



INCLUSION & DIVERSITY PLAYBOOK

LEGALLY COMPLIANT.
WORKPLACE UNIFYING.
BUSINESS ACCRETIVE.

Introduction



What does it mean to lead when the very fabric of work is being rewritten?

What happens when the workplace becomes the front line of cultural, social, and business transformation?

HR leaders know the answer: You don't wait for change — you drive it.

The landscape is shifting fast. Supreme Court rulings. Executive orders. EEOC guidance that redefines what's possible — and what's at risk. The rules are no longer clear. The stakes could not be higher.

This is not the time for token gestures or half-measures. It's the time to ask:

- Are we prepared to recalibrate?
- Are we bold enough to innovate?
- Are we ready to lead with conviction and clarity?



The business case for inclusion and diversity (I&D) is undeniable. What once began in the realm of compliance has become a movement for unity — and today, it stands as a proven catalyst for growth. Organizations that prioritize I&D don't just check boxes. They unlock deeper collaboration. They ignite engagement. They create competitive advantage that endures.

The question is no longer *why* I&D.

The question is: **What will you do with this moment?**

SHRM is your partner in answering that question — anchored in the principle that building inclusive workplaces requires strategies that are legally compliant, workplace unifying, and business accretive.



- **Legally Compliant:** The condition of ensuring that I&D practices align with current laws and regulations, with attention to evolving legal standards and government guidance.
- **Workplace Unifying:** A workplace culture in which people of different backgrounds work collaboratively, embrace differences, amplify strengths, and turn friction into fuel for innovation.
- **Business Accretive:** HR strategies, policies, and decisions that directly strengthen long-term business value. HR is both people-first and business-first — every decision should drive sustainable growth, innovation, productivity, profitability, and organizational resilience.



“This playbook serves as a primer for SHRM’s inclusion and diversity offerings, designed as a first step for leaders of all levels beginning their I&D journey. Inside, you’ll find a preview of insights, resources, and strategies drawn from SHRM’s research and expertise. It’s a starting point to help you take immediate, practical steps toward building a stronger, more inclusive workplace.”

— **Jim Link, SHRM-SCP, CHRO, SHRM**



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1. THE CASE FOR I&D

In today's evolving social, economic, and legal landscape, legally compliant I&D practices are strategic imperatives for employers. However, expectations for I&D are not static. Legal rulings, social expectations, and global workforce dynamics consistently shift and evolve, and organizations must be prepared to shift and evolve along with them.

INCLUSION: Creating structures within which every employee — regardless of role or background — can contribute, be heard, and succeed based on merit and performance.

DIVERSITY: Reflecting a wide range of backgrounds and identities.

Together, they form the foundation for legally compliant, workplace unifying, and business accretive organizations.

Why Invest in I&D?

Organizations that treat I&D as a dynamic, measurable strategy — anchored in fairness and equal opportunity — build trust, retain top talent, and achieve sustainable growth.

39%

Organizations in the top quartile for workforce diversity are 39% more likely to **outperform expectations***

80%

Share of employees that support their organizations' I&D efforts**

27%

Organizations in the top quartile for workforce diversity are 27% more likely to **exceed financial targets***

66%

Share of employees that would hesitate to join a company lacking a serious I&D commitment**

*Source: Diversity Matters Even More, McKinsey & Company, 2023.

**Source: Beyond Backlash: The Continued Benefits of DEI at Work, The Conference Board, 2024.

To forge a path forward in an evolving landscape, consider specific steps you can take today to align your I&D efforts with measurable outcomes.

Measure Diversity Through Data: Gather and analyze relevant workforce, market, and industry data to establish a baseline and uncover meaningful insights for your I&D efforts.

Commit to Actions: Long-term commitment matters — and leaders need to show, not just say, that these priorities are here to stay.

Communicate to Gain Engagement: Effective communication boosts engagement, builds trust, and even reduces the risk of misunderstandings or legal issues.

Bringing the Workforce Forward: By grounding decisions in data, reinforcing policies with action, and communicating with intention, leaders can build an inclusive culture that adapts, endures, and drives performance.



Alongside utilizing the right strategies, it's essential to be mindful of the major mistakes that can derail progress and stall meaningful outcomes.

Not Connecting I&D to Business Performance: This positioning risks I&D being seen as a separate, optional initiative, rather than a core business strategy. It also makes the work vulnerable during economic downturns and shifts in organizational priorities.

