

EXECUTIVE SUMMARY

# **DEI Backlash: What Employees Really Think**





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### Introduction

These are very uncertain times for everyone—but especially DEI leaders. Leaders are navigating <u>wide-ranging attacks on DEI</u>, ranging from <u>cutbacks to diversity recruiting</u> <u>efforts</u> in the wake of <u>the Supreme Court's ruling banning affirmative action</u> in higher education to <u>critiques of the business case for diversity</u>. Within this environment, leaders are caught in a tumultuous political time, with <u>national</u> and <u>international</u> issues encroaching into the workplace at an alarming rate.

Seramount research shows that even before the current DEI backlash began, <u>corporate commitment had fallen short of 2020 pledges</u> after the death of George Floyd and the ensuing crush of corporate support. Today, the struggle to make progress on diversity, equity, and inclusion is even more pronounced.

In these unprecedented times, leaders need trustworthy information about what their employees perceive and want, especially those from Historically Excluded Talent (HET) groups. Seramount's 2024 DEI National Survey provides answers. This nationally representative survey of 3,000+ US white-collar and frontline employees at companies with at least 500 employees, across dimensions of diversity as well as geographic and political differences, explores questions related to three different crucial areas:

- **Commitment:** How have employees' perceptions of their leadership's commitment to DEI changed?
- **Progress:** How have employees' experiences of equity and inclusion changed?
- **Desires:** In these volatile times, what do employees want from their organizations?

# Methodology

The results in this report are drawn from the only survey of US employees working at large organizations. In May 2024, Seramount fielded a nationally representative survey of US workers at companies with 500 or more employees. The survey yielded more than 3,000 responses, including more than 1,600 white-collar employees and more than 1,300 frontline workers. Quotas were implemented to ensure accurate representation across race/ethnicity, geography, gender, political affiliation, age, job level, and other key demographics.

The survey asked questions across two categories. First, the survey revisited some of the questions Seramount explored in our landmark report, *From Pledge to Progress: Corporate America One Year After George Floyd's Death.* Conducted in 2021, this study surveyed white-collar employees in corporate roles on their commitment to DEI, their perceptions of their leadership's commitment to DEI, and their own experiences of racism and bias in the workplace. Where applicable, this report includes comparisons between 2021 and 2024.

But Seramount's 2024 survey also went beyond that original research. The 2024 survey also includes a deep dive into employees' perceptions of corporate inclusion and psychological safety and a battery of questions around their attitudes toward corporate engagement in politics.

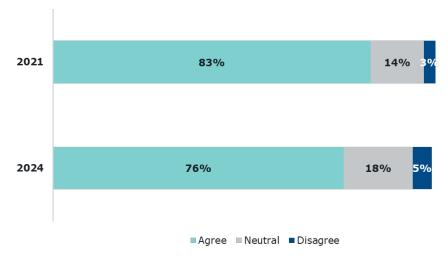
Baker Tilly and KPMG were among the sponsors of this research.

## **Key Findings**

- Support for fighting racism and injustice remains strong, despite a slight decline since 2021: 76 percent of respondents agree with the statement "I am committed to helping my company fight racism and injustice within the organization" compared with 83 percent in 2021.
- However, nearly half (47 percent) of employees agreed with the statement "I feel the focus on diversity, equity, and inclusion is blown out of proportion."
- Support for inclusion was also high, with 78 percent indicating that it is very important for their company to be an inclusive organization.
- Compared to 2021, fewer employees now view their direct managers and senior leaders as inclusive.
- More than half indicated that it is very important for their company to issue a statement on a national or global political issue impacting its employees (57 percent), customers (54 percent), and/or community (53 percent).
- But many would prefer that their organizations avoid explicitly political issues. Almost half (47 percent) of employees agreed with the statement "Politics should have no place in the workplace," and 28 percent supported legally prohibiting companies from taking stands/being involved in politics.
- Forty percent of employees have taken action against a company whose political stance did not align with theirs, and one in five have engaged in "quiet-quitting" over politics.

### **Support for Fighting Racism and Inequality**

Support for fighting racism and injustice remains strong, despite a slight decline since our *From Pledge to Progress* research four years ago: 76 percent of respondents agreed with the statement "I am committed to helping my company fight racism and injustice within the organization" compared with 83 percent in 2021. Only 5 percent of employees in 2024 disagreed with the statement, a slight increase from 3 percent in 2021.

