

DATA REPORT

The State of Culture and Inclusion: 2024 Trends and a Look Ahead at 2025





The State of Culture and Inclusion: 2024 Trends and a Look Ahead at 2025

In a year when anti-diversity activism moved from the fringe to the mainstream, one of the main targets was corporate diversity, equity, and inclusion (“DEI”) efforts.

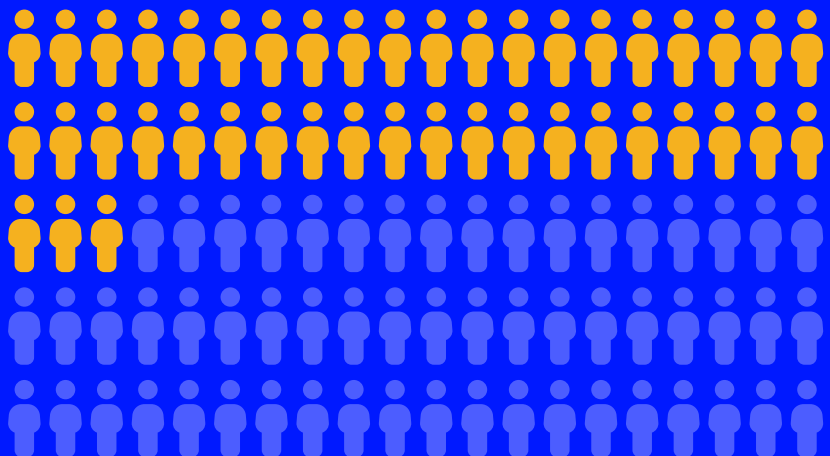
The activism took many forms, from lawsuits targeting DEI programming to boycott campaigns aimed at companies with LGBTQ+ inclusive policies to ongoing attacks from political candidates. It created an environment where the acronym “DEI” became a scapegoat for broader societal issues, or part of a pejorative term (“DEI hire”) used to discredit the accomplishments of women and people of color. The impact of that activism and resulting backlash is undeniable. Companies spent countless hours discussing, preparing for, and responding to backlash in a range of ways. Some publicly distanced themselves from diversity, equity, and inclusion efforts altogether, others changed key programs, and others defended their efforts in court.

Across the board, many organizations decided to focus less on defending the acronym “DEI,” and more on doing the work that actually makes workplaces better. Between 2023 and 2024, there was a 22% decrease in Fortune 100 companies’ use of terms like “DEI” and “diversity,” and a 59% increase in the use of terms like belonging. And SHRM, the largest trade group for HR professionals, decided to drop the word “equity” from its diversity, equity, and inclusion strategy, citing “societal backlash and increasing polarization” as the reason for the change.

While this activism has been most prominent in the United States, it’s also having a global impact. It has led business leaders in other countries to question whether they might face similar backlash. For global offices of U.S.-owned companies, it has raised concerns about how their local initiatives could be affected.

43%

of leaders across industries said anti-DEI backlash impacted their efforts in 2024*



* Based on a poll of 150 leaders



Key Changes: 2023 vs. 2024

How have things changed
over the last year?



↑12
points

Companies that have
a DEI budget

↑9
points

Companies that have
a DEI strategy





Against the backdrop of these complex headwinds, our data show that companies across sectors continue to make progress. To understand the current state of diversity, equity, and inclusion, we looked at aggregated data from 220 organizations across more than 20 industries, representing hundreds of thousands of employees, who used Paradigm's Blueprint platform in 2024. These companies used our platform to assess their diversity, equity, and inclusion maturity, uncover insights around their unique barriers and opportunities, benchmark key metrics, and execute impactful programs with step-by-step guidance from our team of experts. We compared this 2024 data to our dataset from last year, composed of 143 organizations.*

We found that in 2024:

- 60% of companies have a diversity, equity and inclusion strategy—a 9 point increase from 2023.
- 66% of companies have a diversity, equity, and inclusion budget—a 12 point increase from 2023.
- 73% of companies have a commitment to diversity, equity, and inclusion incorporated into their company values—on par with what we saw in 2023 (72%).
- 40% of companies have a senior leader fully dedicated to diversity, equity, and inclusion, compared to 27% in 2023.
- 63% of companies have partnerships with organizations focused on diversity, equity, and inclusion (e.g., organizations supporting women, underrepresented racial/ethnic groups, and the LGBTQ+ community), compared to 54% in 2023.

