



Building Inclusive Workplaces

The Business Case for
Equality, Diversity and Inclusion

Contents

Welcome to Hunter Adams' latest white paper on the topic of Equality, Diversity and Inclusion - a hot and rapidly evolving topic. This paper has been produced in partnership with one of our associate consultants specialising in this space and we hope you find our insights useful.

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1. Executive Summary

Equality, Diversity and Inclusion (EDI) has always been important, but it's now business-critical. As society evolves, people expect organisations to create fair, inclusive environments where everyone can thrive.

Ethically, EDI is about doing the right thing – respecting differences, challenging bias, and making people feel valued. But it's also a smart business move. Diverse teams perform better, make better decisions, and attract top talent. In a tight labour market, inclusive cultures help with both recruitment and retention.

Clients, customers and investors increasingly expect businesses to 'walk the talk' on inclusion. Those who don't risk reputational damage and falling behind competitors.

While it may go by many names – EDI, DEI, EDEI or D&I – at its core, it's about long-term cultural change that is led from the top and lived every day. In a more connected and values-driven world, inclusion isn't a tick-box exercise or a one-off initiative – it's essential to building trust, unlocking talent, and driving sustainable success. Inclusive workplaces aren't just good HR; they're a strategic advantage.

Building Inclusive Workplaces: The Business Case for Equality, Diversity and Inclusion is a practical guide for SME leaders, HR professionals, and business owners who want to create more inclusive, equitable workplaces. It explores why EDI is more important than ever, with growing expectations from employees, customers, and investors, and shows how inclusive cultures drive performance, innovation, and engagement.

The paper breaks down what EDI really means, where UK businesses stand today, and the real benefits of getting it right alongside the common challenges that often get in the way. With a straight-talking approach and real-world examples, it offers a clear framework and key actions to move from intention to impact.

2. Introduction: Why EDI is a Business Priority

Why EDI is a Business Priority

EDI isn't just a "nice to have" – it's a clear business priority. The pressure is coming from all sides: employees, customers and investors now expect businesses to actively demonstrate commitment to EDI, and the cost of getting it wrong – or doing nothing – is rising.

Growing Expectations

Employees want to work in organisations where they feel they belong. They expect inclusive cultures where differences are respected, valued and supported. Particularly for younger generations, inclusion isn't optional – it's a key factor in choosing where to work, and whether to stay. In Deloitte's [Gen X and Millennial Survey UK](#) (2024), 90% of UK Gen Z and Millennials said working for a company that shares their values and ethics is important for satisfaction and wellbeing, and nearly half have turned down a job because the employer didn't align with their values.

Customers are also paying close attention. People are more likely to support businesses that reflect their own values and understand their needs. A lack of diversity, or the sense that a company isn't inclusive, can drive customers elsewhere – and in today's digital world, it doesn't take much for reputational issues to spread quickly.

Investors are increasingly focused on EDI too, seeing it as part of a company's ESG (Environmental, Social and Governance) responsibilities. They recognise that inclusive businesses are better run, more resilient, and more sustainable in the long term.

The Business Case


Beyond the growing expectations of the market, and reputational risks of not keeping up, there is a strong business case for EDI.

Growth: Diverse teams bring broader perspectives, helping businesses understand new markets and customer needs. Companies that prioritise inclusion are more adaptable and better placed to grow in a fast-changing world.

Innovation: Innovation thrives on diverse thinking. When people with different backgrounds and experiences come together, they challenge groupthink and spark new ideas. Inclusion creates an environment where everyone can meaningfully contribute, which leads to better solutions and stronger decision-making.

Engagement: People who feel seen, heard and valued are more likely to be engaged and productive. Inclusive cultures lead to higher morale, lower turnover, and stronger performance overall.

Governance and risk: Diverse boards guide organisations through ethical, regulatory and strategic challenges more competently and responsibly. For example, gender-diverse boards show fewer fraud incidents, stronger oversight, and better ESG outcomes (McKinsey, 2023). Organisations that do not have an inclusive culture and robust people policies, risk discrimination claims, reputational damage, and regulatory fines.



