Harvard Business Review

Inclusion And Belonging

Stop Making the Business Case for Diversity

by Oriane Georgeac and Aneeta Rattan

June 15, 2022

SPmemory/Getty Images

Summary.   Eighty percent of Fortune 500 companies explain their interest in diversity by making some form of a business case: justifying diversity in the workplace on the grounds that it benefits companies' bottom line. And yet, in a recent study, the authors found that this... **more**

Most organizations don't feel the need to explain why they care about core values such as innovation, resilience, or integrity. And yet when it comes to diversity, lengthy justifications of the value of hiring a diverse workforce have become the norm in corporate

America and beyond. AstraZeneca's website, for example, makes a business case for diversity, arguing that "innovation requires breakthrough ideas that only come from a diverse workforce." Conversely, Tenet Healthcare makes a moral case, noting in its Code of Conduct that "We embrace diversity because it is our culture, and it is the right thing to do."

These statements may seem innocuous — but our forthcoming research suggests that how an organization talks about diversity can have a major impact on its ability to actually achieve its diversity goals. Through a series of six studies, we explored both the prevalence of different types of diversity rhetoric in corporate communications, and how effective these narratives are when it comes to attracting underrepresented job candidates.

In our first study, we gathered publicly available text from all Fortune 500 companies' websites, diversity reports, and blogs, and then used a machine learning algorithm to classify the data into one of two categories:

- **The "business case" for diversity**: a rhetoric that justifies diversity in the workplace on the grounds that it benefits companies' bottom line
- **The "fairness case" for diversity**: a rhetoric that justifies diversity on moral grounds of fairness and equal opportunity

We found that the vast majority of organizations — approximately 80% — used the business case to justify the importance of diversity. In contrast, less than 5% used the fairness case. The remainder either did not list diversity as a value, or did so without providing any justification for why it mattered to the organization.

Given its popularity, one might hope that underrepresented candidates would find the business case compelling, and that reading this type of justification for diversity would increase their

interest in working with a company. Unfortunately, our next five studies demonstrated the opposite. In these studies, we asked more than 2,500 individuals — including LGBTQ+ professionals, women in STEM fields, and Black American college students — to read messages from a prospective employer's webpage which made either the business case, the fairness case, or offered no justification for valuing diversity. We then had them report how much they felt like they would belong at the organization, how concerned they were that they would be judged based on stereotypes, and how interested they would be in taking a job there.

So, what did we find? Translated into percentages, our statistically robust findings show that underrepresented participants who read a business case for diversity on average anticipated feeling 11% less sense of belonging to the company, were 16% more concerned that they would be stereotyped at the company, and were 10% more concerned that the company would view them as interchangeable with other members of their identity group, compared to those who read a fairness case. We further found that the detrimental effects of the business case were even starker relative to a neutral message: Compared to those who read neutral messaging, participants who read a business case reported being 27% more concerned about stereotyping and lack of belonging, and they were 21% more concerned they they would be seen as interchangeable. In addition, after seeing a company make a business case, our participants' perceptions that its commitment to diversity was genuine fell by up to 6% — and all these factors, in turn, made the underrepresented participants less interested in working for the organization.

For completeness, we also looked at the impact of these different diversity cases on well-represented candidates, and found less consistent results. In one experiment, we found that men seeking jobs in STEM fields reported the same anticipated sense of belonging and interest in joining a firm regardless of which type

of diversity rationale they read. But when we ran a similar experiment with white student job candidates, we found that as with underrepresented job candidates, those who read a business case also reported a greater fear of being stereotyped and lower anticipated sense of belonging to the firm than those who read a fairness or neutral case, which in turn led them to be less interested in joining it.

Clearly, despite ostensibly positive intentions, making the business case for diversity does not appear to be the best way to attract underrepresented job candidates — and it may even harm well-represented candidates' perceptions of a prospective employer as well. Why might this be? To answer this question, it's helpful to examine what the business case actually says.

The business case assumes that underrepresented candidates offer different skills, perspectives, experiences, working styles, etc., and that it is precisely these "unique contributions" that drive the success of diverse companies. This frames diversity not as a moral necessity, but as a business asset, useful only insofar as it bolsters a company's bottom line. It also suggests that organizations may judge what candidates have to contribute on the basis of their race, gender, sexual orientation, or other identities, rather than based on their actual skills and experience — a stereotyping and depersonalizing approach that undermines candidates' anticipated sense of belonging.

Ultimately, the business case for diversity backfires because it sends a subtle yet impactful signal that organizations view employees from underrepresented groups as a means to an end (an *instrumental* framing of diversity). This undermines organizations' diversity efforts, before they've even had any direct interaction with these candidates.

So what should organizations do instead? Our research shows that the fairness case, which presents diversity as an end in itself (i.e., a *non-instrumental* framing of diversity), is a lot less harmful than

the business case — in our studies, it halved the negative impact of the business case. But there's another option that may be even better and simpler: Don't justify your commitment to diversity at all. Across our studies, we found that people felt more positive about a prospective employer after reading a fairness case than after reading a business case — but they felt even better after reading a neutral case, in which diversity was simply stated as a value, without any explanation.

When we share this suggestion with executives, they sometimes worry about what to do if they're asked "why" after they state a commitment to diversity with no justification. It's an understandable question, especially in a world that has so normalized prioritizing the business case over all else — but it has a simple answer. If you don't need an explanation for the presence of well-represented groups in the workplace beyond their expertise, then you don't need a justification for the presence of underrepresented groups either.

It may seem counterintuitive, but making a case for diversity (even if it's a case grounded in a moral argument) inherently implies that valuing diversity is up for discussion. You don't have to explain why you value innovation, resilience, or integrity. So why treat diversity any differently?

OG

Oriane Georgeac, Ph.D. is an Assistant Professor of Organizational Behavior at Yale School of Management. Her research focuses on organizations' diversity rhetoric, and perceptions of social progress. She specifically investigates the paradoxical consequences of instrumentality in organizations' justifications for *why* they care about diversity. She also studies the psychological mechanisms that shape people's perceptions of social progress. Follow her on Twitter at @oriane_georgeac.

AR

Aneeta Rattan, Ph.D. is an Associate Professor of Organizational Behavior at London Business School, and a co-founder of the Career Equally newsletter. Her research focuses on mindsets and diversity — addressing stereotyping, prejudice, and inequity in the workplace. She studies messages that organizations can send to improve and equalize the belonging of stigmatized groups, and how mindsets shape people's responses to and experiences with overt and subtle biases. Follow her on Twitter at @AneetaRattan.
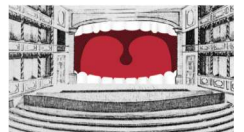
Recommended For You

Research: How One Bad Employee Can Corrupt a Whole Team

Ego Is the Enemy of Good Leadership

To Sound Like a Leader, Think About What You Say, and How and When You Say It

Why Do So Many Incompetent Men Become Leaders?