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HR Weighs In: Diversity Initiatives in 2025



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For over 50 years, HRCI has set the global standard for HR expertise and excellence through its commitment to developing and advancing those in the people business. HRCI helps HR professionals and businesses achieve new competencies that drive results by creating and offering world-class learning and by administering eight global individual certifications and three organizational certifications. Today, over 500,000 HR professionals in 150+ countries have achieved HRCI certification as a mark of high professional distinction.

D&I Is Under Scrutiny in America

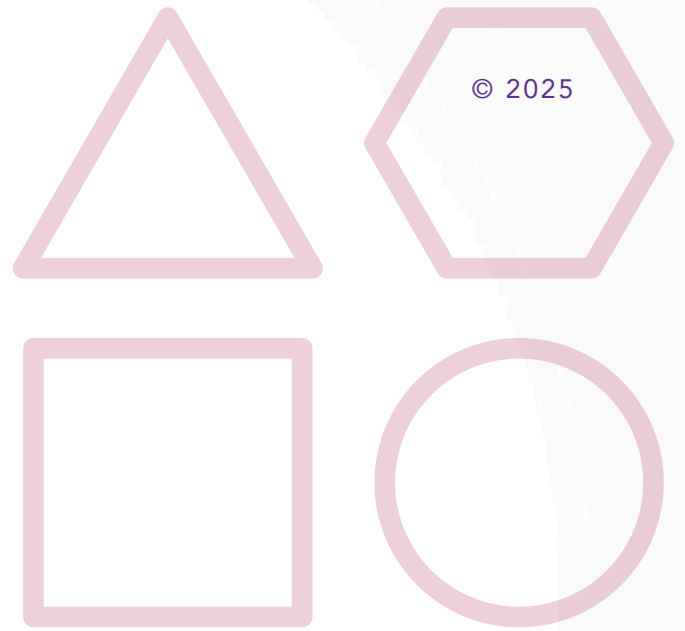
Formal diversity programs in the U.S. workforce have been a topic of conversation for decades, with efforts expanding and contracting in response to changing social and political climates.

Most recently, executive orders released in the first days of the current presidential administration identified diversity, equity, and inclusion (DEI or D&I) programs as discriminatory, and sought to eliminate them in both the federal government and in organizations receiving federal funding.

President Trump has characterized these efforts as an attempt to eliminate discrimination and encourage merit-based hiring and promotion.

The first order—on Inauguration Day—instructed the Office of Management and Budget to “coordinate the termination of all discriminatory programs, including illegal DEI...mandates, policies, programs, preferences, and activities in the Federal Government.” That same day, he signed an order decreeing “the policy of the United States to recognize two sexes, male and female” and to remove policies, regulations, and communications that endorse “an ever-shifting concept of self-assessed gender identity.”

As DEI programs and references were eliminated from the federal government and related spaces, the change in climate and policy led to a period of corporate self-reflection on company and stakeholder values, risk management, and business strategy. Many companies and organizations had to respond quickly.



To better understand the sentiment on this issue, HRCI surveyed hundreds of HR professionals worldwide to assess their feelings and how their organizations are addressing diversity initiatives in the current political environment. What the survey found was widespread support for diversity efforts—and great concern as well. Yet HR experts say there are ways to effectively manage the current climate.

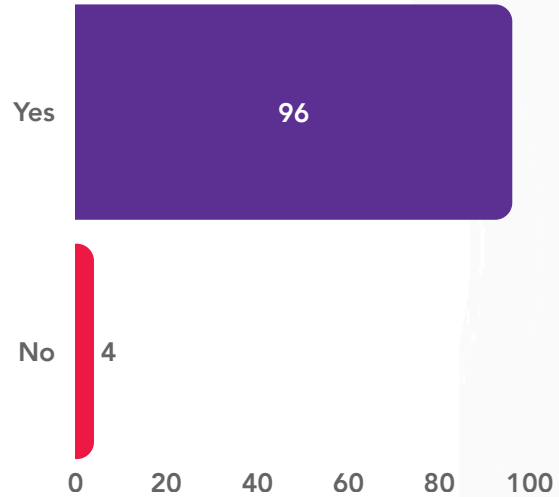
“To navigate these challenges, leaders need to get deeply in touch with their company values, and not just within the C-suite. They have to understand how employees, customers, and shareholders feel about DEI to proceed with an approach that matches their goals and objectives.”