Separating I&D from Performance Management: When I&D is part of performance management, it helps inclusion feel authentic, rather than performative. Tie I&D to specific goals to make it easier to secure leadership buy-in.

Failing to Update I&D Efforts: I&D requires continuous calibration. Leaders must use performance data and feedback loops to regularly assess and refine their talent practices to detect and address systemic barriers that may emerge in hiring, retention, development, or advancement.



SHRM Resources

[How to Build Effective, Legally Compliant Inclusion & Diversity Programs](#)

[Embedding I&D in Strategy Drives Measurable Business Performance](#)

[Make a Strong Case for the Business Impact of I&D](#)

[Inclusion Code of Conduct Template](#)

[Ensuring I&D Success While Staying Legally Compliant](#)



2. INTRODUCING THE BEAM FRAMEWORK

Compliance is about creating long-term I&D practices that are defensible, transparent, and aligned with applicable laws and enforcement priorities. A legally sound program **reduces risk, strengthens credibility, and provides clear guardrails** for creating an inclusive workplace.

EO IMPACT ZONE

Over half of HR professionals said that executive orders (EOs) related to diversity, equity, and inclusion (DEI; 55%); national security and immigration (54%); and government operations and accountability (54%) had negatively impacted their mental health.

SHRM's EO Impact Zone was created to provide insights into key actions and developments from the current administration. It offers resources, expertise, and advocacy to help you create a workplace that complies with the law while promoting opportunities for all.

In response to the evolving federal landscape and ongoing discussions about the effectiveness of I&D strategies, SHRM introduced the [Belonging Enhanced by Access through Merit \(BEAM\) Framework for inclusion](#).



The BEAM Framework offers performance-driven workforce strategies that enhance talent management, support equal opportunity and fairness in the workplace, and complement business performance and corporate integrity. It strengthens accountability, helping organizations avoid exclusionary practices and remain responsive to evolving legal standards.

The framework is built on five core principles:

- **Inclusion:** Opportunities open to all, without regard to a person's sex, race, or any protected status and without excluding any protected group.
- **Access for All:** Initiatives designed to engage talent without regard to a person's protected status, ensuring people from all backgrounds can access opportunities.
- **Merit-Driven:** Opportunities based on job-related qualifications and requisite skills, knowledge, or performance without unlawful preferences or quotas.
- **Inclusive and Accessible Information:** Initiatives clearly and consistently communicated through inclusive and broad-reaching channels.
- **Skills-First Optimization:** Providing or supporting skill building to help all eligible people improve skills, qualifications, and relevant experience.



SHRM's BEAM Toolkit for I&D

[SHRM's BEAM Toolkit](#) empowers HR professionals, executives, and enterprise leaders to implement legally compliant I&D initiatives that drive business performance, innovation, and workforce unity. The resources offered in the toolkit include:

- **Foundations of legal I&D:** Equip your organization to build fair, merit-based workplaces in which every employee can contribute and succeed.
- **Risk check calendar:** Implement a schedule for I&D risk monitoring that provides a practical framework to stay ahead of emerging issues, maintain compliance, and track progress over time.
- **Implementation guide:** Get step-by-step tools — including templates, checklists, and best practices — for embedding inclusion and fairness across the entire employee life cycle.
- **Training materials:** Receive practical tools, examples, and guidance aligned with key stages of the HR and employee experience — including recruitment, onboarding, performance management, and workplace culture.
- **Calibration best practices:** Discover key points on what to measure, how to analyze the data, and what to do (and what not to do) with your insights.
- **Data-driven tools:** Learn how to accurately measure what matters, such as the applicant and employee experience, the perception of organizational fairness, and the impact of development opportunities.

Dive into the BEAM Framework:

[SHRM's BEAM Toolkit for I&D](#)

[Are You a BEAM-Ready Leader?](#)

[How Well Is Inclusion Embedded into Your Business Practices?](#)



3. FORTIFY A SAFE AND CIVIL WORKPLACE

A truly inclusive workplace is one in which people feel safe to contribute, respected in every interaction, and confident their voice will be heard. When organizations foster safe and collaborative environments, they not only strengthen trust and collaboration but also create a workplace in which differences become a source of innovation rather than division.

Psychological Safety and Civility in the Workplace

Psychological safety is a [cornerstone of inclusivity](#) exemplified by a work culture in which multiple, diverse perspectives are considered in solving complex problems. Employees are not afraid to offer ideas and take risks.

