOC employees, LGBTQ employees, and employees with disabilities chose not to apply or declined an offer due to lack of inclusion in the work culture - as did 27% of straight, cis-gendered men.

"The Bliss Index gives us deep analytical proof that inclusion directly affects the decisions people make about their jobs and suggests that an inclusive culture is important for recruitment in South Africa," says Foster-Mutungu.

- **Diversity in senior leadership:** When companies have diversity in senior leadership, 81% of employees in South Africa report feelings of belonging at work, compared to 85% globally, whereas only 45% of employees feel as though they belong at companies without diversity on the executive team, compared to 53% globally.

Representation shouldn't be limited to the most obvious diversity groups, such as women, people of colour, people with disabilities, and LGBTQ employees; it should also extend to age, socio-economic background, level of education, and caregiving outside of work.

- **Direct managers' commitment:** When executive teams are committed to DEI, 83% of global employees report that their direct managers are also committed to DEI and 86% say their direct managers create a feeling of psychological safety (as opposed to just 17% and 29%, respectively, at companies without a senior leadership commitment to DEI). Similar to the global trend, when direct managers create safe working environments, 78% of employees in South Africa feel their perspectives matter, which drops to 33% when managers do not create a safe working environment. Because direct managers interact with employees daily, they are vital to an inclusive day-to-day work environment.

According to the research, older employees, lower-ranking employees, and employees from less-advantaged socio-economic backgrounds are the least likely to feel psychologically safe at work, and direct manager behaviour can influence their experiences.

- **A discrimination-free, bias-free, respectful environment:** Employees who witness or experience discrimination, bias, or disrespect are nearly 1.4 times more likely to quit their job. When employees trust that executives are committed to DEI, they are 33 percentage points more likely to feel comfortable speaking out in the face of

discrimination, bias, or disrespectful behaviour. When employees feel emboldened to speak up or see consequences for these types of behaviours, they are more comfortable being their authentic selves at work, which makes them feel that the workplace is more inclusive.

Why feelings of authenticity in the workplace matter

BCG defines “authenticity in the workplace” as employees feeling able to share the parts of their identity they view as important, such as sexual orientation, race, a health condition, socioeconomic background, or a personal living situation. According to the report, employees who can be their authentic selves are happier and more motivated to give their best, and they feel like their perspectives matter—and they are 2.4 times less likely to quit. Across and within all subgroups, people who agree that they can be their authentic selves at work scored twice as high on their Bliss Index score than did those who strongly disagree.



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The research reveals a gap in inclusion experiences that widens when people feel that they need to cover or hide parts of their authentic selves at work. For example, 69% of people who have disclosed a disability to their employer say they can be their authentic selves at work, as opposed to 59% who have not disclosed.

In the LGBTQ community, the gap is even wider: 73% of employees who have come out to their co-workers feel that they can be their authentic selves at work, compared with 53% who are not out. Furthermore, 64% of employees who come from less-advantaged financial backgrounds feel that they can be their authentic selves at work, as opposed to 75% of people who grew up financially advantaged.

Boosting Bliss to attract and retain talent

To improve employees’ happiness, well-being, and retention, the report details actions leaders should focus their inclusion efforts on:

- Demonstrating leadership commitment to DEI
- Building diversity at the leadership level
- Equipping direct managers, and making them accountable, to create safe teams and environments
- Building stringent safeguards against discriminatory and biased behaviours
- Measuring outcomes focused on DEI

The Bliss Index has shown conclusively that inclusion directly affects the decisions people make about their jobs and impacts retention. “We found this relationship to hold true in South Africa. Companies that increase their Bliss Index scores from the lowest quartile to the median can cut attrition risk in half,” says Foster-Mutungu.

By investing leadership focus and resources strategically to build a more inclusive workplace, companies can create an environment in which employees feel comfortable bringing their fully authentic selves to work.

[Download the publication here.](#)