

The business case for diversity & inclusion*



- businesses are more profitable, adaptable, innovative, have a better brand image and are better at attracting and keeping top talent
- valuable for small businesses as they can get results more quickly

Diverse groups offer **more ideas and solutions** than homogenous groups because there are more skills, knowledge, and talent.

Companies with higher levels of diversity are **better at attracting and retaining top talent**, have **higher levels of satisfaction** amongst employees and are **more effective decision makers**.

Recent McKinsey analysis shows that companies/organisations who are in the top quartile for gender diversity on executive teams were **25%** more likely to have an above average profitability than those in the fourth quartile.

Companies/organisations who are in the top quartile for ethnic and cultural diversity outperformed those in the fourth quartile by **36%** in terms of their profitability.

It is not enough to hire diverse talent. In a nurturing workplace, it is necessary to ensure the retention of talent through encouraging **creativity, collaboration**, and the possibility to use the **skills of all employees**.

When well-managed, diversity encourages **constructive dialogue, contradictory debate, collaboration, creativity and innovation**. As a result, diversity impacts indirectly but positively on long-term economic performance. Diversity is an even more interesting and valuable resource in the context of smaller businesses: due to their size and greater flexibility, **they obtain visible results very quickly**.

Diversity management contributes to:

- enhanced economic performance
- enhanced social performance
- better adaptation to demographic and organisational changes
- compliance with the law

Diversity management adds value to:

- attracting and retaining top talent
- innovative team work
- better responsiveness to needs and expectations of customers
- access to new markets
- better adaptability to change
- positive brand image

Businesses that value difference and provide the opportunity for people to use their potential fully create individual benefits such as confidence for employees as well as **job satisfaction, better morale, effective teamwork and communication, loyalty, and high performance**.

Inclusion and diversity are important during crisis periods to **create opportunities for equal access** and reduce scope for unconscious biases creeping back in.

* From external resources and reports rather than IMPALA's own analysis - learn more [here](#), [here](#) and [here](#).