Financial performance and profitability: Being strong on EDI isn't just socially responsible, it's financially smart. Studies have shown the link between EDI and strong financial performance. For example, the "[Why diversity matters even more](#)" study (McKinsey, 2023) found that organisations in the top quartile for both gender and ethnic diversity in their executive teams are 39% more likely to outperform their competitors.

The Bottom Line

In short, EDI matters – not just because of the moral imperative or the world is watching, but because it helps businesses perform better. When inclusion is embedded in how a business operates, it's not a side project – it becomes a core driver of growth, innovation, and engagement. In today's landscape, that's not just a competitive edge – it's a business essential.

3. Where We Are Now – A Snapshot

The Political Landscape

EDI in the UK

The political landscape surrounding EDI initiatives has become increasingly polarised, with voices on both ends of the spectrum shaping public discourse and policy.

On one side, progressive advocates push for expansive EDI programs aimed at addressing systemic inequities and fostering inclusive environments across institutions. On the other, critics question the scope, implementation, and perceived ideological underpinnings of these efforts. This tension has led to both innovation and backlash, making EDI a focal point in broader cultural and political debates. While political discourse around these initiatives can vary widely, many organisations continue to prioritise EDI to foster inclusive environments, drive innovation, and reflect the diverse communities they serve.

Global EDI Trends

United States

- **Policy Rollbacks:** Under President Donald Trump, federal diversity initiatives have been dismantled, and several major corporations have scaled back their DEI programmes. This shift has sparked debates about the future of workplace equality in the US.
- **Global ripple effects of US policy changes:** The rollback of EDI programmes under the Trump-era executive order has had far-reaching implications - particularly for multinational companies headquartered in, or closely connected to, the US. In response, some organisations have taken a more cautious stance on EDI, concerned about potential legal or reputational risks. However, many have instead chosen to reaffirm their commitment, guided and reinforced by local legislative frameworks such as the UK Equality Act (2010) and similar international standards.

Broader Global Context

- **Diverging Approaches:** While some countries are retreating from EDI commitments, others continue to integrate EDI principles into their organisational cultures, recognising the link between inclusion and business performance.

EDI Initiatives in Workplaces

- **Rebranding Efforts:** Many organisations are doubling down on EDI but due to political scrutiny, are shifting away from the explicit “EDI” or “DEI” labels. We can see EDI being reframed through mainstream language, such as “wellbeing,” “belonging,” and “culture”. Some are simply embedding diversity and inclusion efforts within broader HR or ESG agendas. This was seen as a way to avoid controversy and public scrutiny while maintaining their commitment to inclusion and continuing to harness the business benefits.
- **Implementation Gaps:** Despite numerous government-commissioned reports on racial inequalities from landmark enquiries since 1981 (e.g. Macpherson, Cattle, Adebawale reports), only about a third of nearly 600 recommendations have been fully implemented within organisations, highlighting a persistent gap between policy and practice.

- **Neurodiversity and class initiatives:** Some organisations (including EY, Deloitte, and Auticon) are explicitly investing in neurodivergent recruitment and support and tackling socio-economic barriers through apprenticeship programmes and pay audits. These areas are seen as less politicised and demonstrate tangible returns.
- **Workplace Sentiments:** [Ipsos's research](#) indicates that there is strong employee support for specific EDI initiatives, with 71% in favour of flexible working, 65% in favour of gender pay gap reporting, and 64% supporting inclusivity training (Ipsos, 2025). However, opinions on EDI more broadly, diverge, with older white, male, respondents more likely to feel EDI has gone 'too far'.

What's Working

- **Strategic Integration:** Organisations that embed EDI into their core strategies, linking it to performance and innovation, report better outcomes. For instance, businesses with inclusive cultures often see higher employee engagement and creativity.
- **Data-Driven Approaches:** Utilising data to inform EDI initiatives allows for targeted actions and measurable progress, enhancing accountability and effectiveness.

What's Not Working

- **Superficial Efforts:** Tokenistic approaches to EDI, lacking depth and genuine commitment, fail to bring about meaningful change and can lead to employee cynicism.
- **Lack of Accountability:** Without clear accountability structures, EDI initiatives risk becoming stagnant, with little follow-through on stated goals.

