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Over the last year, diversity, equity and inclusion has lost its luster.

Politicians are passing bills limiting the reach of DE&I in the workplace. Conservative-leaning consumers are boycotting companies they perceive as too “woke.” And reports have shown that diversity and inclusion training at work is largely ineffective.

A Time for Change

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But further research reveals that women are still paid less than men in similar roles, people of color struggle to ascend the leadership pipeline and LGBTQ+ employees routinely face discrimination in the workplace. Companies continue to fall short in their efforts to reverse these trends.

Some experts say there may be an “inclusion solution” to the DE&I problem. More leaders today are emphasizing the importance of inclusion in the workplace—including SHRM, which recently began adopting the designation “inclusion, equity and diversity (IE&D).” Inclusion creates a sense of belonging among employees that can translate to greater productivity, more innovation and better decision-making. Team performance improves, and employee “us-vs.-them” sentiment declines, when people feel more connected.

Is there a way forward? The answer starts with asking a few key questions.

Where Are All the Diversity Jobs Going?

In August 2020, “Chandra” was hired as a chief people officer for a technology company in Washington, D.C. Her primary focus, her new employer told her, was to enhance the brand’s diversity, equity and inclusion (DE&I) program.

“I was very excited for the opportunity,” says Chandra, who requested anonymity. “Not only was I excited for the job, but I was also encouraged that organizations around the U.S. were finally starting to take DE&I seriously.”

Chandra’s hiring came three months after the murder of George Floyd—a monumental societal event that inspired organizations nationwide to hire more individuals from underrepresented communities, help employees of color advance through the ranks and facilitate uncomfortable workplace conversations about systemic racism.

However, in November 2022, Chandra was laid off after her employer decided to fold its entire DE&I program. A company executive with whom she was friends eventually told her that the CEO didn’t believe DE&I was as important as other areas of the business.

“Losing my job was a real wake-up call for me—and I haven’t found another role since,” she says. “It goes to show you that there are employers out there who don’t take DE&I as seriously as they wanted you to believe just a few years ago. The feeling of abandonment is real.”

A Spike, Then a Marked Decline, in Diversity Positions

The number of “head of diversity” positions hired globally skyrocketed 107 percent between 2015 and 2020, peaking in the aftermath of Floyd’s murder, according to LinkedIn data. During that span, “director of diversity” roles grew by 75 percent and “chief diversity officer” jobs by 68 percent.

However, many businesses in various industries, particularly in the technology sector, have gutted their DE&I departments amid budget cuts, layoffs and hiring freezes in 2023. Attrition rates for diversity and inclusion roles have outpaced those of non-DE&I roles at more than 600 U.S. companies that laid off workers since late 2020, according to a 2023 report by New York City-based analytics firm Revelio Labs.

More than 300 DE&I professionals left these companies from July 2022 to January 2023. Considering the median DE&I team size in this set of companies is three employees, these outflows likely amount to the exodus of entire diversity teams, the report stated.

The Revelio Labs report also found that DE&I roles tend to have more employee turnover across many industries, and employers with the largest outflow of such talent included Amazon,

Applebee's, Capital One, Intel, Nike, Wells Fargo and X (formerly Twitter). Further research shows that DE&I roles overall fell by 19 percent in 2022.

SHRM research in April found that more than a third of employers have not invested resources in diversity, equity and inclusion efforts in the past year. Half of employers attribute a lack of prioritization among senior leaders as a reason for not doing so. (Regardless of organizational size, this is the leading reason.) A third of employers cite lack of time/personnel resources as a reason; a quarter cite budget limitations.

Janice Gassam Asare, a DE&I consultant and public speaker in New York City, has seen many chief diversity officers (CDOs) lose their jobs in the last year. Some of them, she says, are struggling to find similar roles with other companies.

"I've heard of practitioners seeing open DE&I roles, applying to them, and then the role gets taken away or defunded," she says. "It's getting really tough for DE&I practitioners who want to work internally to find roles, especially within tech companies."

How Did We Get Here?

Lina Tonk, chief experience officer at software company isolved in Charlotte, N.C., says that many employees during the COVID-19 pandemic quit their jobs for better pay and benefits, work flexibility, and enhanced work/life balance and career advancement.