- A psychologically safe work environment is also tied to a higher level of [civility in the workplace](#), which is, in turn, a driver of employee retention. Workers who rate their workplace highly in these two areas are more likely to be satisfied with their job and stay nearly two years longer, according to [SHRM research](#).
- Incivility in the workplace results in an average of almost 37 minutes lost per incident, according to the [SHRM Q3 2025 Civility Index](#).

When organizations commit to civility, they create psychological safety, which allows employees to show up authentically, voice ideas, and contribute diverse perspectives without fear of backlash. Civility makes space for inclusion to thrive, even in moments of disagreement.



CIVILITY INDEX DATA

Nearly 7 in 10 workers said they feel like they work in a toxic environment, and it's costing companies. In 2025, [SHRM's Civility Index](#) found that U.S. organizations collectively lose approximately **\$2 billion per day** in reduced productivity and absenteeism due to uncivil behaviors at work.



Communicate I&D Policies to Gain Engagement

For I&D initiatives to succeed, HR professionals must educate employees on what I&D means, the steps the organization is taking to embrace it, and why it matters. It's not just what you say — it's how consistently, transparently, and thoughtfully you say it.

Ways to Improve I&D Communication



Build I&D communication into current channels. Make updates on I&D a regular part of existing town halls, newsletters, team meetings, and emails. Be sure to offer clear ways for employees to respond or give feedback.



Cement active listening into leadership. When employees share concerns or ideas, take time to truly consider their input before responding. Reflecting back an employee's points builds trust and signals respect.



Close the loop. Gathering feedback isn't enough — employees need to know that their voices lead to action.



“If you’re creating an environment that doesn’t appreciate the power of differences and cannot work to have civil conversations, you’re not going to be able to recruit and retain the best talent because they don’t feel their voices matter. Psychological safety is very important in the workplace because workers have to feel like they belong. You can have differences of opinion, and you can agree to disagree in a civil way.”

— **Tamla Oates-Forney, CEO, SHRM Linkage**

Now is the time for leaders to speak with clarity, act with conviction, and make I&D a shared, strategic priority.

SHRM Resources

[How to Promote Civility in the Workplace](#)

[Toolkit: Navigate Workplace Conflict for a Better Work Environment](#)

[Employee Survey: Inclusion and Diversity](#)

[Inclusive, Intentional, Human: Leadership’s New Playbook](#)



4. A SKILLS-FIRST TALENT STRATEGY

The BEAM Framework encourages prioritizing merit over identity, including in hiring. This kind of talent optimization is directly linked to business success. Organizations that maximize all available talent pools are better positioned to drive innovation, competitiveness, and financial performance.



SKILLS FIRST AT WORK

According to the SHRM Foundation's [Making the Case for Skills-First Hiring and Advancement to Hiring Professionals](#) report, 61% of working adults ages 25 and older are overlooked or disqualified from hiring, creating acute talent shortages in essential sectors such as health care, manufacturing, and retail.



The SHRM Foundation's [Skills-First at Work](#) initiative provides research and develops programming to help refocus your hiring strategy and bring your workplace to the future.

3 Steps Toward a Skills-Based Mindset



1. **Ask whether someone really needs to have a college degree to fill an open position.** Think about projects and the skills truly needed to complete them, not just degrees and job titles.
2. **Review how your automated systems are screening resumes or other application materials.** Make any adjustments needed to enable scanning for skilled credentials and certifications.
3. **Begin to think about your organization's work as a set of projects you're executing.** Log the specific skills you need to accomplish each project, and associate tasks with skill sets.



SHRM Resources

[Making the Case for Skills-First Hiring and Advancement to Hiring Professionals](#)

[Skills-First Hiring: How Three Companies Transformed Talent Pipelines](#)

[Skills-First Job Description Template](#)

[Skills Development and Access Policy Template](#)

[Toolkit: Transform Your Talent Acquisition Strategy with Skills-First Hiring](#)

Embedding I&D strategies into hiring can benefit organizations by allowing them to access top talent from groups that are often overlooked by traditional recruitment. Organizations can take steps to broaden their talent pipelines to include these individuals.

Redesign Roles to Increase Flexibility

Consider adapting positions to offer more flexibility or remote options, making them more feasible for a broader range of workers, including military spouses who frequently relocate, older women experiencing menopause symptoms, and people caring for family members.

Leverage Internal Networks and External Partnerships

Be willing to partner with affinity groups or other organizations to source and develop talent from a variety of backgrounds, including untapped talent pools. Partnerships can also help organizations identify practices that make all employees feel valued and included.

Train Managers to Recognize Nontraditional Talent

Managers should be open-minded about advancement opportunities for employees, regardless of their background.