Looking Ahead

- **Focus on Belonging:** There's a growing emphasis on fostering a sense of belonging within organisations, moving beyond diversity metrics to create inclusive environments where all employees feel valued.
- **Holistic Inclusion:** Future EDI efforts are expected to address broader aspects of identity, including neurodiversity and socioeconomic background, ensuring comprehensive inclusivity.
- **Continuous Evaluation:** Regular assessment of EDI initiatives will be crucial to adapt to evolving workplace dynamics and to ensure sustained progress.

In summary, while there have been strides in promoting EDI in the UK and globally, challenges remain. Success hinges on genuine commitment, strategic integration, and continuous evaluation to foster truly inclusive workplaces.

4. What EDI Really Means

What is EDI?

EDI stands for Equality, Diversity, and Inclusion. It's about making sure people are treated fairly, respected, and given the same chances to thrive – regardless of who they are or where they come from. Some organisations choose to use the word Equity instead of Equality, or use both Equality and Equity in the same acronym (EDEI).

Think of EDI as three parts of the same goal: creating better, fairer workplaces and communities.

1. Equality

This is about fairness – making sure everyone has the same access to opportunities, a fair chance to thrive, and are not held back because of any aspect of their identity or background.

In the UK, the language and principles of equality are enshrined in the Equality Act (2010). The Act protects people from discrimination on the grounds of 'protected characteristics' which include race, religion or belief, age, sexual orientation, sex, gender reassignment, pregnancy or maternity, disability, and marriage or civil partnership.

Example -

A company reviews its pay data and finds that women in similar roles are being paid less than men. They take action to close the gender pay gap and ensure equal pay for equal work.

Equity

Equity is the process of recognising and addressing the differing needs and barriers specific individuals face. It involves proactively allocating resources to "level the playing field". In practice equity is an approach used to achieve equality. Some organisations prefer this language to signal a commitment to tackling structural inequalities.

Example -

A company provides additional coaching support to employees from underrepresented backgrounds applying for promotions, recognising the systemic barriers they may face.

2. Diversity

This is about difference – having a mix of people from different backgrounds, experiences, and perspectives.

Example -

A tech firm realises most of its leadership team looks the same and has similar career paths. They introduce blind CV recruitment (removing names, schools, etc.) to reduce bias and attract more diverse candidates.

3. Inclusion

This is about creating an environment where everyone feels welcome, valued, able to meaningfully contribute and able to be themselves at work.

Example -

A company introduces flexible working policies to support working parents and carers. They also celebrate cultural awareness days and create employee networks (like LGBTQ+ or neurodiversity groups), so people feel seen, heard and supported.

Real life examples of EDI in action

1. Equality – Ensuring fairness and equal access

Example: The BBC's Pay Transparency Reforms

In 2017-18, the BBC came under fire for paying women and ethnically minoritised employees less than their white male counterparts in similar roles. After public backlash, they committed to publishing pay data, introduced equal pay audits, and adjusted salaries to close gaps.

What this shows: Equality isn't about treating everyone exactly the same – it's about making sure opportunities, pay and treatment are fair, and taking an equitable approach by correcting imbalances when they're found.

2. Diversity – Building a mix of different people

Example: Channel 4's 360° Diversity Charter

Channel 4 launched a bold diversity strategy aimed at increasing representation on and off-screen – across race, disability, LGBTQ+, and social mobility. They introduced targets for hiring, developed diverse talent pipelines, and funded underrepresented creatives.

What this shows: Diversity is about being intentional – actively changing how and where you find talent so the team reflects different parts of society.

3. Inclusion – Creating a culture where everyone belongs

Example: Microsoft's Inclusive Design & Employee Networks

Microsoft focuses heavily on inclusive design – creating products and services that work for people of all abilities. Internally, they run employee resource groups for women, LGBTQ+ staff, veterans, and others – giving people a voice and helping shape internal policies.

What this shows: Inclusion means more than just hiring diverse people – it's about making sure they feel heard, safe, and supported once they're in the room.