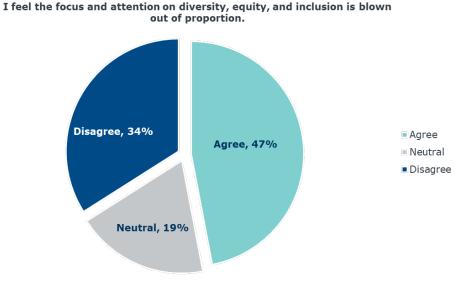


### I am committed to helping my company fight racism and injustice within the organization.

Source: Seramount's 2024 DEI National Survey & From Pledge to Progress: Corporate America One Year After George Floyd's Death

Like support for fighting racism, support for inclusion was high, with 78 percent of employees overall indicating that it is extremely or very important for their company to be an inclusive organization.

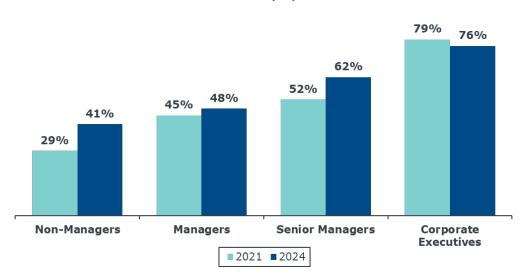
However, nearly half (47 percent) of employees overall agreed with the statement "I feel the focus on diversity, equity, and inclusion is blown out of proportion."



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Source: Seramount's 2024 DEI National Survey

Even many of those who indicated that they are committed to fighting racism and injustice believe the focus on DEI is blown out of proportion. Executive commitment in particular is lagging. Forty-one percent of non-managers, 48 percent of managers, 62 percent of senior managers, and 76 percent of corporate executives who say they are committed also feel the focus is overblown. Even more concerning is that since 2021, more non-managers and senior managers appear to be questioning the focus on DEI.

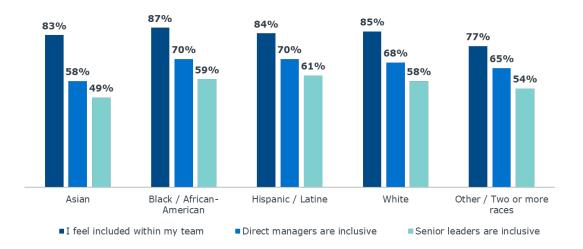


#### Of those who say they are committed: I feel the focus and attention on diversity, equity and inclusion is blown out of proportion.

Source: Seramount's 2024 DEI National Survey & From Pledge to Progress: Corporate America One Year After George Floyd's Death

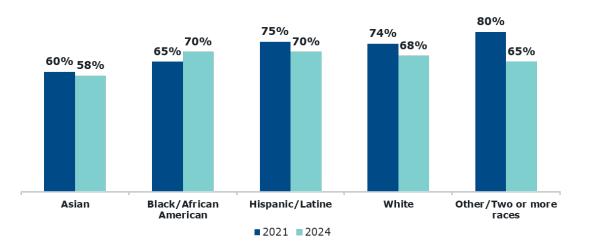
### **Experiences of Inclusion**

Employees' personal experiences of inclusion within their companies reflect the overall lack of progress on DEI documented in the previous section. Across all racial/ethnic groups, large majorities of employees agreed that they feel included within their own teams. However, fewer indicated that their direct managers are inclusive, and even fewer agreed that their senior leaders are inclusive. The drop-off was particularly steep for Asian employees: 83 percent feel included on their teams, but only 58 percent agreed that their direct managers are inclusive, and about half (49 percent) agreed that senior leaders are inclusive.



Source: Seramount's 2024 DEI National Survey

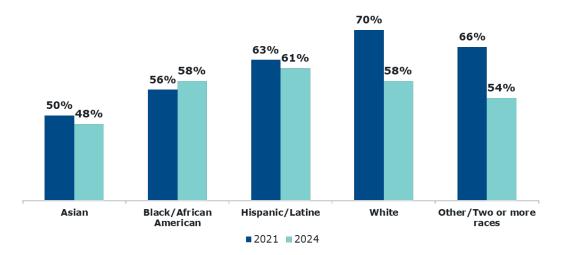
The results are even more concerning when compared to those from 2021. Despite efforts within many companies to increase the abilities of their people managers and senior leaders to engage with employees who are different from them, *fewer* employees now view their direct managers and senior leaders as inclusive. Even among White employees, only 58 percent now believe that senior leaders do a very good job of engaging with people who are different from them, compared with 70 percent in 2021.