We did see the impact of the anti-diversity backlash in one area targeted by activists: demographic representation goals. We saw an 8 point *decrease* in the number of organizations with gender representation goals (26% in 2024, down from 34% in 2023), while the number of organizations with race/ethnicity goals was already lower (20% in 2023, and remained stable year over year).

* We recognize that the companies in our dataset may be more committed to diversity, equity, and inclusion than the average organization, as they are investing in their efforts by using our platform.



In the coming year, we expect that activists will continue to take aim at corporate DEI, and the incoming presidential administration has said that cutting DEI programs from the federal government will be a “Day One” priority. These attacks thrive on their ability to mischaracterize what corporate DEI efforts actually are. While the brand of the acronym “DEI” will likely continue to suffer, we predict that most organizations will continue their efforts to build diverse, equitable, and inclusive organizations. The business benefits of doing so are well-established, and changing workforce demographics make it clear that attracting employees from a wide range of backgrounds and building cultures that can unlock performance aren’t just a nice to have—they are critical to building a future-ready organization.

To do this work effectively in the current landscape, organizations will need to acknowledge this new reality and change the narrative, using data differently than they have before to tell a more effective story. They’ll also need to shift their approaches, moving away from siloed efforts to an embedded organizational focus on creating cultures that work for everyone. Below we make observations and recommendations on how organizations can, and likely will, deploy impactful, sustainable, and resilient diversity, equity, and inclusion efforts in 2025.*



* The guidance that follows is based on insights from our dataset, as well as our work with more than 500 companies over the last year, which included advising executive teams, designing strategies, setting goals, and creating learning programs that contribute to healthier, more inclusive cultures.



Resetting the Narrative

How can organizations tell a more expansive, effective story about what diversity, equity, and inclusion means?



42%

of leaders plan to make substantive changes to their diversity, equity, and inclusion programs in 2025.



Based on a poll of 150 leaders



Resetting the Narrative

While the acronym “DEI” has become a lightning rod political issue, most of the work that makes up corporate “DEI” initiatives is uncontroversial, and actually fairly popular. Building more representative teams, more fair practices, and more inclusive cultures, for example, are practices that a majority of Americans support.

The companies that are navigating the current landscape most effectively are focused on changing the narrative by telling a more precise, more detailed, and more inclusive story about what diversity, equity, and inclusion actually means to them. To reset the narrative in 2025, we expect to see a growing number of companies do the following:

- **Evolve language, including renaming internal functions and roles**

We expect to see language in this space continue to evolve. As we’ve worked with Chief Human Resources Officer and Chief Diversity Officers over the last year, we’ve heard a mix of perspectives on whether this language *should* evolve. We’ve spoken to dozens of leaders who have shared that they personally don’t find the acronym “DEI” to be important or even all that helpful, and are open to changing the language they use, including the names of their business functions and job titles. We’ve spoken to others that already don’t use the acronym “DEI”, and plan to continue using the naming convention their organization has relied on previously. While many leaders don’t want to change the name of this work just to appease anti-diversity extremists who will likely continue to attack these concepts regardless of what they’re called, most are open to using language that is more specific and descriptive of the work that’s being done. In the year ahead, we expect a growing number of leaders and companies will evolve their language away from the acronym “DEI.” We expect to see more use of words like culture, belonging, engagement, and inclusion.

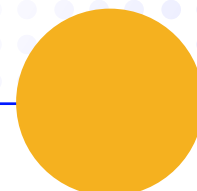


- **Talk expansively about who diversity, equity, and inclusion work is for**

Research shows that an “all-inclusive” approach—one that emphasizes that diversity includes all employees, not just specific groups—is most effective at garnering support from employees of all backgrounds. What many companies have failed to do historically is explain that diversity, equity, and inclusion efforts aren’t zero sum. Instead, they make work better for everyone. In 2025, organizations should and will do a better job talking about the fact that their priority is to build great cultures for everyone. To do that, organizations need to understand for whom their culture is not great today, and then work to close those gaps and raise the experience for all employees. Interestingly, and perhaps unsurprisingly, this will often result in organizations focusing their efforts in all of the exact same areas they focused on previously. Because it remains true that underrepresented groups—women, employees of color, disabled employees, veterans, members of the LGBTQ+ community, caregivers, etc.—typically face the biggest barriers to fairness and inclusion in organizations. People with these identities often pass through hiring stages at lower rates, are promoted less often, have worse experiences at work, or aren’t paid equitably. But by starting with a broader framing, e.g., “our goal is to create a great culture for everyone, and we will seek to identify and address any areas where we’re failing to do that, for any group,” organizations can more effectively communicate that their efforts are for everyone. And, that any group that faces barriers to fairness or inclusion matters.

