The Business Case for Diversity and Inclusion
Diversity and Inclusion Goals are Business Goals

A well-executed Diversity and Inclusion strategy can be instrumental to changing company processes, leadership and culture. As a result, organizations can expect to see improvements in the talent it attracts, retains and advances, and the overall output your company yields.

- Re-vamped talent strategy (win the war for talent).
- Grow employees and teams that are ready to conquer the demands of your company and industry.
- See your company innovate ahead of industry trends and capture new markets over its competitors.
Gender Diversity Drives Revenue

• **Innovation catapults:** The Median rate of innovation jumps 10% in companies when the percentage of female managers within a company passes 20%.

• **Revenue Increases:** A 1% increase in gender balance is correlated with a 3% increase in sales revenue.

• **Revenue Plummets:** Companies that don’t have gender parity make 2.3 times less revenue per employee.
Racial and Ethnic Diversity Drives Revenue

• Companies reporting the highest levels of racial diversity bring in nearly **15 times** more sales revenue on average than those with the lowest levels of racial diversity.

• Companies in the top quartile for gender and racial diversity were **35%** more likely to have financial returns above their industry average.

• Companies in the bottom quartile both for gender and for ethnicity and race, are **statistically less likely** to achieve above-average financial returns than the average companies in the data set.
Millennials Demand Inclusion

• **83%** of millennials report active engagement at work when they believe the culture is inclusive.

• Millennials prioritize the opportunity to learn when choosing a job but, only **39%** of millennials believe they have learned something within the past 30 days.

• **71%** of millennial women in the workforce do not see equal opportunity for advancement in their organization.
Inclusive Leadership Drives Stakeholder Return

- **85%** of CEOs whose organizations have a formal D&I strategy say it has improved the bottom line, enhanced performance, innovation, customer satisfaction & talent attraction.

- Inclusive leadership can result in a **30%** bump in employee engagement.

- Companies with highly engaged workforces outperform peers by **147%** in earnings per share.

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Diversity & Inclusion Drives Innovation

- Companies with Blau index scores above 0.59 (above the median) have generated 38% more of their revenues, on average, from innovative products and services.

- When teams have one or more members who represent the gender, ethnicity, culture, generation, or sexual orientation of the team's target end user, the entire team is as much as 158% more likely to understand that target and increase their likelihood of innovating effectively for that end user.
Innovation Continued

- Design Management Institute found that S&P 500 companies that use a Design Thinking approach outperform their competitors by 211%.

- Forrester Research found that organizations with sophisticated HCD capabilities can deliver an ROI of 85% or greater on their innovation initiatives.

*Human Centered Design Thinking (HCD) is an approach to problem solving, develops solutions to problems by involving the human perspective in all steps of the problem-solving process.*
Diversity & Inclusion is Critical for Attracting and Retaining Talent

- **67%** percent of job seekers said that a diverse workforce is an important factor to them when considering companies and job offers.

- Prioritizing diversity may also be key to retention strategies since **57%** of employees want their company to do more to increase diversity.

- Employees who have a sense of belonging are **167%** more likely to recommend their organization as a great place to work.
Inclusion Impacts Employee Health

- Employees who feel a strong sense of belonging show a 75% drop in sick days.
- Upwards of $576B are lost every year by US employers to workforce illness.
- Companies spend around $750 per employee on employee wellness initiatives.
Is Your Company Culture Costing You?

Our proprietary tool calculates the cost of disengagement and attrition that can be attributed to lack of inclusion*

1) Input total headcount & turnover rates
2) Input average salaries
3) See your company’s losses from lack of inclusion

*Contact us for details
What You Can do Next

1. Use this research to win buy-in from key stakeholders
2. Attend free events for industry insights and solutions
3. Start a personalized roadmap
4. Understand the dollars and cents behind your efforts
5. Speak with a consultant
THANK YOU.

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APPENDIX


Fortune - Diversity is Food for Your Bottom Line http://fortune.com/2017/01/18/leadership-diversity-bottom-line-career-advice/


PwC - 18th Annual Global CEO Survey https://www.pwc.com/gx/en/ceo-agenda/ceosurvey/2018/us

Center for Talent Innovation https://www.talentinnovation.org/assets/IDMG-ExecSummFINAL-CTI.pdf


HR Dive – A Sense of Belonging may Keep Workers on Board https://www.hrdive.com/news/a-sense-of-belonging-may-keep-workers-on-board/562957/