



KEY CONSIDERATIONS FOR ADOPTING A DEI STRATEGY

WBA DEI Task Force

May 2021

The Business Case For DEI

- **Bolsters financial performance.** A [study conducted by McKinsey & Company](#) found that companies with ethically diverse leadership teams are 35% more likely to have financial returns above their respective national industry medians. Companies with gender diverse leadership teams are 15% more likely to have financial returns above their respective national industry medians
- **Highlights your organization as an employer of choice.** According to [Glassdoor](#), 67% of job seekers view a diverse workforce as an important factor when evaluating companies and considering job offers.
- **Fosters innovation and growth.** According to [Harvard Business Review](#), diverse companies are 70% more likely to capture a new market. They're also 45% more likely to report increased market share year-over-year.

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- **Value of Belonging.** According to [Harvard Business Review](#), companies reap substantial bottom line benefits if employees feel a sense of inclusion and belonging in the workplace. High belonging was linked to a whopping 56% increase in job performance, a 50% drop in turnover risk, and a 75% reduction in sick days. For a 10,000-person company, this would result in annual savings of more than \$52M.
- **Increases employee engagement.** [83% of millennials](#) report being actively [engaged](#) when they believe their organization fosters an inclusive workplace culture. That percentage drops to 60% when their organization does not foster an inclusive culture. (A Gallup study has assessed the cost of disengaged employees at up to \$350 billion per year in lost productivity.)
- **Supports powerful decision-making.** Teams that are inclusive make better decisions up to 87% of the time, according to a [study conducted by Forbes](#).

Additional Resources

- Center for Global Inclusion provides a robust resource for metrics, measures, and support materials for Financial Institutions further on their development plan [Center for Global Inclusion](#)
- Deloitte Diversity, Equity Inclusion –Insights and Resources [Deloitte Insights](#)
- Becoming a Leader in DE&I [Turn talk into action: Becoming a leader in DE&I](#)

The Urgency of DEI in Business

Organizations are grappling with concurrent social crises – tearing down institutional bias while also [supporting employees](#) during a pandemic.

Many employees report feeling anger, stress, and sadness as they learn more about the impact of systemic racism on People of Color in America.

Add to that the fears about the pandemic and the outlook for the economy, it's clear that many employees are being deeply affected by circumstances and issues outside of the workplace.

According to [McKinsey and Company](#), the business case for DEI is stronger than ever. Companies whose leaders welcome diverse talents and include multiple perspectives are likely to emerge from the pandemic stronger and in a better position to adapt to a rapidly shifting business, social and governance environment.

If organizations don't prioritize DEI right now, the impact will be felt not just on the bottom line but in people's lives.

Tips for Building a Business Case for Investing in DEI

Tip #1: Engage with your stakeholders early.

Keeping a finger on the pulse of what your leadership team is dealing with (and when) will help clue you into their priorities.

Tip #2: Lead with why.

In your business case, aim to answer the questions:

- Why now? (*Hint: We helped answer that one for you, above.*)
- Why take this specific approach to DEI?
- Why is it important to the organization's success?

Also, take the time to understand your key stakeholders' "why" – and shape your presentation to address their priorities.

Tip #3: Speak to return on investment (ROI).

Leveraging the benefits and build your business case around high-level data that point directly to ROI.

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Tip #4: Include experience data in your proposal.

Incorporating experience data, or X-data, into the casego from anecdotal stories to [data-driven insights](#) that paint a compelling story from an overall point of view.

Tip #5: Show your audience what the organization would look like without a DEI strategy.

What would the impact on the business be if you did nothing around diversity, equity, and inclusion? Include statistics around financial performance as well as employee engagement to explain these points. Talk about what your competitors are doing, as well.

Tip #6: Tie your DEI strategy to other key initiatives.

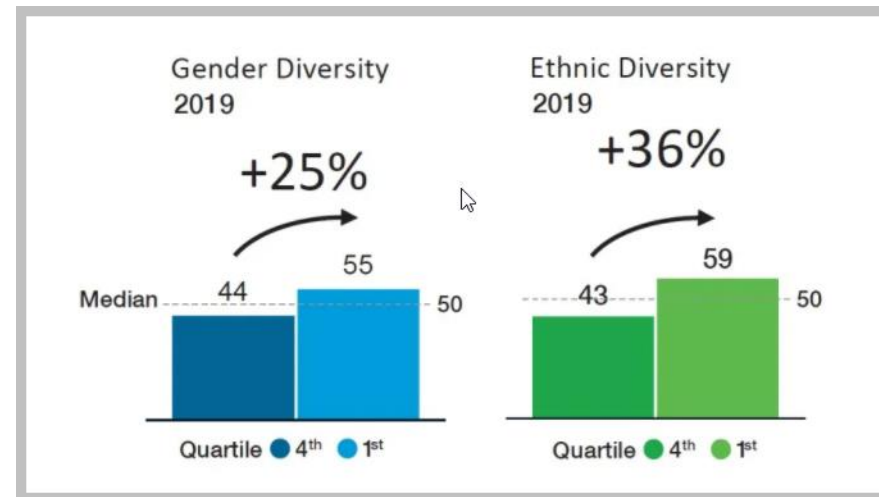
Demonstrate how a DEI strategy will support or strengthen other key business initiatives, such as employee engagement, employee retention or capturing a new market.

Tip #7: Focus on sustainable change.

Achieving social justice and racial equity is a long-term journey. Prioritize iterative and steady progress over the long haul.

Increase in Organization Performance

- Studies from the Harvard Business Review, Boston Consulting Group, McKinsey and Clear Company show diversity has a strong correlation with organizational performance.



- The chart above is from McKinsey's most recent report in 2020, "[Diversity Wins: How inclusion matters.](#)" It shows (blue bars) that organizations with diversity of gender are 25% more likely to be more profitable than their peers. It also shows that organizations with diversity of ethnicity (green bars) are 36% more likely to be more profitable than their peers.
- The World Economic Forum's report from 2020 [Diversity, Equity and Inclusion 4.0: A toolkit for leaders to accelerate social progress in the future of work](#) covers how DEI is Morally Imperative, Legally Imperative, Economic Imperative. Profitability increases by 24-36%. Innovation increases by 20%, and retention and employee satisfaction increases by up to 40%

Road Map Tools

Exception Resource can be found from SHRM – Specifically providing Diversity, Equity and Inclusion Resources and A toolkit

[SHRM Blue Ribbon Commission Report, Strategies to End Workplace Racism](#)



[A Full Resource Guide From SHRM on Diversity, Equity and Inclusion](#)

SHRM Blue Ribbon Commission Issues Report, Strategies to End Workplace Racism

New research and a DE&I Action-to-Change Toolbox can help employers make tangible differences



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