

# LEADER™



## DOES DEIB NEED A RESET?

# UNPACKING DEIB CHALLENGES:

## KEY FINDINGS AND STRATEGIC INSIGHTS FOR THE FUTURE

Over the last few years, Diversity, Equity, Inclusion, and Belonging (DEIB) initiatives have experienced both surges and ebbs as organizations recognized the need to cultivate more inclusive workplaces. However, as many companies pushed for swift changes, a disconnect emerged between intentions and outcomes. Rather than fostering genuine inclusion, some DEIB efforts became mired in “vanity metrics” – numbers that looked good on reports but did little to change the underlying culture and employee experience.

At **LEAD3R**, a human resources and search consulting firm, we specialize in helping organizations hire the best talent, accelerate leadership and team impact, and create environments grounded in DEIB principles where people can do their best work. Over the last 12-18 months, we have been closely observing the shifts occurring in the DEIB space. As major brands publicly scale back their DEIB efforts, we are asking: ***Does DEIB Need a Reset?***

Interestingly, our research tells a different story from what's playing out in the media. Based on LEAD3R's deep client experience, knowledge, and expertise, it's clear that DEIB is both complex and uneven. While many leadership teams are making concerted efforts to align DEIB strategies with business objectives, the conversations we had as part of the study responses reveal significant challenges. From employees' experiences with DEIB to leaders navigating these efforts with mixed success, the journey is far from straightforward.

A poignant sentiment from a CHRO at a large pharmaceutical company underscores this complexity:

*“We have just been reacting to DEIB events, leading from the head, focusing on chasing metrics - vanity metrics. We have forgotten to really align the agenda with the purpose of the company, the commercial nature of the company, which is why we're feeling so uncomfortable with this and not proactively owning the agenda. In theory, DEIB should help drive belonging, and right now it is alienating it.”*





This reflection highlights a growing sentiment in the corporate world: **DEIB Needs a “Reset.”**

Organizations are recognizing the necessity to move beyond reactive, repetitive approaches and feel-good metrics to strategies that genuinely enhance company culture, build healthy teams, and align with broader business objectives.

In this new phase, organizations are challenged to rethink their DEIB strategies. The goal is to move beyond surface-level approaches and foster true belonging while driving impact in a way that feels integrated and sustainable. LEAD3R suggests that this reset is not about scaling back, but about recommitting to the core principles of DEIB—creating inclusive workplaces where individuals and teams can thrive.

82% of survey respondents believe DEIB is extremely or moderately relevant to today's workforce

## THE RESEARCH APPROACH:

### A MULTI-FACETED EXPLORATION

The research took place from August to October 2024, incorporating multiple stages to ensure a robust understanding of DEIB challenges. The methodology included:

- **Interviews with Thought Leaders:** A series of interviews were conducted with executives, board members, DEIB experts, and consultants. Their insights painted a nuanced picture of DEIB's perceived impact, and the challenges faced by leadership in embedding DEIB effectively into organizational culture.
- **Roundtable Discussion:** LEAD3R hosted a roundtable discussion that attracted DEIB experts and thought leaders. This discussion revealed early insights into the disconnects and emerging resistance to DEIB initiatives within organizations.
- **Survey Analysis:** Conducted via Cloud Research, survey responses were analyzed using SPSS to ensure rigorous statistical analysis. The survey gauged attitudes towards DEIB's relevance, effectiveness, and organizational impact.

## BY THE NUMBERS

29

Interviews with  
thought leaders &  
executives

19

C-Suite/  
Board/  
Founders

11

Roundtable  
attendees

195

Survey  
respondents

## KEY THEMES

Despite a strong commitment to DEIB, there is **significant variation** in how effectively initiatives are implemented across organizations, with many still “chasing metrics” rather than embedding DEIB meaningfully within their cultural and commercial frameworks. The data collected reflects **a gap between** the effort by leadership teams to align DEIB strategies with business objectives and the employees' actual experiences. As organizations continue to navigate these challenges, it is with **mixed success and varying levels** of integration for impact.