Dr. Amy Dufrane, CEO of HRCI

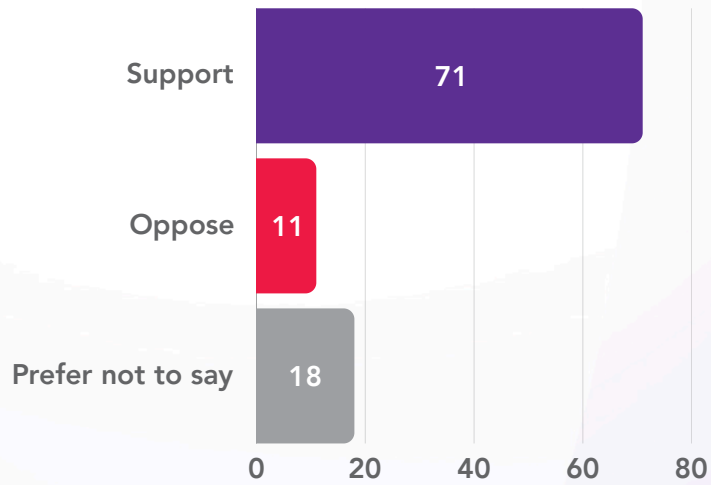
HR Speaks

Source: April 2025 HRCI Survey

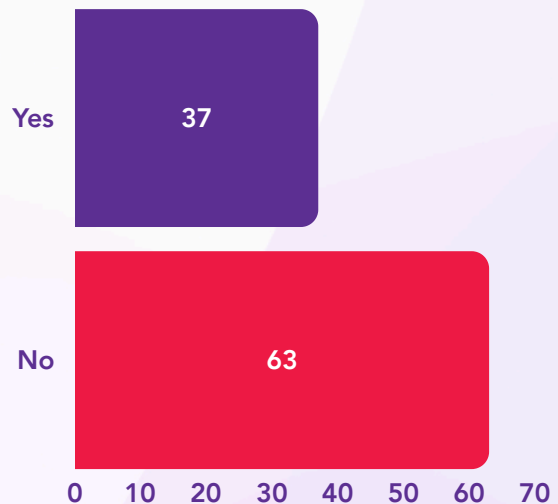
Does diversity lead to a better functioning company?



Do you personally support or oppose DEI programs?



Do you worry that the current political climate surrounding DEI will result in less diversity?





An organization's diversity efforts can encompass everything from training and product development to marketing. When it comes to human resources, however, the concept of "DEI" is perhaps most relevant in the hiring process.

Productive recruiting helps organizations hire people with the right skills and experience for a position and those who will help grow the business. It also helps find people who share the organization's values and culture—or who could help expand the culture—and connects the organization with future job candidates.

According to the World Federation of People Management Associations, organizations ranking in the top 20% for their ability to deliver on recruiting have 3.5 times the revenue growth and up to twice the average profit margin as other organizations.

A McKinsey & Company report in 2023, which examined data from more than 1,000 companies worldwide, found that those in the top quartile for gender and ethnic diversity among the executive team were 39% more likely to overperform financially than their peers in the bottom quartile. By contrast, ineffective or inadequate recruiting detracts from an organization's value by adding unnecessary costs. According to a 2017 Career Builder survey, companies lose an average of \$14,900 for every new hire who doesn't work out, and 74% admit hiring the wrong person for a position.

Widespread research presents a business case for hiring a diverse workforce (not only in race, but also in gender, age, experience, education, sexual orientation, socioeconomic background, and geographic location), and HR professionals have had to swiftly adjust their recruiting processes to remain inclusive while also being cognizant of the new climate.

Regardless of executive orders or political trends, experts say antidiscrimination laws remain in effect—and American companies and nonprofits are required to practice fair hiring.

"Discrimination is never legal," said Neil Reichenberg, attorney and former executive director of the International Public Management Association for Human Resources.

Longstanding laws such as the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Genetic Information Nondiscrimination Act prohibit discrimination in the workplace based on race, gender, sexual orientation, age, and many other factors.

"The conversation over DEI should not be confused with efforts to combat workplace discrimination that has existed for decades. Most core protections are not being challenged and organizations have to adhere to those laws. That is very likely to remain the case, regardless of where the [DEI discussion] takes us."