4. A UK SME

Example: Octopus Energy's Inclusive Culture Approach

Octopus Energy, a fast-growing UK tech-led energy company, embedded EDI into its growth strategy early on. As they scaled, they focused on:

- **Equality:** Transparent pay bands and open communication around career progression, to ensure fairness across all levels.
- **Diversity:** Actively recruiting from a range of backgrounds, not just the typical “energy sector” pool – especially for tech and customer roles. They also challenge CV-based bias by valuing skills and potential.

- **Inclusion:** Creating a workplace culture built on trust and autonomy. They offer flexible working by default and prioritise psychological safety so people feel they can speak up and be themselves.

What this shows: EDI isn't just about fixing problems – it can be embedded into how a business grows, helping attract and retain a wide range of talent in a meaningful way.

Some common EDI myths debunked

1. “EDI is just a box-ticking exercise.”

The myth: Businesses often think they just need to have a policy, a training session, or a diversity statement on their website and they're done.

The reality: EDI is about creating real cultural change – not just compliance or performative actions. It impacts hiring, promotions, retention, engagement, and innovation. A one-off action isn't enough.

2. “It's only about race and gender.”

The myth: People often associate EDI purely with ethnicity and gender balance.

The reality: EDI covers a wide range of characteristics – including age, disability, sexual orientation, neurodiversity, religion, socio-economic background, and more. It's about understanding and removing barriers for all underrepresented groups. Also bear in mind intersectionality - people have multi-faceted lives and lived experiences. They will have different facets of their identity and may be part of several communities experiencing disadvantage.

3. “EDI lowers standards.”

The myth: There's a belief that prioritising diversity means hiring or promoting people who aren't qualified, just to meet quotas.

The reality: EDI is about expanding the talent pool and reducing bias – not compromising on quality. It helps businesses find the best people, not settle for less.

4. “We don't have a problem – we treat everyone the same.”

The myth: Assuming fairness and equality means treating everyone the same.

The reality: Equity means recognising that different people may need different support. Treating everyone the same can ignore real barriers. Treating people fairly is what makes the difference.


5. “It's an HR issue – not a leadership one.”

The myth: EDI is something for HR to “sort out”.

The reality: Culture is shaped by leadership. For EDI to be meaningful, it has to be driven from the top, with clear accountability and visible commitment.

6. “It will all happen naturally over time.”

The myth: That the workplace will automatically become more diverse and inclusive as society changes.



The reality: Without intentional action, change is usually slow or superficial. Bias is built into systems, so it takes active effort to undo it.

7. “It’s all just political correctness gone mad.”

The myth: Some view EDI as performative or virtue signalling.

The reality: Meaningful EDI work is about creating fair, respectful, and productive workplaces. It’s good for people and for business – improving innovation, retention, and decision-making.

5. Barriers to Progress

When it comes EDI, many businesses genuinely want to do the right thing – but progress can often be slow or inconsistent. Below is a look at what typically holds businesses back, common challenges they face, and how well-meaning efforts can sometimes miss the mark.

What Typically Holds Businesses Back

1. Lack of Clear Strategy

Many businesses start EDI work without a clear, long-term plan. They might roll out one-off initiatives or individual training sessions without understanding how these actions contribute to wider cultural change. Without strategic alignment, efforts lose momentum.

2. Leadership Buy-In (or Lack of It)

If EDI isn't truly championed by senior leaders, it rarely gets the traction it needs. Saying the right things in public isn't enough – leadership needs to be visibly involved and held accountable.

3. Fear of Getting It Wrong

There's a real fear of saying or doing the wrong thing, particularly in senior teams. This fear can result in hesitation or silence – both of which stall progress.

4. Limited Resources

Time, budget, and expertise can all be barriers – especially in SMEs. EDI can get pushed down the priority list if it's not seen as core to the business.

5. Complacency

Some businesses believe that because they “treat everyone the same” or “don't see difference”, there's no need for action. This colour-blind or neutrality-based thinking can prevent companies from addressing systemic issues.

Common Challenges Faced

1. Lack of Data

Without reliable diversity data, it's hard to measure progress or identify problem areas. Many companies either don't collect the right data or don't know what to do with it.