“ In 2025, we’re working on an initiative to reframe allyship to help drive a sense of belonging for everyone, including our overlooked identity groups and majority groups who don’t feel like it’s for them. ”

Director of Diversity, Equity, and Inclusion
Fortune 100 Insurance Company





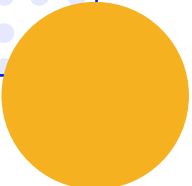
- **Create an updated diversity, equity, and inclusion communications strategy**

As organizations change their narratives, they need a plan for bringing their employees and key stakeholders along. That involves strong internal communications that help ensure employees across roles, identities, and levels of awareness about “DEI” understand what diversity, equity, and inclusion means within their company, why it matters, how it’s being executed, and how it will benefit everyone. It’s important to note, this should be an ongoing effort, not a one-time email or mention in a single meeting. **Our data show that while 73% of companies have leaders who communicate about the importance of diversity, equity, and inclusion, only 59% have executives who give regular updates on progress.**

For some organizations, this might also require adapting external communications and investor relations strategies. We recommend organizations become more precise in describing their efforts and the positive impacts they have on the business, instead defaulting to one-to-two word descriptors, when speaking with press and investors.

“ A company’s narrative shapes its culture, drives employee engagement, and ultimately defines its brand. Narratives are the most powerful tool a company can control—they unify teams, inspire action, and build trust. ”

Alex Constantinople
Partner and Chief Marketing Officer at Greycroft





Using Data to Tell a More Effective Story

How can organizations more effectively convey that every employee matters?



<50%

Of companies track hiring, promotion, and pay gaps by gender and race

52%

Of companies define clear DEI outcomes and metrics



Using Data to Tell a More Effective Story

How can organizations more effectively convey that every employee matters, deserves to feel like they belong, and benefits from diversity, equity, and inclusion? In addition to resetting the narrative, we recommend organizations:

- **Set strategic goals that are realistic, data driven, and tied to the company's overall business objectives**

In 2024, **only 52% of companies outlined explicit outcomes and success metrics for diversity, equity, and inclusion programs.** It makes sense that people may be skeptical about large investments in programs without defined success metrics, that aren't clearly tied to organizational priorities. In 2025, companies not only need to do a better job setting goals, they should tie at least one of those goals to a larger organizational objective. For example, a company objective might be around increased productivity—for such an organization, it could make sense to set a goal to increase employees' sense of belonging by 15% because belonging has been shown to boost engagement and productivity.

“ Creating workplaces where everyone belongs isn't just an ideal—it's a catalyst for transformation. When we unlock the potential of every employee, regardless of their background or perspective, we ignite a powerful chain reaction. Teams rich in diverse experiences don't just solve problems, they reimagine possibilities, pioneer innovations, and forge stronger communities. To highlight the power of creating these kinds of workplaces most effectively, we need to tap into the universal business language—data. It offers compelling proof that no leader can ignore: inclusive excellence drives exceptional performance. ”

Cristina Mancini
Chief Executive Officer at Black Girls Code



- **Use different types of data**

Public-facing representation goals are becoming slightly less common, as extremists have in some cases weaponized these goals to advance legal claims that companies with such goals have engaged in unlawful employment decisions to achieve them*. While many companies may choose to keep goals, those that fear legal action or undue scrutiny from activists may choose to rethink them. Instead of (or in addition to) setting goals around representation—a lagging indicator of whether a company has built a culture for everyone—a maturity score offers a simple metric that can give organizations quick insight into whether their people processes are designed to produce fair outcomes. Similarly, employee sentiment data can give organizations insight into how people are experiencing the company, and whether some groups are having a worse experience than others. And HR data pulled from throughout the employee lifecycle can show how dynamics like hiring, performance management, and attrition shape the workforce, and whether these processes appear to be producing fair outcomes. **In 2024, fewer than half of companies monitor for differences in hiring rates, promotion rates, or base pay by gender and race/ethnicity.** By focusing goals on the *inputs* that ultimately impact representation—whether processes are fair and whether people from all backgrounds experience an organization similarly—companies can reduce risk and focus their attention on more actionable data.