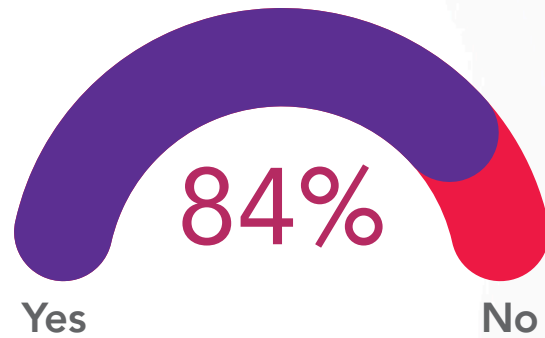
Neil Reichenberg | Attorney & Former Executive Director, International Public Management Association for Human Resources

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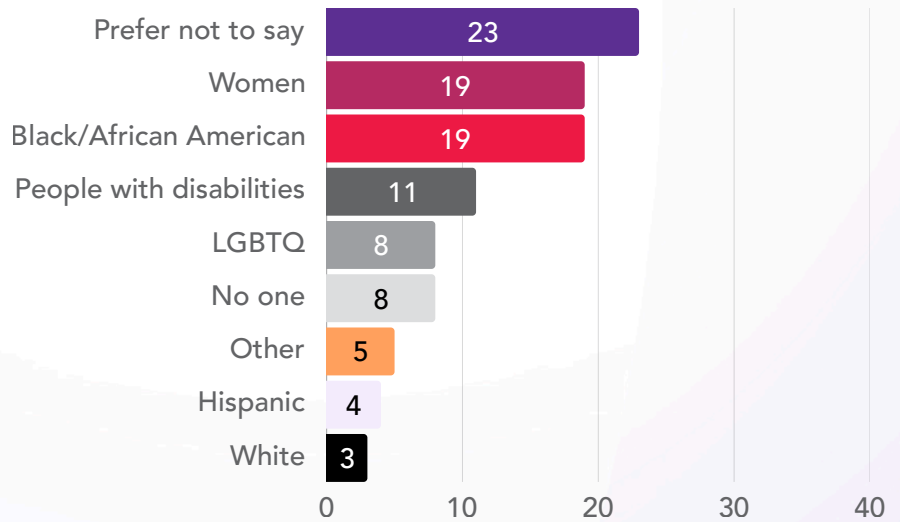
Source: April 2025 HRCI Survey

Do DEI programs result in more workplace equality?

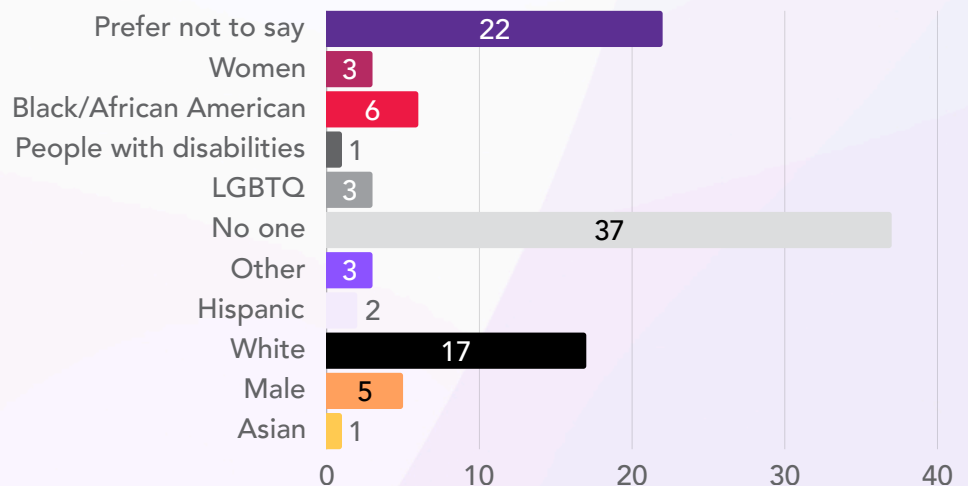
Among those who reported that their organization engages in DEI activities.



Who does DEI help the most?



Who does DEI hurt the most?



What's Happening at Work?



More than half a year into the new administration, the HRCI survey shows that HR professionals maintain their support for diversity efforts but also have substantial worries.

On one hand, 71% of survey respondents said they personally support DEI programs—only 11% opposed them—and 84% said these programs did, in fact, increase equality within their organization. Almost all respondents—96%—believe that increasing diversity leads to a better-functioning company.

Yet the survey also revealed deep concerns. More than one-third (37%) worry the current political climate will result in less diversity. More than half (51%) said they worry it will require their own organization to make changes to their efforts, and almost one-third (31%) said those changes were already taking place.

Among those who are making changes, 69% said they are reevaluating programs and 15% said they are eliminating programs—about the same percentage that said they are adding programs. About 9% said they are freezing funding.