"The power sat with employees, and employers acted in the form of ... well-being programs and DEI&B [diversity, equity, inclusion and belonging] initiatives," she says. "Now, with fears of a recession, the power pendulum has swung in favor of employers who, by many reports, are tightening spend."

As Tonk explains, this reversal has caused the "Great Resignation" to morph into the "Big Stay"—a growing trend of employees choosing to remain in their current jobs rather than seek new opportunities elsewhere.

According to a 2023 report by the ADP Research Institute, the rate of U.S. employees quitting their jobs fell by 5 percent from March 2022 to March 2023. Job openings nationwide have also fallen 20 percent from 2022.

A CHRO at a Texas-based restaurant chain who asked that her name not be used says that her company recently defunded its DE&I program and related initiatives. She cites rising expenses and cost of living as primary factors in their decision.

"Many departments and programs are being tasked with cutting where they can or moving money around to other areas," she says. "Being able to pay our employees a competitive and living wage is our top priority, followed by being able to contribute meaningful dollars to health care and child care needs."

The restaurant chain shares financial information with its employees. As such, executives worked hard to communicate that other departments and programs were also cutting back and that the financial needs of the organization drove the decision.

“Our hope is when costs stop rising at such a high rate, we will be able to bring back a more robust DE&I program,” she says. “We do plan to revisit as soon as we meet our financial goals and feel more confident about the market we’re doing business in.”

To be sure, many other companies are still committed to DE&I:

- Megan Hogan, chief diversity officer and global head of talent at Goldman Sachs, said in a January 2023 social media post that the company is doubling down on its DE&I efforts.
- In a letter to the U.S. Supreme Court before its June decision overturning affirmative action, several major companies, including Apple, Google and Starbucks, argued that “racial and ethnic diversity enhance business performance.”
- After being sued for alleged racial discrimination over a program offering an extra \$10,000 to Black- or Latino-owned delivery-service contractors, Amazon denied the allegation, saying its selection process is race-neutral, and reaffirmed its commitment to DE&I.

Gassam Asare also says she has seen more companies looking for consulting services to improve their DE&I efforts.

High Expectations, Few Resources Lead to Burnout

For CDOs who are still employed, the job remains far from easy.

The role has long been marked by high turnover, with many leaving over a lack of resources, unrealistic expectations and inadequate support from senior executives, according to a July 2020 article by *The Wall Street Journal*. Defunding DE&I programs exacerbates these issues.

Many CDOs leave the field entirely because they feel burdened with the same workload as professionals who have whole teams to support them. They are often hired for superficial purposes or to “check a box,” according to Amy Hull, director and head of DE&I at Paycor, a global leader in human capital management.

Hull says companies need to prioritize DE&I as a business function rather than a program. These efforts must have financial support to meet objectives, which should also be embedded into the companywide strategy.

“[Businesses also] need to provide support to the DE&I professionals to prevent burnout emotionally and mentally,” she adds.

In a report by Russell Reynolds Associates, burnout was often cited by DE&I professionals as a key driver in companies failing to retain CDOs. Laura Close, DE&I expert and co-founder of analytics firm Included.ai, says high expectations coupled with few resources is “a recipe for burnout.”

“[CDOs] play a vital role in creating a diverse, equitable, inclusive and belonging-forward workforce,” she says. “The quality of the DE&I effort directly impacts the quality of work experience for every employee.”

Despite Companies ‘Ditching’ Diversity Efforts, Employees Still Value DE&I

A recent survey of more than 800 employees by New York City-based career development platform The Muse revealed that many employees of companies walking back diversity, equity and inclusion efforts (DE&I) are unhappy with this decision—and some are looking for new jobs.

According to the survey data:

- 82 percent said that their company’s decision to pull back on its diversity commitments has made them less engaged in their work.
- 80 percent said that their company’s decision to rescind its diversity commitments has made them more likely to look for a new job over the next 12 months.
- 70 percent said that if they believed a company was pulling back on its diversity commitments, they’d be less interested in working at that company.
- 53 percent of respondents were younger than 42.

