

Why equity, diversity and inclusion (EDI) matter

The business case for recruiting, retaining and progressing more women in STEM



Introduction

In today's fast-changing and ever-adapting world, the demand for skilled STEM (science, technology, engineering, and maths) workers continues to grow. Currently, UK businesses lose around £1.5 billion per year due to STEM skill shortages.

This leads to slower adoption of new technologies, reduced productivity, and increased pressure on existing staff as vacancies remain open for longer or are filled at more junior levels.

The lack of equity continues to limit the potential of the STEM sector. In the UK, women represent just 26.7% of the core-STEM workforce, despite making up 47.5% of the overall working population.¹

To close the STEM skills gap and future-proof the workforce, organisations must actively engage underrepresented groups- particularly women - who remain a largely untapped source of talent and innovation.

This business case outlines the strategic and economic benefits of building a more diverse and inclusive STEM workplace. We will focus on five key themes:

- **Attracting the best talent**
- **What do the millennial and Gen Z workforce require?**
- **Driving innovation**
- **Boosting workplace productivity**
- **Job satisfaction and employee wellbeing**

EDI is not a 'nice to have', or a tick-box exercise. It has significant strategic and financial impacts on the success of your organisation and is morally the right thing to do.

By investing in EDI, your organisation can unlock new potential, retain and develop talent, and lead the way in building a more equitable and sustainable future for STEM.

References

1. [Women and the UK economy](#)

How does EDI impact your organisation?

Attracting the best talent

The UK faces a shortfall of 173,000 workers across the STEM sector ² with engineering vacancies accounting for 25% of all job adverts.³ These figures highlight a critical issue: **current recruitment methods are not meeting demand.** To close the skills gap and boost productivity, STEM organisations must diversify their applicant pools and attract more women, who remain significantly underrepresented.

But it isn't just about filling roles - it's about attracting the best talent. Many women face barriers throughout the recruitment process, from biased job descriptions and interview processes to a lack of visible role models and flexible working options.

An inclusive workplace culture is essential to attracting ambitious female candidates. One in four employees seeking promotion in the next one to three years chose not to apply for or declined a role due to negative perceptions of inclusion.⁴

For women - especially those in male-dominated fields - these perceptions are often shaped by lived experiences of exclusion, microaggressions, or limited career progression.

Diverse teams bring fresh perspectives, drive innovation, and are better equipped to solve real-world challenges. Research shows that organisations with a dedicated EDI (equity, diversity and inclusion) team are 22% more likely to be seen as "industry-leading with high-calibre talent".⁵

Today's workforce increasingly expects employers to prioritise diversity, inclusion, and employee wellbeing. Organisations that fail to demonstrate a genuine commitment to these values risk damaging their reputation and losing out on top talent in an already competitive market.

So, what does today's workforce want?

2. [UK STEM skills pipeline](#)

3. [Engineering and technology are of vital importance to the UK](#)

4. [Inclusion Isn't Just Nice. It's Necessary.](#)

5. [Why Is Diversity and Inclusion Important?](#)

Commitment to inclusion matters to millennials and Gen Zs

Gen Zs and millennials are a fundamental part of the working population; it is projected that they'll make up 74% of the workforce by 2030.⁶ As the first generations to be genuine digital natives, they bring skills and knowledge that are essential to meet the demands of the growing technological world.

Workplace culture is shifting, and millennials and Gen Zs are leading the change. 76% of employees and job seekers say a diverse workforce is important when researching companies and job offers.⁵ This rises to 83% when specifically speaking to Gen Z⁷, who expect visible action such as diverse leadership, inclusive hiring practices and transparent pay equity.

This upcoming and rapidly expanding workforce is seeking more than just a job. Deloitte's research⁶ presents the concept of the "money, meaning and wellbeing" trifecta. Millennials and Gen Z are looking for careers with the right balance of these factors and have higher expectations for employers than ever before. In the same research it was found that when considering a potential employer, more than half of Gen Zs (54%) and millennials (53%) say meaningful work is very important.

To attract and retain the next generation of women in STEM, organisations need to prioritise EDI and social impact, taking real action to build inclusive workplaces where young women feel seen, supported and empowered to lead.

5. [Why Is Diversity and Inclusion Important?](#)

6. [2025 Gen Z and Millennial Survey](#)

7. [Attracting And Retaining Gen-Z Through Diversity And Inclusion](#)

Inclusion boosts job satisfaction and happiness

While attracting and recruiting new talent plays a fundamental role in the sustainability of the STEM workforce, it's important to meet the needs of your current employees to retain the knowledge and expertise you already have.

