

Diversity in Transition: The New Corporate Reality



Meet Our Team



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Trish Steed is the CEO and Principal Analyst for [H3 HR Advisors](#), and co-host of the [At Work in America](#) podcast on the HR Happy Hour Network alongside [Steve Boese](#). She is also the creator of the HR Happy Hour WORK BREAK! vlog.

A former HR executive and HCM product leader with over 20 years of experience in Big 4 public accounting, PR, healthcare, manufacturing, and IT, Trish brings that knowledge to her clients as an analyst and advisor.

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Steve is one of the Co-Founders of H3 HR Advisors, a leading HR technology advisory and services consultancy.

Since 2013, Steve has been the Program Chair and host of the [HR Technology Conference](#), the world's largest gathering of the global HR Technology community, and authors a monthly HR Technology Column for [Human Resource Executive magazine](#). He is a frequent speaker and author on topics in Human Resources, HR technology, and the world of work.

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Karen Steed is the Client Experience Director & Learning Analyst of H3 HR Advisors.

Karen works with client teams to promote their organizational needs seamlessly and effectively, through strategy and planning. She is also responsible for the HR Happy Hour Network media production and promotion. Previously, Karen served 15 years as an elementary educator and early childhood administrator. Her focus is on learning solutions that are engaging and practical.

The DEI Evolution: From Mainstream Acceptance to Political Crossfire

Corporate DEI initiatives have undergone a remarkable journey from gradual adoption to widespread embrace and now political controversy. While diversity programs have existed in some form since the Civil Rights era, the modern conception of DEI as an integrated business approach gained mainstream acceptance around 2015–2018, as tech companies began publishing diversity reports and implementing formal programs.

The watershed moment came in 2020, following George Floyd's murder, when corporate America dramatically expanded DEI commitments. Companies across sectors made public diversity pledges, established or expanded DEI departments and allocated significant funding to these initiatives. During this period, DEI transformed from a compliance function to a strategic business imperative, with Chief Diversity Officers joining C-suites and diversity metrics incorporated into executive compensation.

This widespread adoption reflected a cultural moment when DEI initiatives enjoyed broad public support across the political spectrum. However, by late 2022, DEI began facing increasing political scrutiny as part of broader "anti-woke" campaigns. The June 2023 Supreme Court decision ending affirmative action in college admissions accelerated this trend, providing legal justification for challenges to corporate DEI programs.

The 2024 election cycle further politicized DEI, with corporate diversity initiatives becoming explicit campaign targets. By early 2025, following political transition, federal directives began directly targeting corporate DEI programs, creating significant pressure on organizations.

Today's landscape reveals a striking divide: companies that established DEI practices before 2020 as core business functions tend to maintain these commitments, while those that adopted programs during the 2020–2021 surge are more likely to retreat or rebrand their efforts. Leaders must now navigate competing stakeholder pressures while determining which elements of their inclusion strategies drive measurable business value in this changed environment.

2025 DEI Landscape Trends

01

External Pressure is Driving Change

The dramatic shift in corporate DEI policies is predominantly driven by mounting external pressures rather than internal strategy reassessments. Trump administration executive orders eliminating federal DEI programs have signaled a clear political shift, while the Supreme Court's affirmative action ruling has raised legitimate legal concerns about certain DEI practices. Simultaneously, coordinated social media campaigns by conservative activists like Robby Starbuck have successfully targeted specific companies, creating public relations challenges. These converging forces explain why major corporations from Walmart to Meta explicitly cite a "shifting legal and policy landscape" when announcing their DEI rollbacks—revealing that external pressure, not performance metrics, is primarily driving this corporate retreat.

02

Corporate Responses Fall Into Three Categories

Corporate America has split into three distinct response categories. Some companies, including Walmart, Meta, and Target, have implemented complete rollbacks—dismantling DEI departments, abandoning supplier diversity goals, and withdrawing from external benchmarking programs. A middle group, exemplified by Disney, has chosen strategic rebranding—maintaining similar practices while shifting terminology from "Diversity & Inclusion" to less politically charged language like "Talent Strategy." Meanwhile, a third category of companies including Costco, Apple, Microsoft, and JPMorgan Chase has mounted strong public defenses of their inclusion practices, firmly rejecting shareholder proposals challenging DEI and framing inclusion as fundamental to their business models and competitive advantage.

2025 DEI Landscape Trends

03

Legacy Commitment Appears to Matter

Organizations with deeply rooted, long-standing diversity initiatives demonstrate remarkable resilience against the current anti-DEI political climate. Companies that established inclusive practices years before DEI became a corporate trend—like Costco (first CDO in 2004) and Apple (employee resource groups since 1986)—are significantly more likely to maintain their commitments despite external pressures. These organizations view diversity not as a separate initiative but as fundamental to their operational DNA. As former Costco executive Roger Campbell aptly observed, "The term DEI didn't even exist to us, it was the way we ran our business... it's who we are." This institutional integration appears to provide both the conviction and the organizational infrastructure to withstand political headwinds.



Companies Holding Firm on DEI



Costco



Delta Airlines



Apple



The Home Depot



Microsoft



JP Morgan Chase & Co

Companies Stepping Back From DEI



Walmart



Target



Meta



U.S. Department of Education



Amazon



Disney

Conclusion: The Inclusion Pivot

The widespread retreat from dedicated DEI initiatives is creating significant ripple effects across both HR technology vendors and corporate organizations. Technology providers who heavily invested in DEI-specific solutions now face strategic pivots, with many rebranding their offerings around "belonging," "inclusion," or "talent strategy" rather than abandoning functionality entirely. For these vendors, the challenge lies in maintaining the valuable capabilities of their platforms while adapting messaging to align with the changing corporate landscape.

For organizations, the DEI rollback presents a complex balancing act. While companies like Walmart, Meta, and Target have publicly retreated from formal DEI commitments, they must still navigate the legal protections enshrined in Title VII of the Civil Rights Act, which continues to prohibit employment discrimination based on race, color, religion, sex, and national origin. This creates a situation where organizations are reducing public DEI messaging while maintaining compliance frameworks to avoid legal exposure.

The outlook suggests a bifurcated approach emerging across corporate America. Legacy-committed organizations with deeply embedded practices (like Costco, Microsoft, and Apple) appear more resilient against political headwinds, framing inclusion as fundamental to their business models rather than separate initiatives. Meanwhile, companies with more recently adopted DEI programs are more likely to retreat or rebrand.

Looking forward, the focus will likely shift toward measurable business outcomes and compliance rather than aspirational and representation goals. HR technology will adapt to emphasize skills-based approaches, unbiased hiring practices, and talent management capabilities—maintaining the substance of inclusion while evolving beyond the politically charged terminology of "DEI" in this new landscape.







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