

THE BUSINESS CASE FOR EQUITY, DIVERSITY AND INCLUSION



Businesses with inclusive employment practices are more profitable, adaptable, innovative, have a better brand image and are able to attract and keep top talent. This is of particular value for small businesses who can see results more quickly.



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

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

Studies show greater diversity can help teams focus more on facts, process those facts more carefully and generate more creativity and innovation when the broader organisation is inclusive and equitable.

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.

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.**

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

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.

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.**

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.

IMPALA MEMBERS ON THE EDI BUSINESS CASE



ROGER DORRESTEIJN
Managing Director
Epitaph

“In a famous interview Nina Simone speaks about the artist’s duty to reflect the times. That same responsibility speaks directly to us as a music sector. Equity, diversity and inclusion have been the drivers of social change. By taking on the moral obligation to take part in that process, it’s proven that it goes hand in hand with becoming better and more profitable. Our label has experienced this in practice over the past years: step by step adapting our company structure and improving our hiring policy, this opened up new opportunities, expanded our artist roster, and made our team more creative and flexible.”



HORST WEIDENMUELLER
CEO & Owner
!K7 Music

“Equity, diversity, and inclusion are not just values; they’re the very essence of our music business in today’s dynamic landscape. By embracing and nurturing a diverse workforce, we’re not just opening doors; we’re building bridges to undiscovered talent and untapped markets. With this comes our greatest strength, a harmonious symphony of ideas, perspectives, and voices, which in turn composes a more vibrant, responsive, and forward-thinking industry, enriching our music, our business, and our world.”

TACKLING DIVERSITY FATIGUE

While efforts to advance EDI have increased worldwide and the importance and understanding of the EDI business case has been widely understood and accepted, a concerning rise of **diversity fatigue** (especially among those driving it) has been raised by the World Economic Forum. Breaking down barriers and creating fair and equal processes, while at the same time having to do your job, can be emotionally draining – especially when progress is slow.

According to World Economic Forum, one of the main causes of this fatigue is the **diminishing support and focus of leaders on EDI**. The organisation also notes that this decline is largely due to the demotivating and devastating setbacks caused by the pandemic.

“The true casualties of “diversity fatigue” are the ones who never feel entitled enough to complain about it.” [Hua Hsu, The New Yorker](#)

The solution? Look at and learn from best practices

Despite the difficulties and setbacks during this period, many organisations have remained committed and moved EDI forward. The latest [EDI Lighthouse Programme 2023](#) analyses initiatives that have resulted in significant, quantifiable, scalable and sustainable impacts, and uncovers what those initiatives have in common.

Sharing knowledge about best practices helps leaders to better focus on EDI efforts, to know what works best, and ultimately to contribute to faster, scalable impact across the global business community and surrounding ecosystems. The report uses the following criteria to identify success (Figure 1) and lays out five success factors of EDI initiatives. While **there is no “one-size-fits-all” solution**, thinking through each of these elements will help set up an organisation’s initiatives for success (Figure 2).

Fig.2 McKinsey & Company

Criteria for measuring EDI success

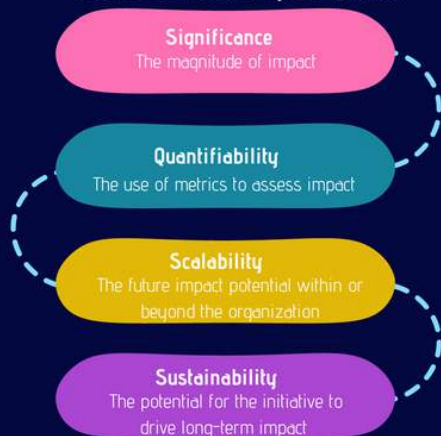


Fig.1 McKinsey & Company

Five success factors common across DEI Lighthouse initiatives

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| 1.
Nuanced understanding of root causes | 2.
Meaningful definition of success | 3.
Accountable and invested business leaders | 4.
Solution designed for context | 5.
Rigorous tracking and course correction |
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