

A Stronger Business Case for DE&I in 2024



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With the start of any New Year there are predictions in terms of future business trends and where global CEOs need to focus their attention for the year ahead. Despite a current negative backlash in some quarters, Diversity, Equity and Inclusion (DE&I) remains as important, and perhaps even more important, than ever to delivering a sustainable business.

Various recent articles support the rationale for continuing to focus on DE&I as a pillar of future success. The first, based on a report from McKinsey & Company, sets out the most compelling business case yet that companies with diverse leadership teams continue to be associated with higher financial returns.

In its first edition of McKinsey & Company's *Diversity Matters*, published in 2015, the top quartile companies in terms of DE&I performance had a 15% greater likelihood of financial outperformance versus their bottom quartile peers; in its [latest edition](#) (November 2023), that figure has risen to 39%. What is especially interesting is that this steady upward trend is evidenced across multiple industries and regions, despite differing challenges, stakeholder expectations and ambitions.

What this means, put simply, is the upside for businesses who embrace DE&I as a key pillar for

future success and those who are less diverse in their thinking and in practice is getting more and more substantial over time.

New rules for 'executive presence' that embrace inclusivity

A second article, published in the Harvard Business Review, considers the new rules of what is known as '[executive presence](#)'. The author, Sylvia Ann Hewlett, considers the unspoken expectations of how a person in an executive position should sound, look and behave above and beyond their core skills and competencies.

Sylvia Ann Hewlett says that 'executive presence' is learnable and starts with knowing what behaviours are most valued in your organization and industry.

The author addresses the new world of 'executive presence' that includes the need for leaders to be more inclusive, not simply hiring and utilizing diverse talent, but also in ensuring they feel appreciated and supported. She also promotes the importance of authenticity, a trait that was of little or no importance 10 years ago but is now 'newly prized'. To be seen as leadership material, executives are expected to reveal who they fundamentally are, not mimic some dated model.

Of course, gravitas and confidence in one's abilities are key; being able to communicate well at all levels is similarly essential. For the first time ever, however, what is also considered essential is the capacity to be a diverse and inclusive leader. Put another way, whereas diversity has always mattered, now it matters even more as a key ingredient of leadership.

This finding is particularly encouraging. Billie Jean King, our EDGE Certification ambassador, has always said that it's not leaders who choose their followers but rather followers who choose their leaders. We choose our leaders based on those qualities we ourselves want to be associated with. People from typically under-represented groups have traditionally felt that they needed to fit in – to dress or act in a particular way to gain acceptance. But this seems to be changing and the necessity to conform appears to start fading away, which brings me back to the importance of embracing DE&I as a pillar of effective leadership and business success.

There will always be a diversity of opinions expressed on this matter. The President and Chief Executive of the Society of Human Resources Management in the US warned at the end of last year that DE&I policies within US companies will come under 'full out attack'

in 2024. He suggests that organizations are already moving away from the value and importance of inclusivity ignited by the Black Lives Matter campaign.

But we continue to believe that DE&I does matter, and it will continue to matter in 2024 and beyond. It does make employees happier and more engaged. And most important of all, it does make businesses more sustainably successful.

Contact us to see how we can help

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