### From your perspective, how well do you think <u>direct managers</u> engage with people who are different from them at your company? Top 2 box

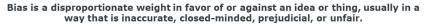
Source: Seramount's 2024 DEI National Survey & From Pledge to Progress: Corporate America One Year After George Floyd's Death

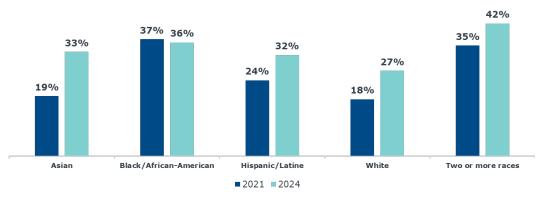
#### From your perspective, how well do you think the <u>senior leaders</u> engage with people who are different from them at your company? Top 2 box



Source: Seramount's 2024 DEI National Survey & From Pledge to Progress: Corporate America One Year After George Floyd's Death

Reports of workplace bias have also increased for almost every racial group. The only exception to this pattern is Black/African-American employees, for whom reports of bias remain high but approximately the same (36 percent vs. 37 percent).





Have you experienced bias against you, your ideas or your work in the workplace?

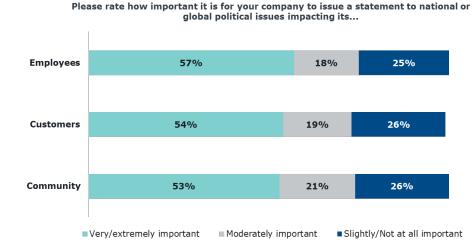
Source: Seramount's 2024 DEI National Survey & From Pledge to Progress: Corporate America One Year After George Floyd's Death

The increase in reports of bias identified here reflects <u>data from the Equal</u> <u>Employment Opportunity Commission (EEOC)</u>, which indicates that charges of bias in the United States increased from 61,331 in 2021 to 81,055 in 2023.

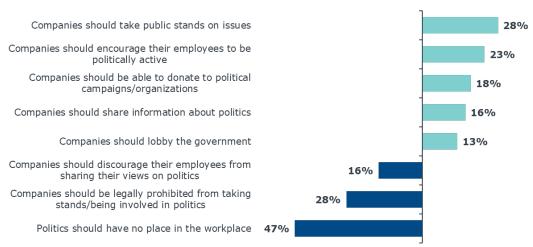
These results raise an interesting question for DEI leaders and practitioners: Have experiences of bias actually increased in the workplace over the past three years, despite efforts to create more inclusive workplaces? Or have corporate trainings around bias and microaggressions had the paradoxical effort of making employees more aware of existing bias?

### **Politics and Corporate America**

Most employees want their companies to stand up for them on issues that matter. More than half indicated that it is very important for their company to issue a statement on a national or global political issue impacting its employees, community, and/or customers.



However, opinions varied on exactly how employees want their companies to engage with volatile issues. While about one in four employees agreed that companies should take public stands on issues (28 percent) and encourage their employees to be politically active (23 percent), nearly half (47 percent) believe politics should have no place in the workplace. Furthermore, 28 percent supported legally prohibiting companies from taking stands/being involved in politics.



Which of the following statements about companies' roles in politics do you agree with?

Many employees recalled having had a specific negative reaction to a company's political stance. Overall, 40 percent of employees have taken action against a company whose political stance did not align with theirs, and one in five (21 percent) have engaged in "quiet-quitting," putting in less effort at their current job over politics.

### Conclusion

The results in this report reveal a complicated portrait of DEI progress, or lack thereof, since George Floyd's murder in 2020. Most employees, across all spectrums, are still committed to the idea of DEI and especially to inclusion. But they feel their leaders have blown DEI out of proportion—a sense reflected in the sentiments of many leaders—and their managers are less inclusive these days. They want their companies to be principled and take proactive stands, but many adamantly want politics out of the workplace. External factors, domestically and globally, have shaped many of their views and will continue to impact DEI efforts. Seramount will be there every step of the way with our partners to understand what comes next and how to navigate it.

Join Seramount's **Diversity Best Practices** to gain access to the full research.