Research shows 84% of employees at organisations whose senior leaders are committed to EDI feel valued and respected.⁴ This is particularly meaningful for women, who often face additional barriers to progression and recognition in the workplace. Employees want authentic and empathetic leaders who understand the importance of a healthy work-life balance and see them as a whole person - not just employees.

Implementing inclusive practices such as flexible working boosts productivity

and reduces burnout. This is particularly important for women who report having more focused time when working remotely, supporting both their professional performance and personal wellbeing.⁸

McKinsey's Women in the Workplace⁸ research found that implementing inclusive policies and practices that promote gender parity enhance employee satisfaction, creating a supportive work environment where teams achieve more.

Another study states employees who can be their authentic selves are happier and more motivated to give their best. They feel like their perspectives matter and as a result are nearly 2.4 times less likely to quit.⁴

4. [Inclusion Isn't Just Nice. It's Necessary.](#)

8. [Women in the Workplace 2024: The 10th-anniversary report](#)

Diverse skillsets and thinking drives innovation

A representative workforce brings together a broader range of experiences, perspectives and problem-solving approaches. To keep up with the pace of technological advancements, these skills are necessary to stay competitive and overcome challenges facing society.

Teams that include women, and other underrepresented groups, are better equipped to identify and address issues such as bias in artificial intelligence, inclusive product design, and technology development. Embracing diversity enables organisations to build solutions that are more equitable, resilient, and responsive to the needs of a wider population.

Research shows that companies with more diverse leadership teams produce 19% more revenue from innovation,⁹ highlighting how diversity helps to create new ideas, products and services. This translates into stronger financial performance and a clear strategic advantage - an indicator of a company's ability to adapt, grow, and lead in a competitive market.

EDI goes beyond just the financial performance of an individual company. It is proven that entire economies thrive when the population is engaged in the workforce, driving productivity, innovation and growth.¹⁰

Better workplace productivity

Inclusion isn't just about fairness and representation - there's a strong business case for it, too. Inclusive teams are more innovative, make better decisions and are better equipped to navigate change and disruption.¹⁰

Employees want to belong and be actively encouraged to bring their whole selves to work. In research by Forbes¹¹, it was reported that inclusive teams make better business decisions up to 87% of the time, and they make those decisions twice

as fast within half as many meetings. Efficiency is a financial benefit but also frees up resource that can be redirected towards innovation, strategic growth, or professional development.

Deloitte's recently published research¹² reinforces these findings "organisations that embed inclusive practices into their culture and leadership are more likely to unlock human performance, leading to higher productivity, better collaboration, and faster decision-making".

9. [How Diverse Leadership Teams Boost Innovation](#)

10. ['An economic necessity': 6 leaders on why gender parity can't wait](#)

11. [New Research: Diversity + Inclusion = Better Decision Making At Work](#)

12. [2025 Global Human Capital Trends](#)

Conclusion

Recruiting, retaining and developing more women in STEM is necessary for long term success. Inclusive workplaces attract top talent, drive innovation, improve wellbeing, and boost productivity. The evidence is clear: organisations that prioritise equity, diversity and inclusion (EDI) perform better.

As the workforce evolves and expectations shift, EDI is no longer optional- it's business critical. Companies that embed EDI into their culture are more

competitive, resilient, and prepared for the future. Building a workplace that removes barriers and fosters a culture where everyone, in particular women, can thrive, gives organisations a competitive advantage that fuels growth, enhances reputation and ensure organisations are equipped to tackle the challenges of tomorrow.

The question is not why does EDI matter, it's **what is your organisation doing to embrace and prioritise it?**

More about WISE

WISE's mission is to ensure that women in STEM experience inclusive, equitable workplaces where they can contribute, develop and sustain fulfilling careers. We equip organisations with the tools needed to overcome systemic barriers and unlock the full potential of women in STEM.

Our membership offers benefits that can support organisations at every stage of

their EDI journey. Join our collaborative community where you can learn and grow through training, resources and networking opportunities. Our EDI expertise can be utilised through bespoke consultancy to support specific needs of your organisation, or through vast training opportunities and resources to support you on a variety of key topics.

Find out more about WISE and what we have to offer by getting in touch at wise@theiet.org.

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www.wisecampaign.org.uk

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