



Diversity and Inclusion: Increasing Opportunities and Business Value

Drawing the circle wider has its advantages. By focusing on diversity, equity, and inclusion (DEI), organizations increase both opportunities and business value for all.

Leading organizations weave DEI into their DNA for myriad reasons: it unlocks innovation, attracts and retains world-class talent, and helps ensure internal and external stakeholder needs are addressed. New research indicates that efforts to improve DEI boost a company's long-term success and financial performance.

With a consciously inclusive focus (across race, ethnicity, sex, gender identity or expression, sexual orientation, age, religion, ability, socioeconomic status, veteran status, and national origin), we can drive positive change.

The following stats highlight the performance benefits of businesses' DEI efforts:

In 2020, diverse and inclusive companies were more likely than ever before to financially outperform their industry peers.¹



Building diverse, inclusive teams has exponential advantages. According to a report from McKinsey & Company, **organizations in the top quartile for ethnically diverse executive suites were 36% more likely to financially outperform the national median for their industry.**



The same report showed that **organizations whose executive teams were in the top quartile for gender diversity were 25% more likely to outperform their industry's national median.**

According to a 2019 report from World Bank Group's International Finance Corp., private equity and venture capital firms **received a performance boost when their teams were gender diverse.²**

Between 2014 and 2019, family-owned **companies with at least 10% women executives outperformed companies with all-male executive suites by over 4% per year.³**