The data analysis surfaced three major themes that highlight the state of DEIB today:

Resistant

Disconnected

Unprepared





# RESISTANT

The study revealed significant pushback to DEIB efforts. However, this resistance is not necessarily due to a lack of care or recognition of DEIB's value. Instead, it often arises from a **disconnect between DEIB initiatives and their alignment with the organization's core business goals**. Additionally, the current political climate and the influence of “cancel culture” exacerbate these challenges, contributing to apprehension around DEIB initiatives and a pervasive fear of repercussions for “getting it wrong.”

Many leaders struggle to integrate DEIB meaningfully into their strategies, finding it challenging to align these efforts with their commercial and cultural missions. This resistance is further compounded by external factors such as social and political pressures. The research, conducted during the contentious 2024 election cycle in the U.S., highlights how the broader political climate and phenomena like “cancel culture” have created apprehension around DEIB initiatives. However, the feedback from leaders we spoke with suggests that while this external noise is acknowledged, many are determined to stay the course. **They emphasize the importance of focusing on internal goals and maintaining a steady, deliberate approach to fostering long-term inclusion.**

## SUB-THEMES

The resistance to DEIB efforts can be understood through three interrelated sub-themes: misunderstanding and misalignment, external social and political pressures, and the need for a business-centric approach. The absence of clear ties between DEIB efforts and business outcomes underscores the importance of aligning these initiatives with organizational priorities to overcome resistance and create meaningful, lasting impact.

### Resistance from Misunderstanding:

“The biggest watchout is teeing from bad practices. If DEIB practices are being jammed down [employees'] throats and it's all obligatory, they will start rolling their eyes. Maybe we should engage in reframing of vocabulary and think about broader good HR practices.”

Misaligned or top-down DEIB initiatives can alienate employees, reinforcing resistance. Leaders suggest a shift toward more thoughtful, integrated approaches that connect DEIB efforts to overall organizational goals.





### Impact of Social and Political Challenges:

“... with so much DEIB being removed, the accountability is gone. [We] lost the ability to learn, and we moved to cancel culture. We went too far and now people are scared because the climate is what it is.”

Leaders acknowledge the role of external political and social pressures, which have created a culture of fear around DEIB. This fear often detracts from the genuine learning and growth that DEIB initiatives should foster.

### Importance of a Business-Centric Approach:

“To thrive, you have to have the skills to navigate [DEIB issues], and if you don’t, companies will suffer consequences. [You must be] very focused on the business case.”

Employee resistance can stem from a lack of alignment between DEIB efforts and business outcomes. This highlights the necessity of tying DEIB efforts directly to business outcomes. Leaders emphasize that without this alignment, resistance will persist, and the true potential of DEIB may remain unrealized.

71% of survey respondents  
believe DEIB initiatives  
address the issues they aim  
to solve regarding issues of  
diversity.

(People answering Probably  
Yes or Definitely Yes)



# DISCONNECTED

## Disconnected Intentions and Realities

A gap exists between organizational intent and the employee experience. Often, DEIB strategies emphasize diversity metrics without addressing the deeper cultural shifts required for true inclusion. This was especially evident in the responses from people managers, who felt underprepared to foster inclusive environments effectively. Genuine leadership and meaningful team health initiatives were cited as areas in need of attention.

## SUB-THEMES

While many organizations have strong aspirations for DEIB, the challenge lies in bridging the gap between intent and execution. Misalignments between leadership vision and employee experience, struggles in integrating DEIB into business priorities, and an overemphasis on metrics rather than cultural transformation all contribute to this disconnect. These factors highlight the need for strategies that are both practical and impactful.

### Gap Between Leadership's Vision and Employee Experience

"[I have been] very disappointed in the pushback. I've always felt that our underserved communities have been a waste of talent. When we don't capture everyone's potential ultimately, we are all losing."