2. One-Size-Fits-All Approaches

Applying generic solutions (like unconscious bias training without follow-up) can be ineffective. What works in one organisation – or even in one part of an organisation – may not work in another.

3. Resistance to Change

EDI work often requires cultural and behavioural change, which some employees may see as a threat. This can show up as passive resistance or outright pushback.

4. Over-reliance on EDI Leads or HR

Sometimes, the responsibility for EDI sits solely with one individual or team, rather than being embedded across the business. This limits both reach and impact.

Where Well-Meaning Efforts Go Off Track

1. Performative Actions

Public statements, rainbow logos, or International Women's Day events can feel hollow if not backed up by real, sustained effort. People spot tokenism quickly – and it erodes trust.

2. Focusing Only on Representation

Hiring for diversity without creating an inclusive environment can lead to high turnover and disillusionment. Inclusion must come first, or at least go hand-in-hand.

3. Misreading the Room

Rolling out EDI initiatives without understanding employee sentiment or readiness can backfire. If people feel preached to or excluded from the conversation, engagement drops.

4. Failure to Tackle Structural Issues

Initiatives that focus only on behaviour change (like workshops) without addressing systems (like recruitment, promotion, or pay gaps) won't make lasting impact.

In Summary

Progress on EDI takes more than good intentions. It requires a clear, honest look at what's holding the business back, a commitment to long-term change, and a willingness to get uncomfortable. When done well, EDI can become a genuine driver of culture, innovation and performance.

6. Our Approach to EDI

At the heart of our approach to EDI is a belief that inclusion should be practical, people-centred, and fully embedded in the organisation's culture – not treated as a standalone initiative or purely an exercise in compliance.

We work with organisations of all sizes and sectors to create sustainable change by building on existing strengths, identifying areas of risk or inaction, and co-creating meaningful, measurable pathways forward. Every organisation is different, so we prioritise flexibility, pragmatism, and partnership in everything we do.

Principles that Inform our Work

- **Practical and Impactful:** We offer clear, grounded support that aligns with your business strategy and delivers tangible, lasting impact.
- **Aligned and Embedded:** EDI cannot thrive as a siloed initiative. We help embed inclusive thinking into everyday operations, leadership behaviours, policies, and organisational culture.
- **People-Centred:** We centre employee experience, trust, lived realities, and psychological safety. Inclusion is not just a business strategy - it's a human one.
- **Tailored and Flexible:** No two organisations are the same. We design bespoke approaches that reflect your unique context, challenges and goals.

How we Support Clients

We build trusted, collaborative partnerships with our clients – listening deeply and working together to ensure that every step we take is right for your context and culture.

Insight and Engagement

Our work typically begins with an insight phase to truly understand your organisation – its culture, strengths, risks, and opportunities. We tailor our approach based on your size, sector and priorities. Engagement and co-creation are key to this phase, and may involve:

- Culture and inclusion surveys
- Leadership interviews
- Focus groups
- Policy audits (e.g. respect at work, recruitment, progression)
- Co-creation sessions with colleagues, leaders or, Board) (in person or virtual)
- Reviewing existing EDI strategies, action plans or initiatives

Development and Planning

Drawing on the insight from our Insight and Engagement stage, we co-create a clear roadmap or with achievable short, medium and long-term actions. This may involve:

- Developing or refining your EDI strategy and values
- Setting priorities based on impact and organisational readiness
- Establishing meaningful metrics, accountability, and governance

- Communicating clearly and consistently to build internal buy-in
- Re-engaging colleagues to refine the roadmap and foster shared ownership

Delivery and Embedding

We offer ongoing support to implement, refine, and embed your roadmap across the organisation. Depending on your needs, this may include:

- Training and workshops (inclusive leadership, bias awareness, allyship)
- Designing inclusive recruitment and progression frameworks
- Facilitating culture change programmes
- Building or strengthening staff networks and feedback mechanisms
- Developing EDI communications and engagement strategies
- Coaching EDI leads, executive sponsors, or people managers
- Creating governance and reporting structures for transparency
- Monitoring progress and providing assurance
- Ongoing advice and strategic guidance

Tailored for Your Organisation

We understand that what works for a 5,000-person financial services organisation will differ from the needs of a 30-person digital startup. Our flexible, scalable approach offers tailored entry points based on your goals, size and stage on the journey:

- SMEs may prioritise building a sustainable inclusive culture and strengthening team cohesion.
- Public sector organisations may focus on fulfilling legal obligations, such as compliance with the Worker Protection Act (2023) to prevent sexual harassment.
- Large or complex organisations may need a full cultural audit, governance reset, or the design of a bold new inclusion strategy.