- **Use data to understand a wider range of experiences**

While most companies capture data beyond gender and race/ethnicity, that data is much less likely to be used to inform organizational efforts. For example, **while 69% of companies collect data on disability status, only 12% monitor whether there are differences in engagement between disabled and nondisabled employees.** While gender and racial/ethnic diversity are still critical to measure and track, as women and people from underrepresented racial/ethnic backgrounds often face substantial barriers to fairness at work, there are many other facets of identity that impact people's experiences. In 2025, we recommend collecting and analyzing data about a wider range of identities, reinforcing the message that inclusion efforts are for everyone.

* To be clear, in our view, this is rarely if ever true. Typically corporate representation goals are modest, and often, companies fail to achieve these goals. More broadly, the argument that having a goal creates a presumption that an organization will engage in illegal behavior to achieve it doesn't make logical sense. This would be like arguing that because a company has sales goals, we should presume they may be engaging in fraud to hit those goals.



- **Prioritize creating consistent experiences**

Once organizations have the data, it becomes easier to pinpoint exactly where people are experiencing barriers and take action. For example, if an organization finds that veterans make it through their hiring process at a lower rate than non-veterans, they can then consider what might be causing that gap, and attempt to close it. If they identify that parents and caregivers have a lower sense of belonging at work than people who aren't caregivers, they can begin to uncover why that might be, and work to address it. And, if they see that white men consistently get underpromoted relative to other groups, that can be an area of focus, as well.

Fortunately, we see that when organizations focus on improving the experiences of groups facing the biggest challenges, they end up creating better workplaces for everyone. For example, one company we worked with identified that White employees and non-LGBTQ+ employees felt a stronger sense of belonging than their Black and LGBTQ+ peers. They instituted programs focused on addressing those differences and, in just a year, they shrunk the gaps. But in doing so, they didn't just make things better for Black and LGBTQ+ employees. The changes they made had a positive impact on *everyone*: all employees' sense of belonging increased by 7 percentage points.





Embedding Efforts Throughout the Organization

How can organizations embed diversity, equity and inclusion into their systems and culture in 2025?



<50%

Of companies have a documented promotion process

<40%

Of companies provide resources for leaders to apply and continue their learning



Embedding Efforts Throughout the Organization

Finally, one of the most effective things organizations should focus on in 2025 is embedding diversity, equity, and inclusion into their systems, processes, practices, and organizational culture.

At the end of the day, good diversity, equity, and inclusion practices are good people practices. They help companies hire and advance the best talent, unlock innovation, and create workplaces where everyone can do their best work. When diversity, equity, and inclusion efforts are siloed, they tend to be less effective and more likely to contribute to the false narrative that “DEI” is orthogonal to, or even at odds with, performance and merit. In reality, these practices, done well, create the foundation on which companies can build a high-performance culture.

When fair and inclusive practices become a part of an organization’s DNA, these efforts are far more impactful, shaping outcomes at every stage of the employee lifecycle. They’re also far less susceptible to headwinds like macroeconomic trends or external attacks on diversity: it’s much easier to cut a specific “DEI” line item in a budget than it is to unwind practices that are baked into every aspect of organizational decision-making.

“ To truly unlock the potential of our workforce, we must embed diversity, equity, and inclusion principles into every people process—not just recruiting, but performance management, development, and succession planning. This work isn’t a checkbox; it’s a lens through which we design systems that empower individuals and drive collective success. ”

Charles Mah
Chief Customer & Operations Officer at Goodtime



Here are three key areas to focus on:

- **Improve talent processes**

Hiring and performance management processes shape the workforce. They're also prone to bias, which prevents organizations from hiring and advancing the best talent and has a disproportionately negative impact on people from underrepresented backgrounds, who are far more often on the losing end of biased decision making. By adding more structure to these processes—for example, determining what qualifications will make the best hire or promotion and before considering specific candidates, using rubrics that help decision makers apply the same criteria to every candidate, and implementing structured debriefs and calibrations—organizations can make more objective decisions *and* create a more level playing field where the best people across all backgrounds can rise to the top. In our dataset, companies are making the most progress in hiring, with 70% of organizations saying they have structured hiring practices in place. But only 1% of companies monitor how work is allocated, and **less than 50% of companies even have a documented promotion process.**