“This is a wake-up call to employers who think their workforce isn’t watching when it comes to their commitments to DE&I,” says Kathryn Minshew, founder and CEO of The Muse. “The Muse’s audience is made up of young, diverse workers who are more tuned in to these initiatives than ever, and their strong opinions about ‘diversity ditching’ came through in our survey data.”

Sixty percent of respondents said they feel that their current company has scaled back on its diversity commitments. “Fewer diverse candidates being hired or recruited” was the most commonly cited example (32 percent), followed by “less internal discussion or DE&I programming” (22 percent), “leadership change at the top/diversity officer left” (20 percent) and “reduction in public-facing messaging” (18 percent).

The walking back of DE&I efforts—the “diversity ditching” Minshew refers to—can create a ripple effect and impact an organization’s bottom line. She explains that employees must feel adequately resourced and supported to be able to do their best work.

“Employees, especially women and minorities, may feel disillusioned or question if their company still sees hiring and retaining people like them as a priority,” Minshew says.

A Pew Research Center poll indicated that 61 percent of women said focusing on increasing DE&I at work “is a good thing,” compared with half of men. And half of workers said that it’s “extremely” or “very” important to them to work somewhere that is accessible for people with physical disabilities.

About two-thirds or more of Black (78 percent), Asian (72 percent) and Hispanic (65 percent) employees said that focusing on DE&I in the workplace “is a good thing,” according to a separate poll by Pew Research Center. However, fewer than half of white workers (47 percent) said that DE&I at work “is a good thing.”

Additional research shows just how enticing DE&I programs are to job seekers:

- A report by corporate platform JUST Capital in New York City found that 92 percent of Americans said it’s important for companies to commit to DE&I efforts, and 68 percent said companies have more work to do in pursuing those goals.
- 81 percent of employees said they would leave their jobs if their employers lacked a commitment to DE&I in the workplace, and 54 percent said they would take a pay cut to improve workplace DE&I, according to a report by software company GoodHire in Redwood City, Calif.
- A survey by Monster revealed that 83 percent of Generation Z candidates said that a company’s commitment to diversity and inclusion is important when choosing an employer.

“I think job seekers who care about DE&I will pay closer attention to how organizations are responding,” says Juliette Mayers, founder and CEO of Boston-based DE&I consulting company Inspiration Zone LLC. “If all other things are equal, companies with a sustained commitment to DE&I will reap the rewards.” —M.G.

Why Don’t Diversity Training Programs Work?

Training and education are key pillars of corporate diversity, equity and inclusion (DE&I) programs. But some research suggests that these workshops, if not delivered correctly, are not only unproductive—they can also be detrimental to fostering a healthy workplace culture.

The goals of DE&I training in the workplace have been well documented. These sessions are intended to help reduce implicit bias in decision-making in hiring, promotions, disciplinary actions and performance reviews, as well as reduce microaggressions at work.

However, there’s evidence that the majority of DE&I training programs don’t work. Research has found that the positive effects of training efforts to reduce implicit bias tend to wear off after a few hours or days. And, due to a lack of standardization within the DE&I training industry, some trainers have conducted sessions that have been harmful and have even reinforced

stereotypes. Other common failures include blaming employees for the biases they hold, avoiding difficult conversations so that attendees stay comfortable and retaining trainers who rely on outdated tactics.

“We have been speaking to employers about this research for more than a decade,” sociologists Frank Dobbin and Alexandra Kalev wrote in a 2018 research paper, “with the message that diversity training is likely the most expensive, and least effective, diversity program around.”

New York City-based DE&I consultant Janice Gassam Asare often sees “broad-brush DE&I programming” being applied “without efforts to tailor an intervention to the specific needs of the workplace.” Failing to address underlying issues within a company, she says, can derail any DE&I program and lead to mistrust among employees.

But when done correctly, DE&I training initiatives can have a positive effect on the workplace, according to Stacey Cadigan, partner of HR technology and transformation with technology advisory firm ISG in Stamford, Conn.

“Characteristics of an effective DE&I training program should include a lot of the same characteristics of any good training program,” Cadigan explains. “This includes well-defined objectives, executive sponsorship to demonstrate clear organization commitment, clear metrics for success, a focus on experiential learning and feedback loops to gather input from learners.”

