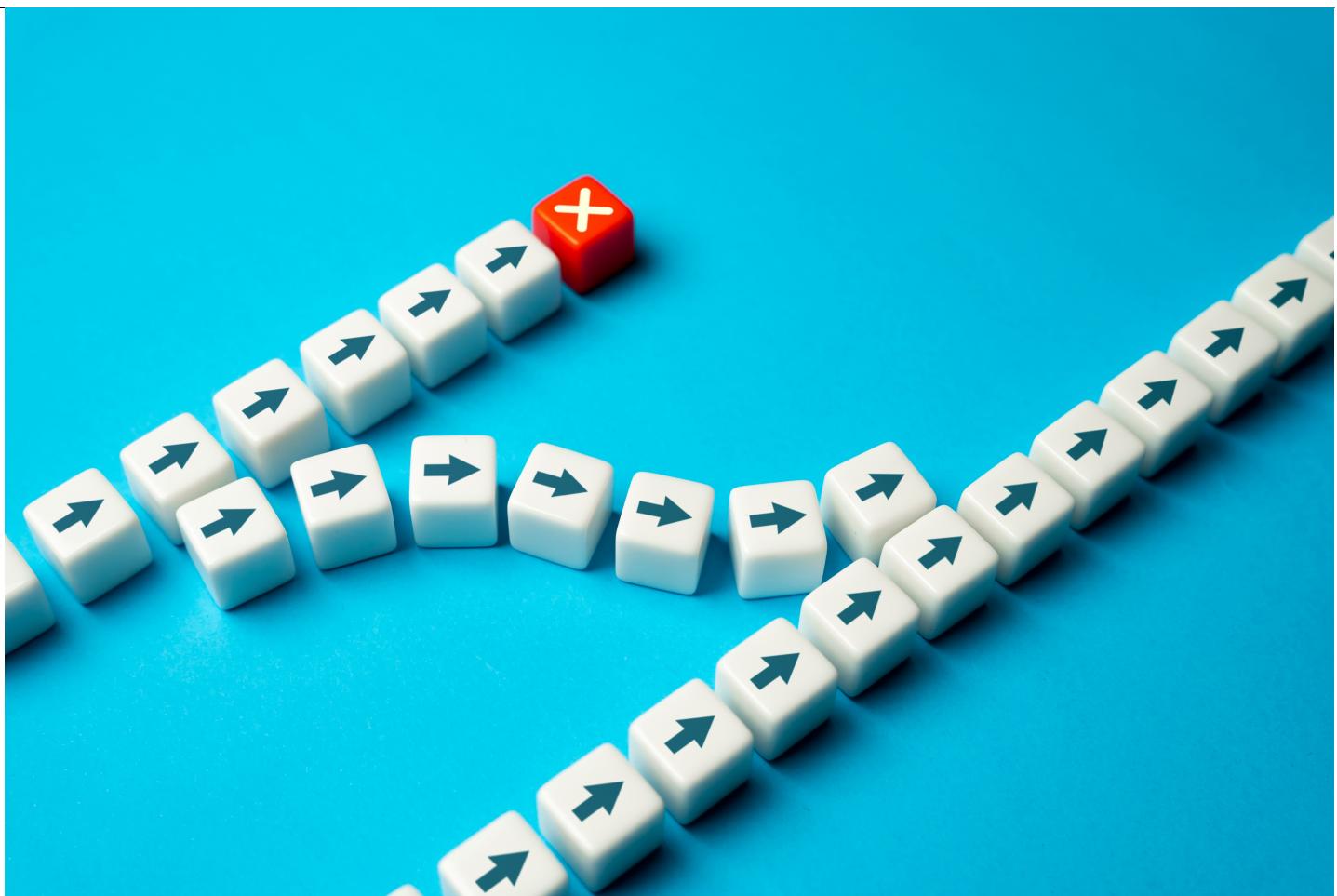




## **Considerations in Rebranding DEI**

**Cultural Competence**

**Employment and Labor**



## Context of DEI pushback and rebranding

In the wake of recent social justice movements, including #MeToo, #BlackLivesMatter, and #StopAsianHate, employers heard the call to ensure that underrepresented populations have a voice in their workplaces. Highly publicized diversity, equity, and inclusion (DEI) initiatives quickly rose to prominence and cemented themselves in the corporate zeitgeist.

However, other socio-political factors caused the pendulum to swing the other way. While there was increased empathy to social justice during the COVID-19 pandemic, many employees returned to in-person work, causing a shift in workplace friction. This “DEI backlash” also bled into other arenas, such as public schools.

