

The State of DEI: Diversity, Equity, and Inclusion

Over the past several years, diversity, equity, and inclusion (DEI) have been at the forefront of people's minds. Especially in professional settings, there has been a significant push for organizations to implement DEI practices. But, is DEI the future or just a passing trend? Let's take a look at how diversity, equity, and inclusion jobs will have fared in 2023 and where DEI is heading in the year of 2024 to come.



What is DEI?

Diversity, equity, and inclusion are all distinct principles. Yet, because of their interconnectedness, they're often used interchangeably. [According to McKinsey](#), diversity is who is represented in the workforce. This can include gender, ethnic,

and age diversity, as well as many other forms of diversity that can broaden the perspectives within an organization. Equity is ensuring that all employees are treated fairly, and that identity doesn't define outcomes or opportunities in the workplace. Inclusion ensures that organizations implement practices that enable all employees to make meaningful contributions and foster a culture where employees feel their voices are heard.

How DEI Fared in 2023

[According to Capterra](#), the outlook for diversity, equity, and inclusion jobs wasn't promising for 2023 at the beginning of the year. With uncertainties about how the economy would perform, many thought a recession was on the horizon and that DEI initiatives would be the first to be cut by many companies. Still, Capterra's research indicates that this was not the case, largely because the economy performed better than expected.

Over the year, only 8% of companies with budgets dedicated to DEI initiatives reduced this budget, while 65% reported that their budgets increased. In fact, 69% of companies have invested more money into DEI training and software during 2023 than in previous years. Many companies (89%) have felt greater pressure to improve DEI following the Supreme Court's decision to end affirmative action for college admissions earlier this year.

A majority of employees have responded positively to the greater focus on DEI. According to a survey conducted by the Pew Research Center, [56% believe that this greater focus is a good thing in the workplace](#). While this data is good news, there are numerous challenges that companies will need to navigate in the year ahead.

Will DEI Have a Rocky Year Ahead?

Despite positive momentum throughout 2023, diversity, equity, and inclusion jobs have many challenges to contend with for 2024, [according to a recent article from Inc.](#) These include:

- **Decreased Prevalence of DEI Budgets:** In 2023, 4% fewer companies have a DEI budget, while 9% fewer have DEI strategies. Additionally, 12% fewer companies are collecting feedback on DEI efforts.
- **Declining Promotions:** Data has shown that companies are promoting people of color at decreased rates when compared to previous years and that there is less demand for chief diversity officers. At the same time, more companies have senior-level DEI leaders, which shows that the outlook isn't entirely bleak.
- **Changing Legal Landscape:** After the Supreme Court's ruling regarding affirmative action, conservative groups have begun filing lawsuits against companies that have DEI policies. Even though some companies have come out of these lawsuits victorious, it could make companies more hesitant to track some types of DEI data or reduce the impact DEI has on hiring decisions.
- **Evolving Tensions:** With the current geopolitical landscape and upcoming presidential elections, companies will need to deal with heightened tensions in the workplace. This could also create significant tensions surrounding diversity, equity, and inclusion jobs.

Even so, these challenges don't outweigh the benefits of building a diverse workforce.

Should Companies Still Build A Diverse Workforce?

The answer is a resounding yes. As the world continues to grow more interconnected, having a diverse workforce will enable companies to leverage the thoughts, ideas, and perspectives of employees from all walks of life. As a result, this can enable companies to have better decision-making, especially when a problem requires advanced problem-solving.

Building this type of environment, generally, [positively impacts a company's competitiveness and innovation](#). It can also lead a company to greater economic

success. In fact, companies with gender diversity within executive teams ranking in the top quartile were 25% more likely to have above-average profitability.

A diverse workforce also helps a company attract and retain valuable talent. Especially after the pandemic, employees hold employers to higher standards. This means that the values and culture that a company has built are carefully considered by most employees before accepting a job offer. Thus, having a diverse workforce allows companies to hire from a highly skilled pool of talent.

With these factors in mind, companies should continue to develop DEI programs and implement practices that will ensure these programs have longevity.

HR and DEI

For more companies, the HR department will have a critical role in building or maintaining DEI programs. Data uncovered by Capterra shows that only 30% of HR leaders feel that their company's DEI programs are safe, even during hard times. How can the other 70% catch up?

They can start by including staff-level employees on DEI teams. This can help organizations solidify the importance of DEI throughout the organization. At the same time, DEI goals should be communicated down to the team level, in addition to having team or department-level goals that can give employees ownership over DEI milestones and achievements. Lastly, organizations should frequently communicate DEI progress so that employees can keep DEI top-of-mind.

One major consideration that companies should take into account is whether or not their DEI programs are having a real impact within their organizations. This can be done by measuring things such as data surrounding new hires or promotions to understand whether these processes are truly diverse or have unconscious biases.

For companies unsure of where to begin, turning to a human resources outsourcer can be a viable option. Corban OneSource has the expertise and knowledge to help

you build, implement, and run DEI programs for your organization. Our strategic HR outsourcing services can help you gain the competitive edge you need to succeed. So, if you're a company that has between 75 and 6,000 employees, [contact our team today](#).