

The case for equity and inclusion

The arguments for addressing EDI present differently across regions, organisations and time. The case for investment today, tends to fall into one of four buckets: the business case, the legal case, the fairness and equity case and the talent case.

1

THE BUSINESS CASE

The business case demonstrates the value that diversity, equity and inclusion brings to the company and its constituents.

Companies with higher gender diversity in executive teams were 25% more likely to have above-average profitability than others.

People from diverse backgrounds alter the behaviours of the social majority in ways that 'lead to fewer instances of group think.'

3

THE FAIRNESS AND EQUITY CASE

The equity case is a value driven rationale founded on the belief that equity and inclusion is the right thing to do and regardless of their identity, everyone should have access to opportunities resulting in a more just, equal and fair society.

The cost of exclusion shows up in hundreds of studies as being harmful to individual performance, wellbeing and sense of purpose. Individuals who experience discrimination are more likely to suffer from stress, long term unemployment, social exclusion, outdated skills and mental health decline.

2

THE LEGAL CASE

Many organisations are driven by compliance with legislation which ensures adherence to government mandates.

In Australia, the Sex Discrimination Act makes it unlawful to discriminate against a person because of their sex, gender identity, intersex status, sexual orientation, marital or relationship status, family responsibilities, because they are pregnant or might become pregnant or because they are breastfeeding. The maximum penalty for unlawful discrimination is \$66,600 per contravention for a corporation, and \$13,320 per contravention for an individual.

4

THE TALENT CASE

Skills shortages and labour market tightness is leading businesses to focus on equity, diversity and inclusion to tap into segments of the market that may be underutilised.

A report by consulting firm Korn Ferry found that by 2030, more than 85 million jobs could go unfilled because there are not enough people to take them.

Companies with a reputation for having a healthy culture, experienced lower than average turn over during the first six month of the great resignation.



Research by Georgetown University found that inclusion efforts grounded in anti-discrimination law, or the legal case, were more likely to promote equitable behaviours than emphasising the businesses case. This may be because the moral and historical grounding of the law legitimises Equity, Diversity and Inclusion (EDI) efforts with more authority, as compared with the more transient financial motivation.