“ At Greenhouse we have always focused on improving the hiring process for everyone. It's not about politics or the label 'DEI'; when employers make fair, data-backed decisions, and hire for skills not pedigree, they end up with teams that are more adaptable, innovative, and resilient. ”

Daniel Chait

Founder and Chief Executive Officer of Greenhouse Software

- **Upskill leaders**

In addition to improving processes, organizations also need to empower the people who make key decisions and have the biggest impact on the day-to-day experience of employees—people managers. In 2024, we saw a huge increase in organizations investing in cultivating more inclusive, effective leaders. The vast majority of organizations, 80%, train managers on how to create inclusive environments or make inclusive decisions. However, less than 40% provide resources for leaders to continue their learning and actually put it into action. Beyond training, we've found the following have a significant impact on enabling managers to cultivate more productive cultures where everyone can do their best work: self-assessments that highlight managers' individual strengths and growth areas; checklists and bite size learnings that guide them through key processes like interviews, onboarding, and performance reviews; opportunities to practice skills with colleagues; and ongoing coaching. And our data shows the investment is worth it—**when employees feel like they belong, they are 10x more likely to be engaged.**



“ Strong cultures and engaged employees are truly the magic that drives high-performing teams. From my experience, I’ve seen how challenging it can be for companies to cultivate these environments. You can have the best products and stellar processes, but if your employees don’t feel seen, valued, and supported, you’ll struggle to unlock their full potential. I believe that true success comes from creating a workplace where employees thrive—not just because of what they do but because of how they feel as part of the team. For me, prioritizing culture and engagement isn’t just an option; it’s the bedrock of sustainable high performance.”

Bernard Coleman
Vice President of People at Swing Education

- **Embed learning into existing workflows**

Ultimately, workplace culture is shaped by the interactions people have with one another every day. Each interaction can be an opportunity to advance or undermine that culture. One-off trainings can be a tax on employees’ time that don’t ultimately equip people to change their behavior in the moments it matters most. We recommend embedding learning into existing processes and workflows. For example, equipping hiring managers with key skills to run a more effective and inclusive hiring process right when they open a new role. Promoting content on inclusive, effective performance feedback to managers as a part of the performance review cycle. Using identity-related dates and celebrations (e.g., AAPI Heritage Month, Pride, Veteran’s Day, Mental Health Awareness Month) to deliver relevant learning that helps people build greater awareness and empathy for their colleagues. We’ve found that a blended learning model—just-in-time online learning, coupled with opportunities for group dialogue—is the most impactful and sustainable approach.

While it’s encouraging to see many organizations continue to evolve their learning efforts, most still aren’t measuring how impactful those efforts are: **only 36% of companies measure the efficacy of inclusion training**. One of the best ways companies can counter the narrative “training doesn’t work” is by quantifying its impact.



Conclusion

In a challenging environment marked by anti-diversity activism and backlash, many organizations are as focused as ever on casting a wide net to find the best talent from anywhere (diversity), ensuring that everyone has a fair opportunity to do their best work (equity), and fostering cultures that unlock performance (inclusion). Despite the pressure to retreat, our data shows that more companies are formalizing their diversity, equity, and inclusion strategies, investing in dedicated resources, and integrating inclusion into their core values and expected leadership competencies.

In the coming year, companies across industries who remain committed to these values will need to work hard to redefine the narrative and unite key stakeholders behind the shared beliefs that diversity is part of what makes our companies, countries, and communities so special. That inclusion is how we unlock our collective potential. That building a level playing field is how we uncover the incredible talent that exists all around us. They'll need to be precise with their communications, ground their efforts in the right data, and consistently evaluate how they build cultures where every employee can thrive. If they do this well, organizations can continue to foster workplaces that support innovation, engagement, and growth—outcomes that are crucial for navigating the complexities of today's business landscape and attracting the workforce of the future.



Need help building a more effective culture and tracking key metrics?



Learn more [here](#), or email us at contact@paradigmiq.com



About Paradigm

Paradigm exists to radically transform organizations, building a world that is just, equitable, and inclusive. We envision a world where organizations reimagine their role in, and responsibility to, society. To do this, we provide customers with a comprehensive suite of technology, tools, and consulting services designed to advance diversity, equity, and inclusion (DEI).

paradigmiq.com