Employees may feel disillusioned when DEIB efforts fail to translate into tangible opportunities or improvements, reinforcing the perception that these initiatives lack depth or commitment.

### Separation of DEIB Work from Core Business Functions

"The work is important, but it is not mission critical, specifically in biotech. [During] the last 2 years, the economic environment has [forced us] to make hard decisions to deprioritize DEIB."

There can be tension between aspirational DEIB goals and practical decision-making, especially during periods of financial constraint. DEIB efforts can become deprioritized during economic downturns or when they are viewed as external obligations rather than integral to business success.

### Overemphasis on Metrics Over Cultural Change

"There has been a failure of creating real impact through learning. It has been a check-the-box exercise for most, training check... It takes time and practice."

Excessive focus on metrics can create a perception of performative efforts rather than genuine commitment to inclusion. A focus on achieving numerical representation goals can overshadow the broader cultural transformations necessary for fostering inclusion.

# UNPREPARED

## Lack of Preparedness Among Leaders

One of the most critical themes identified was the lack of readiness among leaders to confidently navigate differences within their teams. While many organizations acknowledge the importance of DEIB, the data highlights a significant gap in equipping managers with the necessary skills to translate these values into actionable practices. Managers account for approximately 70% of the variance in an employee's experience, underscoring their profound impact on job satisfaction and engagement. Addressing this readiness gap is essential for fostering inclusive, high-performing teams.

## SUB-THEMES

Leadership development and team management are key to the success of DEIB initiatives. However, a consistent gap exists in the readiness of managers to navigate differences, compounded by a lack of focus on authentic leadership and team health. The sub-themes below demonstrate how these gaps hinder DEIB progress and highlight opportunities for improvement.

### Gap in People Manager Readiness

"There is so much more work that companies can do to build [DEIB] acumen. There is more of a focus on business acumen, finance, presentations, etc. [and] not enough emphasis on equipping leaders to navigate [the] difference [on their teams]."

There is an urgent need for tailored development programs that equip managers with tools to bridge the gap between theoretical knowledge and practical application. Many managers lack the training required to navigate cultural differences and foster inclusivity within their teams. While managers are well-equipped in traditional business skills, such as finance and presentations, they often fall short in DEIB-specific competencies like fostering psychological safety and emotional intelligence.





## Need for Authentic Leadership

"Managers are also huge predictors of success [so we need to ensure that] managers are equipped to foster cultures of inclusion and innovation...and [psychologically safe]."

Leaders who not only promote inclusivity but actively demonstrate it in their actions, inspire trust and innovation within their teams. Authentic leadership is vital for fostering psychologically safe and inclusive environments. Managers who genuinely embody inclusivity set the tone for their teams, encouraging employees to bring their full selves to work.

## Opportunity to Build Effective Team Health

"Diversity alone creates friction and more problems, but diversity well managed can be distinctive and value added. To get to that innovation you have to be thoughtful."

The importance of moving beyond surface-level diversity metrics to creating environments where differences are embraced and utilized to drive innovation is continually underscored. Diversity alone does not guarantee team success; rather, its value lies in how effectively it is leveraged. Leaders must focus on fostering inclusion to reduce friction and capitalize on the benefits of diverse perspectives.

On a scale of 0-10,  
Leader Preparedness  
received an average  
score of 6 from survey  
respondents



## CONCLUSION

The findings from this research underscore the complexity, variability, and ongoing challenges in advancing DEIB within and across organizations. While progress has been made, it is uneven, with resistance, disconnect, and lack of preparedness serving as significant barriers.

As we reflect on what is next in the resetting of DEIB, the survey insights compel us to ask, "Does the terminology of DEIB need to shift to better reflect its purpose and impact?" and "What does authentic leadership mean for cultivating inclusive and resilient teams?"

The importance of building diverse, inclusive, and equitable organizations has never been greater. However, the path forward may lie in redefining our framing and terminology while emphasizing the cultivation of authenticity in leadership. Authentic leaders play a critical role in fostering inclusive and resilient teams, setting the foundation for sustainable organizational progress.