One example was the branding of, and opposition to, “woke culture” or “woke indoctrination.” In May 2023, Florida Governor Ron DeSantis [signed a bill](#) banning DEI initiatives in public colleges. DeSantis said, “If you look at the way this has actually been implemented across the country, DEI is better viewed as standing for discrimination, exclusion, and indoctrination.” Approximately 10 other states passed similar [anti-DEI legislation](#), including Tennessee, Texas, and Utah.

With this backdrop, the term “DEI” began to disappear from workplace and school nomenclature. However, even in the midst of anti-DEI sentiments, DEI efforts remain strong. The employment law firm Littler Mendelson reported that 91 percent of the 320 executives surveyed said they had not

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lessened their prioritization of DEI. In fact, 57 percent said they had expanded their [DEI programming](#) in the past year. As such, employers are maintaining or increasing their DEI commitment, even though they may not be referring to it in this [manner](#).

## Considerations for companies

### Alignment with business objectives

Ensuring DEI initiatives align with business objectives is critical for their success and sustainability. By integrating DEI goals with broader business strategies, companies can [enhance innovation, improve decision-making, and attract top talent](#). However, it is essential that these initiatives are implemented in compliance with [Title VII of the Civil Rights Act of 1964](#). While the business case for diversity is compelling, it does not override the legal requirements prohibiting discrimination based on race, color, religion, sex, and national origin. Adhering to these legal standards helps mitigate risks of legal repercussions and reinforces the company's commitment to fairness and equality.

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### Stakeholder values

Awareness of the political climate in which they operate is crucial for companies, as is understanding and integrating stakeholder values. While relatively [small shares of workers](#) place high importance on workplace diversity — about three-in-ten consider a mix of different races and ethnicities (32 percent) or ages (28 percent) extremely or very important, and roughly a quarter value an equal mix of men and women (26 percent) or different sexual orientations (18 percent) — the actual positive impact of a diverse workplace cannot be ignored. Employees who prioritize diversity find that a diverse and inclusive work environment increases their job satisfaction, loyalty, and productivity.



A diverse and inclusive work environment makes employees feel a sense of belonging, more productive, and valuable. *wavebreakmedia / Shutterstock.com*

However, maintaining exclusionary practices or those that assume characteristics of individuals based on race or gender can alienate significant parts of the employee base, consumers, or customer base, leading to a [backlash](#) that ultimately harms the case for diversity. Companies must navigate these expectations carefully and within the legal framework to ensure that DEI initiatives do not inadvertently lead to discriminatory practices, thus violating Title VII and undermining the very principles of fairness and equality they seek to promote.

## Practical steps for companies

In light of these considerations, companies may consider the following measures:

### Incorporating “belonging”

“If inclusion is inviting people to a party, belonging is about making sure all of the guests feel comfortable,” [said Jackye Clayton](#), vice president of talent acquisition at Textio. Many companies did not eliminate DEI initiatives, but rather, expanded the focus to include “belonging,” or “DEIB.” In essence, DEIB initiatives support all employees being seen, connected, and supported at work.

### Focused measures

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DEI backlash can arise from measures that, from an optics standpoint, appear to be an effort to indoctrinate employees, such as mandatory, company-wide DEI trainings. Rather than taking a one-size-fits-all approach, consider more focused, lower-profile strategies, such as task forces comprised of [key stakeholders](#) in leadership.

## **Risk assessment**

Before making public statements or rebranding efforts, companies should conduct a thorough risk assessment to ensure their actions are perceived as authentic and credible.

## **Employee engagement**

Maintaining open dialogue with employees to understand their perspectives and address concerns can help mitigate internal conflicts and promote a more inclusive environment. This should include shared expectations for respectful communication and dialogue, regardless of who the individual is at the company.

## **Reviewing and updating policies**

Review and update policies regarding harassment, discrimination, and retaliation. These policies should also provide for preventative measures, such as establishing a complaint procedure that includes an investigative process.

## **Investigate complaints**

Employers must not only have harassment, discrimination, and retaliation policies in place, they must also follow these policies. Failure to do so may lead to [significant liability](#). In recent years, investigators have seen an increase in “reverse discrimination” complaints, or complaints initiated by majority groups, alleging different treatment based on their race or gender. All complaints based on a protected category should be investigated, regardless of the specific race, gender, ethnicity, etc. of the employee initiating the complaint.

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## Make it a strategic imperative

Despite the political and social challenges, DEI programs remain a strategic imperative for companies. The underlying principles of DEI — promoting fairness, enhancing innovation, and improving business performance — are crucial for long-term success. While the business case for diversity is compelling, it is essential to provide clear communications and align DEI initiatives with legal requirements to avoid discriminatory practices. Companies must navigate the political climate carefully, respecting stakeholder values without alienating any significant group. By maintaining a genuine commitment to DEI, organizations can build stronger relationships, enhance their reputation, and ensure sustainable growth in an increasingly diverse and interconnected world.

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