

Inclusion Drives Business Success: The Evidence

Introduction

In the world of business, the spotlight on inclusion has intensified over the past few years.

Successful businesses are starting to recognise the role of inclusion in driving their success.

Research also demonstrates the strong link between inclusive practices and organisational performance, and these findings are consistent across a wide body of research.

In this White Paper, we review the evidence supporting the perspective that inclusion is not just a moral obligation but a strategic driver of business success.



Innovation: A Melting Pot of Ideas

Research clearly shows that diversity fuels innovation. Much cited research by McKinsey shows that companies with diverse teams are found to be 33% more likely to achieve higher profitability. A key driver is that creating and maintaining an inclusive workplace is not just about ticking boxes; it's about unlocking the potential for a melting pot of ideas.

The Journal of Organizational Behavior supports this. They emphasise that diverse teams bring a breadth of perspectives, which, combined with an environment that is inclusive and supports all employees to contribute, leads to more innovative solutions and better decision-making. In a world where it's vital to stay ahead of the curve, businesses that embrace inclusion and create environments where creativity flourishes, gain a competitive edge through innovation of new products and services.

Employee Engagement and Productivity: A Virtuous Cycle

Inclusive workplaces also have higher levels of employee engagement, which is itself very strongly correlated with productivity. Deloitte's research highlights that companies promoting inclusion have 39% lower employee turnover rates. That's good news for employers concerned about employee retention!

In the UK, data from the Institute for Employment Studies highlights the positive correlation between inclusive environments and increased job satisfaction and commitment.

A virtuous cycle emerges when engaged employees contribute more effectively to the organisation. When individuals feel valued and included, they are more likely to go the extra mile, resulting in increased productivity. This interplay between inclusion, engagement, and productivity is not just a theory; it's a practical recipe for sustained business success.

Talent Acquisition and Retention: Attracting the Best

Inclusion isn't just a tick box on a recruitment form; it's also a magnet for top talent. Information from Glassdoor shows that 67% of job seekers view workplace diversity as a critical factor when considering potential employers, even before they apply. In the UK, where diversity is ingrained in society, businesses that prioritise inclusion stand out as attractive destinations for a diverse pool of candidates.

The Chartered Institute of Personnel and Development (CIPD) reinforces the strategic importance of inclusion in talent management. It's not just about attracting talent; it's about retaining it. In an era where employees seek not just jobs but the opportunity to build their knowledge, skills and careers, organisations that champion inclusion are better positioned to create workplaces where people want to join, stay and grow.

Leadership Dynamics: The Inclusive Advantage

The leadership of any organisation sets the tone for the organisational culture, whether that's intentional or not!

Studies in the Harvard Business Review show that inclusive leadership correlates with higher team performance and employee engagement. In the UK, where diversity at the leadership level is under scrutiny for gender, and race and ethnicity, inclusive leadership becomes not just a leadership style but a strategic advantage.

Research from Cranfield School of Management reinforces the idea that diverse leadership teams in the UK contribute to financial outperformance. Inclusive leaders create environments where diversity of thought is not just tolerated but is celebrated, leading to better decision-making and, ultimately, business success.

Research published in the Harvard Business Review in late 2023 demonstrated that having women on boards improved the decision making and the financial results of the organisations. The article even explored the factors that drove this difference – a topic for a future white paper!

Economic Impact: Inclusion as an Economic Driver

And even at the macroeconomic level, the CBI's (Confederation of British Industry) research suggests that inclusive practices contribute to higher productivity, thereby enhancing economic growth.

Conclusion

In conclusion, the evidence from the research demonstrates that inclusion is key for business success. It drives improved innovation, stronger employee engagement, and attracts and retains top talent. Basically, inclusion is a strategic imperative for any organisation. Businesses with inclusion in their DNA are not just socially responsible; they are set up for greater success. As businesses navigate the complexities of the economic landscape, embracing inclusion is not a choice; it's vital in order to thrive and grow.