

# The business case for Diversity, Equity & Inclusion (DEI).

## 10 reasons why its imperative to focus on DEI

### 1 Advance performance

In a McKinsey and Company study, companies in the top quartile for ethnic/cultural diversity on executive teams were 33% more likely to have industry-leading profitability. A McKinsey & Company study of 1,000 companies across 12 countries found that companies in the top quartile for gender diversity were 27% more likely to outperform their national industry average in economic profit.<sup>1</sup>

Firm success story:  
[Carr, Riggs & Ingram](#)

### 2 Foster innovation and creativity

Companies with two-dimensional (2-D) diversity (inherent and acquired) out-innovate others. Leaders who give diverse voices equal attention unleash value-driving insights, and employees in a “speak up” culture are 3½ times as likely to contribute their full innovative potential.<sup>2</sup>

Firm success story: [Marcum](#)

### 3 Evolve productivity

A McKinsey report that covered 366 public companies in a variety of countries and industries found that those that were more ethnically and gender diverse performed significantly better than others.<sup>3</sup> Work environments that are more inclusive of persons with disabilities often see improved productivity levels.<sup>4</sup>

Firm success story: [RSM](#)

### 4 Competitive advantage

Companies with a diverse leadership team are 45% more likely to report a growth in market share over the previous year. Companies with a diverse leadership team are 70% more likely to capture a new market.<sup>2</sup>

Firm success story: [Plante Moran](#)

### 5 Grow intellectually

Diverse groups are 58% more accurate in problem solving as compared to homogenous groups. Collective and individual intelligence increases in diverse groups.<sup>5</sup>

Firm success story: [EY](#)

### 6 Demographic shifts

Generation Z is on track to be the nation’s most diverse and best-educated generation yet. Today, nearly half (48%) are non-white.<sup>6</sup> A CNBC [article](#) states that “the traditional 9-to-5 office job doesn’t adequately support the lives millennials and Gen Zs want to live. They are flexible-work natives ...”

Firm success story: [Crowe](#)

### 7 Social responsibility

An increasing number of millennials say that organizations have a moral obligation to give back to the society in ways that create an inclusive environment for everyone to participate and thrive.<sup>7</sup>

Firm success story: [Deloitte](#)

### 8 Market demand

A study of more than 1,300 full-time employees found that an inclusive culture is a key to hiring and retaining talent. Eighty percent of respondents said that inclusion is important in choosing an employer. Nearly a quarter of all respondents left jobs due to a lack of diversity and inclusion. An inclusion strategy is a key to retaining a diverse workforce.<sup>8</sup>

Firm success story: [Baker Tilly](#)

### 9 Talent acquisition

While 74% of executives view D&I as crucial to the success of their organization, most companies do not take advantage of D&I to attract top talent.<sup>9</sup> All workers benefit from a more diverse workplace. Studies show that working alongside employees with disabilities makes non-disabled individuals more aware of how to make the workplace more inclusive and better for everyone. Staff turnover is up to 30% lower when a well-run disability community outreach program is in place.<sup>10</sup>

Firm success story:  
[Sensiba San Filippo LLP](#)

### 10 Cultivates engagement

Belonging is linked to a 56% increase in job performance, a 50% drop in turnover risk and a 75% reduction in sick days. A study in the U.S. by Out Now titled “LGBT 2020 – LGBT Diversity Show Me the Business Case” found that the U.S. economy could save \$9 billion annually if organizations implemented more effective inclusion policies for their LGBTQ+ staff. This is partially attributed to avoiding costs from stress and ill-health associated with LGBTQ+ staff who need to hide their identity at work or experience discrimination.

Firm success story: [KPMG](#)

<sup>1</sup>Delivering through diversity, McKinsey and Company, 2018 <sup>2</sup>How Diversity Can Drive Innovation, Harvard Business Review, 2013. <sup>3</sup>Diversity Makes You Brighter, New York Times, 2015. <sup>4</sup>Pew Social Trends, 2018 <sup>5</sup>Institute for Public Relations, 2017. <sup>6</sup>Deloitte Inclusion Pulse Survey, 2017 <sup>7</sup>Russell Reynolds D & I Pulse Survey, 2017 <sup>8</sup>The Value of Belonging at Work, HBR, 2019. <sup>9</sup>Diversity and Inclusion Pulse, 2017 <sup>10</sup>Leader’s Guide, 2018 <sup>11</sup>Getting to Equal: The Disability Inclusion Advantage, 2018 Firm Success Story sources: “actions” contributed by firms who have signed the CEO Action for Diversity & Inclusion™ pledge, and stories from Harvard Business Review, Journal of Accountancy, Plante Moran, Strategy+Business