For example, managers may be reluctant to advance a military spouse out of fear that the worker will leave soon. However, a military spouse's stay at a duty station usually ranges from two to four years, which is longer than the median employment tenure for all similarly aged women in the U.S., according to SHRM data.



“In today’s rapidly evolving workforce, traditional hiring practices often fall short of identifying the true potential of candidates. Degrees and credentials, while important, may not fully capture the skills, competencies, and unique value that many people bring to the table. Focusing on skills rather than just qualifications can help employers build a more inclusive, diverse, and high-performing workforce.”

— Alex Alonso, SHRM-SCP, Chief Data and Analytics Officer, SHRM

SHRM Resources

[15 Interview Questions to Build Inclusive, High-Performing Teams](#)

[Reassessing Inclusive Hiring: Access Over Identity in Talent Recruitment](#)

[Creating Inclusive Infrastructure for Untapped Talent](#)



5. TAKE ACTION

Successful I&D strategies will look different across each organization, but one principle holds steady: They must be anchored to measurable business outcomes. The path forward is not abstract — it's grounded in the clear advantages that inclusion brings to performance, people, and process.

Ways I&D Supports Organizational Performance

36% to 48% higher profitability: Companies in the top quartile for gender and ethnic diversity significantly outperformed their less-inclusive peers.

53% higher customer satisfaction: Inclusive teams, especially in consumer-facing industries, build stronger customer connections.

Up to 40% improvement in engagement scores: Companies that prioritize inclusion foster stronger employee loyalty.

25% lower turnover and 21% higher productivity: Inclusive workplaces engage employees who feel seen and valued.

Source: Unlocking Talent Through Merit: The future of Workplace inclusion, SHRM, 2025.



I&D efforts fall apart when organizations fail to see I&D as a strategic advantage. Amid evolving federal regulations around DEI, HR leaders must design initiatives that promote inclusiveness while adhering to anti-discrimination laws.

Continue building your organization's capacity with SHRM's wide range of resources. These offerings are designed to keep your work on track, expand your expertise, and ensure your strategies stay current in a rapidly evolving world of work.



Stay Informed

SHRM's [I&D News](#) monthly newsletter provides the latest insights and best practices to help you strengthen I&D in the workplace.

Build Your Expertise



[SHRM People Analytics Specialty Credential](#)

This credential equips HR professionals with the knowledge to leverage data and analytics to drive business decisions and provide evidence-based recommendations.



[SHRM Talent Acquisition Specialty Credential](#)

Focused on the evolving area of talent acquisition, this credential helps practitioners strengthen their ability to build and sustain a high-performing workforce.



[SHRM Foundation Skills First Specialty Credential](#)

This credential supports HR leaders in applying skills-first hiring and mobility practices, aligning job architecture and performance systems with employee capabilities, building the case for skills-first strategies, and guiding change across teams and stakeholders.

Keep the Conversation Going

SHRM26

In Person and Virtual Registration

[SHRM's Annual Conference](#) is your front-row seat to the future of HR, packed with cutting-edge insights from top experts and peers facing the same challenges. Learn about artificial intelligence breakthroughs, evolving regulations, and real-world strategies for navigating a rapidly changing workforce.

SHRM® TALENT2026

In Person and Virtual Registration

[SHRM Talent](#) puts skills development at the center of your talent strategy. Join forward-thinking HR leaders and talent experts to explore how AI, technology, and evolving workforce expectations are reshaping the skills agenda. You'll leave equipped with practical tools, fresh insights, and proven frameworks to build a future-ready workforce.

SHRM® Linkage INSTITUTE

In Person and Virtual Registration

[SHRM Linkage Institute](#) works with teams and organizations to meet the unique needs of professionals across all stages of leadership — empowering organizations to harness their full potential to drive business results.

THE TIME IS NOW

If your charge is to navigate today's I&D landscape with both courage and compliance — to protect what matters while advancing what works — this is your moment.

The questions you asked at the outset remain urgent: Are we prepared to recalibrate? Are we bold enough to innovate? Are we ready to lead with conviction and clarity? The answers lie in action. Organizations that embrace I&D don't wait for change — they drive it. They unlock collaboration, ignite engagement, and build enduring competitive advantage.

The stakes are high, but so is the opportunity. By leading with intention and courage, you don't just respond to the shifting landscape, you define it. The question is no longer "Why I&D?" — it's "Who will rise to shape the future of work?"





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BETTER WORLD™

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