Dangers of the ‘Gotcha’ Tactic

A 2016 study published in *Harvard Business Review* examined different interventions that have been used to increase diversity. The research found that mandatory diversity trainings for managers did not lead to a rise in people of color and women in management positions.

In fact, the share of Black women in management positions actually fell by 9 percent, on average, while the ranks of Asian American men and women in management roles shrank by 4 to 5 percent. But Gassam Asare maintains that mandatory DE&I training can be effective in some cases.

“I think we have to interrogate why we think mandatory DE&I training is ineffective,” she says. “If you find that certain employees are consistently not showing up to DE&I training, this not only can help you understand who requires greater buy-in, but can also help you weed out those who do not want to be change agents or prioritize DE&I in the workplace.”

Whether mandatory or optional, DE&I trainings that blame white people or men for holding certain implicit biases could backfire, according to a September 2023 article for *The Wall Street Journal* by Dobbin and psychologist Mahzarin Banaji.

“Instead of training people about research that finds that bias is pervasive, trainers [often] use [a DE&I online] test to prove to trainees that they are morally flawed,” they wrote. “People leave feeling guilty for holding biases that conflict with American values.”

This “gotcha” tactic isn’t going to win people over, Banaji and Dobbin explained. The approach misses the main takeaway from implicit bias research: Everyone holds stereotypes they don’t control due to exposure to societal inequality, the media and the arts. The point of the training is to help people recognize and question those stereotypes.

“Making people feel ashamed can lead them to reject the message,” they wrote in the article. “Thus, people often leave diversity training feeling angry and with greater animosity toward other groups.”

Shaming others for their biases and expecting them to change is a poor practice, agrees Phil Geldart, founder and CEO of consulting firm Eagle’s Flight in Guelph, Ontario.

“The heart of the [DE&I training] initiative is having a deep-felt conviction about the value of each human being and then exhibiting behavior that demonstrates that conviction through showing respect for one another, regardless of race, language, faith, et cetera,” Geldart says. “Personal convictions, and truly respecting others, isn’t something that can be shamed into existence.”

That doesn’t mean DE&I trainers should avoid difficult conversations. Sheree Atcheson, an award-winning DE&I leader and author, wrote in a 2022 article for *Forbes* that companies can undermine the effectiveness of the training when they avoid systemic realities that might make employees feel uneasy.

“My call to action to you is to ensure you do not take the easy way out here, because frankly, you might as well not bother,” Atcheson wrote last year. “If you take the approach which [prioritizes] those feeling shame or defensiveness, you’ll ultimately discuss things that they’re only comfortable with, likely because they personally or indirectly identify with those specific scenarios.”

One-Time Trainings May Be Ineffective

A 2019 study of more than 3,000 employees at a large global organization specifically assessed the effectiveness of one-hour diversity training courses that covered biases on gender identity, race, age and sexual orientation.

The results showed that the one-time diversity training typically did not impact employees’ behaviors, particularly those of male employees and white employees—the people who tend to hold the most power at work. It did generate some positive behavior change among groups that already strongly supported women in the workplace.

“Overall, our research suggests that more effortful interventions may be needed to robustly change employee behavior,” the authors wrote.

For example, organizations could devote resources to recruit more women and underrepresented minorities, particularly into leadership roles, or change processes and structures to mitigate the effects of stereotyping and bias, researchers said.

“In general, an effective practice is to have multiple workshops and training sessions versus a one-off training,” Gassam Asare explains, “which can feel more performative.”

Consider Who Conducts the Training

Breanna Jackson, an HR coordinator for Point Quest Group in El Dorado Hills, Calif., notes that DE&I learning vendors should be diligently assessed and assigned a ranking based on the excellence of their information and training programs.

“Not all programs may align with an employer’s practices and could be outdated,” Jackson says. “Currently, there exists no universally accepted review framework for DE&I suppliers, and employers have limited access to evaluate these programs.”

This lack of oversight raises concerns regarding whether the programs adequately address the needs of protected groups in light of evolving definitions and legal changes, Jackson says. Without an official standard of review for DE&I program vendors, they have the freedom to modify their services to appeal to more audiences, which could mean soft-pedaling issues that need close review.