Research findings highlight the complexity, variability, and persistent challenges in advancing Diversity, Equity, Inclusion, and Belonging (DEIB) initiatives across organizations. While strides have been made, progress remains inconsistent, hindered by resistance, misalignment, and a lack of preparedness. As we contemplate the future of DEIB and its evolving narrative, we are prompted to ask critical questions: Does the current terminology of DEIB adequately reflect its purpose and impact? And what does authentic leadership truly entail in the pursuit of inclusive and resilient team dynamics? These reflections are essential to reimagining DEIB strategies and driving meaningful change.

At LEAD3R, our philosophy is grounded in building stronger teams to drive impactful organizations. This foundation extends to reimagining how DEIB is approached, embedding it not as a standalone initiative, but as a critical lens across our offerings. Moving forward, we must continue to adapt our strategies to meet organizations where they are. In support of that, we are in the process of designing a new program for people managers on inclusive leadership and resilient teams and infusing our coaching solution with a more intentional inclusive approach. Stay tuned for more information in early 2025.

The journey to achieving truly inclusive workplaces is ongoing, requiring organizations to move beyond performative efforts to create environments where individuals and teams can thrive. By leveraging these insights, LEAD3R is poised to guide organizations through this transformation, ensuring that DEIB becomes a cornerstone of impactful, resilient organizations.





## ADDITIONAL SURVEY RESULTS

- On average, only **4% of variance** in respondents' answers can be explained by education level, gender, race, age, and political affiliation indicating that our beliefs around DEIB are shaped by myriad factors.
- Of all aspects of DEIB, **equity was deemed most important** (40% of respondents).
- Of all aspects of DEIB, **belonging was deemed least important** (13% of respondents).
- **52%** of respondents believe **DEIB initiatives address the issues they aim to solve** regarding issues of **equity**.
- **65%** of respondents believe **DEIB initiatives address the issues they aim to solve** regarding issues of **inclusion**.
- **51%** of respondents believe **DEIB initiatives address the issues they aim to solve** regarding issues of **belonging**.



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If you have any questions or would like to discuss diversity, equity, inclusion, and belonging further, please reach out to:



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## APPENDIX A. DEIB BELIEFS MODELS OF EXPLANATORY POWER

	R2 with Education Level, Gender, Race, and Age	R2 with Addition of Political Affiliation	Increase in R2	% Increase in Explanatory Power
Belief about DEIB Relevancy	1.2	3.9	2.7	225%
Belief in the Importance of Diversity	1.2	3.2	2.0	167%
Belief in the Importance of Equity	4.8	6.3	1.5	31%
Belief in the Importance of Inclusion	1.4	2.0	0.6	43%
Belief in the Importance of Belonging	4.9	9.2	4.3	88%
Belief in Leaders' ability to navigate differences among teams	4.1	4.8	0.7	17%
Belief that diversity initiatives solve the problem they aim to solve	2.5	2.9	0.4	16%
Belief that equity initiatives solve the problem they aim to solve	1.9	2.0	0.1	5%
Belief that inclusion initiatives solve the problem they aim to solve	3.0	6.0	0.3	100%
Belief that belonging initiatives solve the problem they aim to solve	2.0	2.5	0.5	25%

While only 4% of the variance in beliefs on DEIB can be explained by an individual's education level, gender, race, age, and political affiliation, we discovered that adding political affiliation to our model added to our explanatory power by 59 percent. The mean explanatory power of our models using the R-squared metric was 2.7 percent when including the variables of education level, gender, race, and age. The mean explanatory power of our models using the R-squared metric was 4.3 percent after adding political affiliation to our models that included education, gender, race, and age. On average, the addition of political affiliation increased R2 by 1.6 percent. Thus, in terms of the increase in explanatory power, the addition of political affiliation increased our model's explanatory power by an average of 59%  $((4.3 - 2.7) / 2.7 * 100)$ .