In all cases we meet clients where they are on their journey – without judgment – and help them move forward with confidence, clarity and compassion.

7. Key Actions for Business Leaders

Improving EDI in an organisation is ultimately about leadership commitment, culture change, and embedding inclusive practices into everyday ways of working. Here are some key actions leaders can take to strengthen their organisation's EDI credentials:

1. Lead by Example

- Demonstrate inclusive behaviour every day – be mindful of your own language, decisions, and biases.
- Call out discrimination or exclusion when you see it, regardless of who it involves.
- Show vulnerability and openness – acknowledge gaps in your own understanding and be willing to learn.

2. Make EDI a Strategic Priority

- Embed EDI into the organisation's values and strategy, not just as an HR initiative.
- Set clear goals around diversity and inclusion – and report on them like you would any other business performance metric.
- Allocate resources (time, budget, people) to EDI initiatives.

3. Create Accountability

- Hold leaders and managers accountable for EDI outcomes – this can include incorporating EDI into performance reviews.
- Ensure senior leaders are visible sponsors or champions of EDI work.
- Be transparent about progress and setbacks – honesty builds trust.

4. Listen to Lived Experience

- Provide safe, regular opportunities for employees to share their experiences – through focus groups, surveys or forums.
- Act on feedback meaningfully – people need to see change as a result of their input.
- Involve diverse voices in decision-making processes.

5. Review People Practices

- Audit recruitment, promotion, pay, and progression practices to identify bias or barriers.
- Make sure job descriptions, adverts and interview processes are inclusive.
- Offer development programmes specifically aimed at underrepresented groups, where appropriate.

6. Upskill the Organisation

- Provide training and development opportunities around EDI. Make learning ongoing and relevant to people's roles.
- Support managers to have confident, inclusive conversations with their teams.

7. Celebrate Difference

- Acknowledge and celebrate different cultures, identities and lived experiences throughout the year (not just in designated months).
- Encourage employee resource groups or networks, and give them the backing and access they need to drive change.

8. Measure and Adapt

- Use data to understand your workforce makeup, track progress, and spot where change is needed.
- Look beyond demographics – measure inclusion and belonging through engagement surveys and listening tools.
- Be ready to adapt your approach if things aren't working.

8. Conclusion

Embedding EDI into your organisation isn't just the right thing to do – it's a smart business decision. The most successful businesses know that long-term growth comes from harnessing a wide range of perspectives, creating a culture where people feel valued, and building genuinely inclusive environments.

But it's important to remember – EDI isn't a process to tick off. It's about people. It's about shaping a culture where everyone can thrive, contribute, and belong. That takes commitment, leadership, and a willingness to keep learning and improving. When EDI becomes part of your culture – not just your policy – the benefits are lasting, meaningful and real.

9. Resources and Further Reading

[Deloitte - 2024 Gen Z and Millennial Survey: Living and working with purpose in a transforming world](#)

[McKinsey - Diversity matters even more: The case for holistic impact](#)

[Ipsos poll finds widespread support for key workplace DEI initiatives, but men are more likely than women to say DEI has gone 'too far'](#)

[BBC Public Service Transparency Review](#)

[Channel 4 360° Diversity Charter](#)

[Microsoft - Microsoft's fresh approach to accessibility powered by inclusive design](#)

[Octopus Energy - How we're working together to build a fairer, more diverse energy industry](#)

[CIPD - Equality, Diversity and Inclusion resources](#)

If your organisation could use some support around ensuring EDI best practice, please get in touch with us for a chat.

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