Cadigan adds that an effective DE&I training program should follow these guidelines:

- Be authentic and transparent about challenges and progress toward goals.
- Incorporate initiatives such as mentoring, peer learning and community groups to complement the formal training strategy.
- Ensure that DE&I training is part of an ongoing commitment to foster the right culture within the organization.
- Assess employee feedback when the session concludes.

“DE&I efforts should be integrated into the organization’s programs and policies across recruiting, learning, performance, succession, compensation and other programs,” Cadigan says. “When [efforts are] part of this holistic approach, organizations are better able to achieve improved diversity and an inclusive workplace.”

Will the Anti-Woke Movement Suppress Corporate DE&I?

After the U.S. Supreme Court gutted affirmative action in college admissions this summer, conservative politicians and legal activists began examining corporate diversity, equity and inclusion programs.

DE&I initiatives are under fire for being too “woke”—a term encompassing awareness of many aspects of DE&I, including systemic issues related to race, gender and sexuality. In recent years, conservative activists and lawmakers have used the word as a rallying cry against left-leaning activism.

In July, Republican attorneys general from 13 states sent a letter to Fortune 100 business leaders warning them to end racial preferences in hiring.

“Discriminatory practices include, among other things, explicit racial quotas and preferences in hiring, recruiting, retention, promotion, and advancement,” the letter read. “They also include race-based contracting practices, such as racial preferences and quotas in selecting suppliers, providing overt preferential treatment to customers on the basis of race, and pressuring contractors to adopt the company’s racially discriminatory quotas and preferences.”

In June, Texas Gov. Greg Abbott signed a bill outlawing DE&I programs at publicly funded universities. The law came just weeks after Florida Gov. Ron DeSantis signed a bill defunding DE&I programs at Florida public colleges and limiting how race can be discussed in classes.

And many employees remain unsure of the need for DE&I programs. A 2022 Gartner report indicated that 44 percent of employees feel alienated by their organizations’ DE&I efforts. The same report revealed that 42 percent view these initiatives as divisive, and another 42 percent resent them.

Michele Brown Kerrigan, assistant professor of practice at Babson College in Wellesley, Mass., says the anti-woke movement could spell doom for DE&I initiatives at work.

“On the one hand, while the pendulum seemed far left a few years ago with the backlash from [the murder of] George Floyd, politics are starting to swing that pendulum in the opposite direction,” she says. “If companies continue to scale back diversity efforts, and if more states pass similar laws and bills to Florida ... [then] I think the future of DE&I is hanging on by a thread.”

DE&I Under the Microscope

Several businesses have been sued for their DE&I efforts:

- The National Center for Public Policy Research sued Starbucks executives and directors last year, arguing that the coffee giant violated its duty to shareholders by supporting diversity policies. In August, a federal court dismissed the lawsuit.
- Fearless Fund, an Atlanta-based venture capital firm, was sued in August for discrimination for considering only businesses owned by Black women for a grant - program. The lawsuit came from the American Alliance for Equal Rights, an organization backed by conservative legal activist Edward Blum.
- Blum’s group also recently sued two law firms, alleging that their diversity fellowship programs were discriminatory.

Many employers are asking their lawyers if and how much they should modify their DE&I initiatives in light of the affirmative action decision, according to a report by *The Wall Street Journal*. However, U.S. Equal Employment Opportunity Commission (EEOC) Chair Charlotte A. Burrows noted that the court's decision does not address employer efforts to foster diverse and inclusive workforces or to engage the talents of all qualified workers, regardless of their backgrounds.

“It remains lawful for employers to implement diversity, equity, inclusion and accessibility programs that seek to ensure workers of all backgrounds are afforded equal opportunity in the workplace,” Burrows said in a statement.

Craig Leen, former director of the Office of Federal Contract Compliance Programs, says that companies should consult counsel to ensure that their DE&I programs adhere to guidance from the EEOC and the U.S. Department of Labor.

Can a Lack of DE&I Have Legal Implications?

Research by an EEOC task force has indicated that a lack of DE&I in the workplace can promote discriminatory behavior. Vicky Slade, an attorney with Davis Wright Tremaine in Seattle, says companies that scale back these efforts open themselves up to potential litigation.