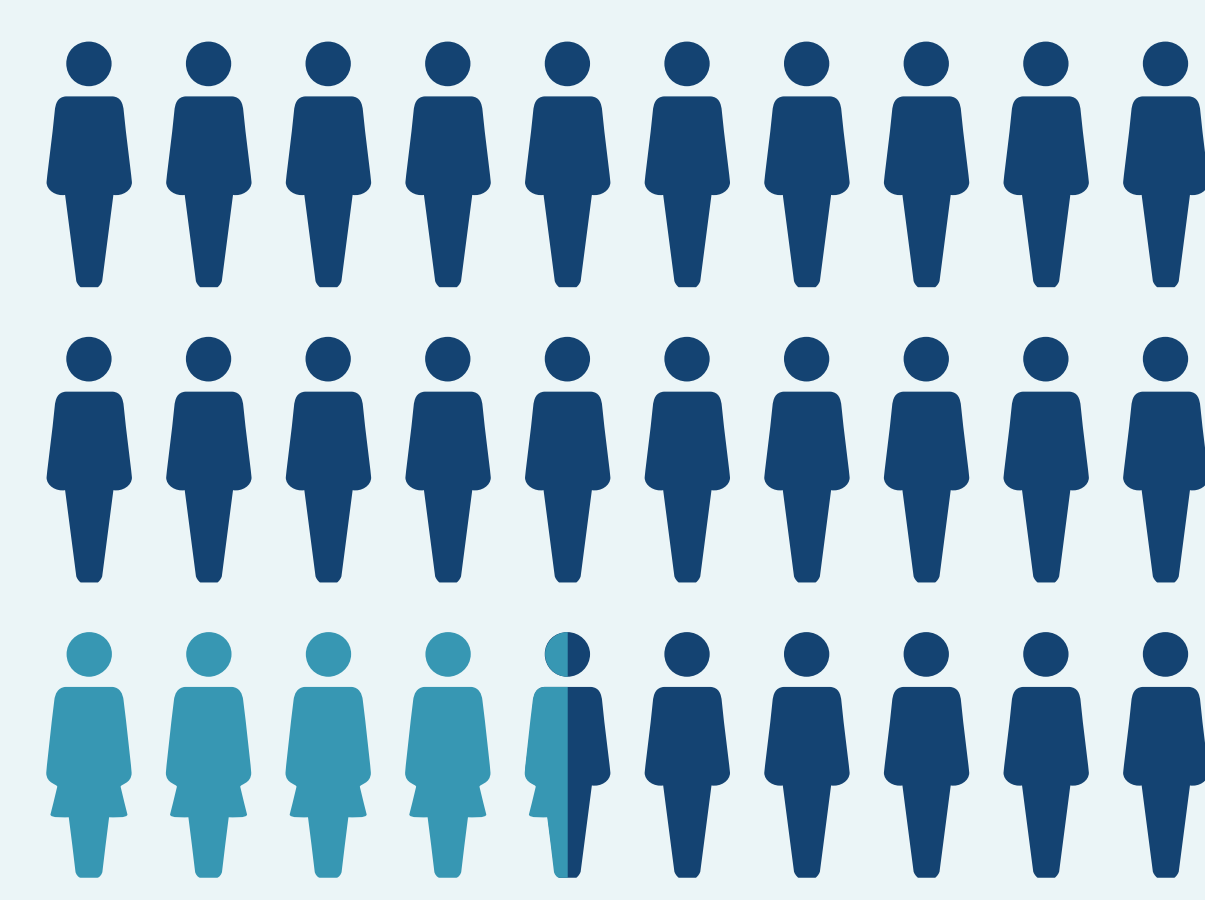


In a 2019 study from *Wall Street Journal*, **the top twenty most diverse companies had an average annual stock return of 10% over 5 years, compared to 4.2% for less diverse companies.⁴**

An Evolving Story

Companies around the world have made incredible progress in their diversity and inclusion efforts in the past couple of decades. But that doesn't mean the journey is over or the story of truly diverse and inclusive organizations is complete.

In "Diversity Wins," McKinsey & Company reported that **women accounted for just 15% of executive team members in all 15 countries in their data set.**



In 2019, **for every 100 men who received a promotion from entry level to manager, only 85 women received the same promotion. Among Latina women and black women, that number dropped to 71 and 58, respectively.⁵**

Since 2000, **only 151 women and people of color have been appointed as CEOs of Fortune 500 companies. In 2000, white men held 96.4% of Fortune 500 CEO positions. In 2020, that number was 85.8%.⁶**



These numbers tell a story—one that needs to be reimagined. **Companies lacking in diversity and inclusion perform at lower levels financially.** They also have a disadvantage in attracting and retaining talent.

Let's write a new chapter.

Building stronger, more diverse teams can change your company—and the world. As a global talent & solutions firm, Vaco is committed to designing, implementing and improving initiatives to drive our focus on diversity and inclusion. We are still perfecting our approach to DEI, and we are learning more each day.



Let's work together to build more inclusive teams and more successful organizations.

vaco.com/diversityandinclusion



¹"Diversity wins: How inclusion matters - McKinsey & Company." <https://www.mckinsey.com/~/media/mckinsey/featured%20insights/diversity%20and%20inclusion/diversity%20wins%20how%20inclusion%20matters/diversity-wins-how-inclusion-matters-vf.ashx>. Accessed 2 Mar. 2021.

²"Moving Toward Gender Balance In Private Equity Markets." https://www.ifc.org/wps/wcm/connect/79e641c9-824f-4bd8-9f1c-00579862fed3/Moving+Toward+Gender+Balance+Final_3_22.pdf?MOD=AJPERES. Accessed 25 Feb. 2021.

³"The CS Gender 3000 report 2019. Diversity and ... - Credit Suisse." 10 Oct. 2019, <https://www.credit-suisse.com/articles/news-and-expertise/2019/10/en/cs-gender-3000-report-2019.html>. Accessed 1 Mar. 2021.

⁴"The Business Case for More Diversity - WSJ - The Wall Street Journal." 26 Oct. 2019, <https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>. Accessed 1 Mar. 2021.

⁵"Women in the Workplace | McKinsey." 30 Sep. 2020, <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>. Accessed 2 Mar. 2021.

⁶"Diversity Among Fortune 500 CEOs from 2000 ... - Who Rules America." https://whorulesamerica.ucsc.edu/power/diversity_update_2020.html. Accessed 10 Mar. 2021.