Employment discrimination claims brought by members of traditionally marginalized groups are increasingly relying on nuanced forms of discrimination such as implicit bias and structural barriers, as opposed to explicit manifestations of bias, to support their claims, Slade explains.

“In addition, over the last few years especially, jurors have become much more knowledgeable about the impact of systemic bias and the ways in which unseen barriers operate to exclude women, people of color and other groups from advancement in employment,” Slade says.

She also notes that hostility toward people of color is becoming increasingly common in the public sphere, putting these employees at a higher risk of discrimination and harassment. Slade says this risk makes it especially important for organizations to have robust systems in place to ensure an inclusive and equitable environment for diverse employees.

“Companies that retreat from that commitment will send a message to [a diverse workforce] that the company's representations were hollow, which could easily jaundice the diverse employees' perspectives toward the company overall,” Slade says. “This, in turn, could lead to higher dissatisfaction and, potentially, risk of litigation.”

Navigating DE&I Pushback at Work

Kerrigan says there are several implications to companies scaling back diversity efforts.

“Primarily, this will result in minoritized individuals feeling like their organizations do not care about them, that they no longer matter,” she says.

Kerrigan explains that the reduction of diversity, equity and inclusion programs could:

- Give permission to employees to personally scale back on their own efforts. For example, workers might no longer feel compelled to make inclusion, empathy and compassion toward their colleagues a priority.
- Lead to more microaggressions in the workplace, particularly against employees of color.
- Erode the mental health of underrepresented employees.
- Result in more homogenous employee populations, particularly in leadership and C-suite roles.
- Foster a culture in which employees no longer believe they can bring their authentic selves to work.

Employee protests against DE&I initiatives can lead to worker disengagement, according to Nola Cartmill, chief diversity officer and legal counsel at insurance company Holmes Murphy in Wauke, Iowa.

“Be clear on communicating why DE&I and the various initiatives you seek to move forward are important to your organization,” Cartmill says. “To avoid denial and derailment, proactively consider potential different perspectives people might have and address them in your initial communication about a DE&I program or initiative, but don’t dwell on any potential or realized pushback.”

SHRM Chief Knowledge Officer Alexander Alonso, SHRM-SCP, an author and DE&I expert, recommends that organizations reiterate their goals to help employees who oppose DE&I initiatives better understand the importance of them.

“I would remind those employees that a key [mission] is attracting and keeping talent,” Alonso says. “The best way to generate that is to create an inclusive culture.”

Leading with Inclusion

More leaders today are emphasizing the importance of inclusion in the workplace—including SHRM, which recently adopted the designation “inclusion, equity and diversity (IE&D).” SHRM President and Chief Executive Officer Johnny C. Taylor, Jr., SHRM-SCP, says leading with inclusion “brings empathy into the equation, reminding us that we’re speaking with fellow human beings with real, lived experiences and emotions.”

Inclusivity can be good for business and a key pillar of resilient organizations. A 2022 joint report by SHRM Research and Gap International found that inclusive tactics—such as implementing fair treatment, integrating differences and allowing employees to have a voice in decisions—were significantly greater among employers that drive the purpose and direction of their organizations in the face of adversity than those that did not.

As Kerrigan explains, diversity and equity efforts are fruitless if organizations do not foster inclusive practices, because then all they're left with are vanity metrics coupled with a climate in which underrepresented employees may feel unwelcome, alone and even unsafe in their work environments.

“As a wonderful colleague shared with me, ‘Diversity is about inviting people to a dance, but inclusion is actually asking everyone to dance,’ ” she says.

Diversity recruitment and inclusion efforts should build on each other. Companies should strive to recruit and hire more employees from diverse groups at every level of the organization, while simultaneously developing inclusive workplace practices such as:

- Educational workshops or trainings.
- Fair policies and hiring processes.
- Anti-bias reporting systems.
- Equitable promotional practices.
- Affinity-based employee resource groups.

“Sometimes, companies become too swept up in the D [diversity] part of the equation,” Kerrigan adds, “because, in many ways, that may feel more tangibly measurable—that they then forget about the I [inclusion] piece of the equation.”

Matt Gonzales is an online writer/editor for SHRM who focuses on inclusion, equity and diversity.

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