Dufrane says one way to address diversity programs is to reframe the issue through the prism of values: what is important to vital constituencies like leadership, customers, employees, and investors. Understanding those values can help determine how to act with integrity between business and stakeholder priorities.

“Companies should not be imposing these values, they should be ascertaining these values. This then becomes the lens through which DEI initiatives can be properly evaluated. The values drive the programs, not the other way around.”

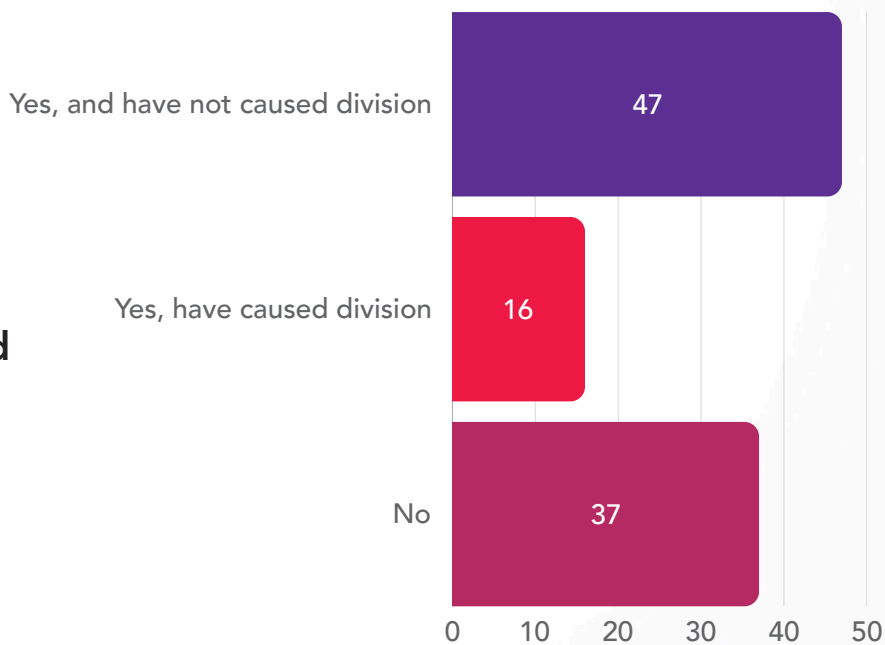
Dr. Amy Dufrane, CEO of HRCI

The survey showed that many companies are doing exactly that, with 91% of respondents saying employees are an important factor in DEI decisions, and 51% saying the same about customers.

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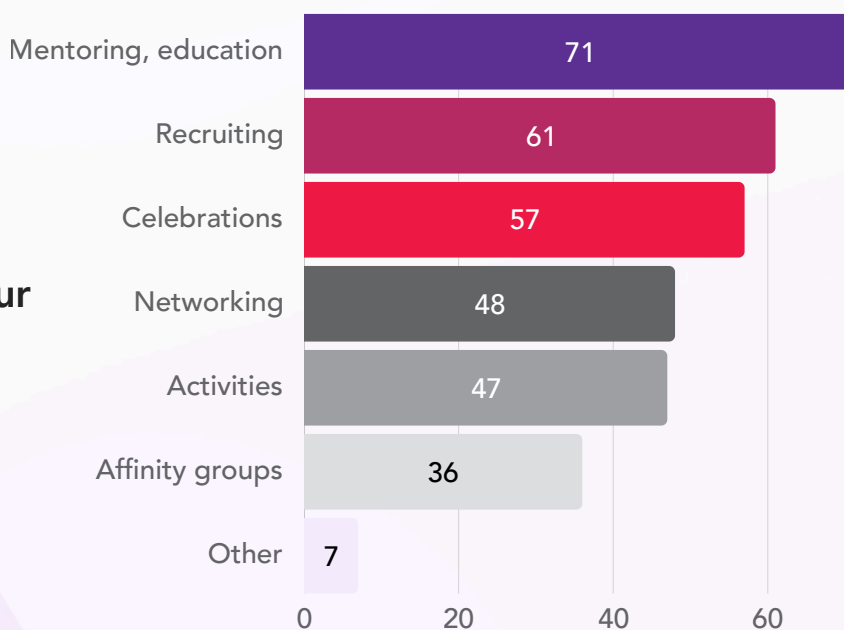
Source: April 2025 HRCI Survey

Does your organization engage in DEI activities, and have they ever caused division?



What DEI activities does your organization conduct?

Among those who reported that their organization engages in DEI activities.

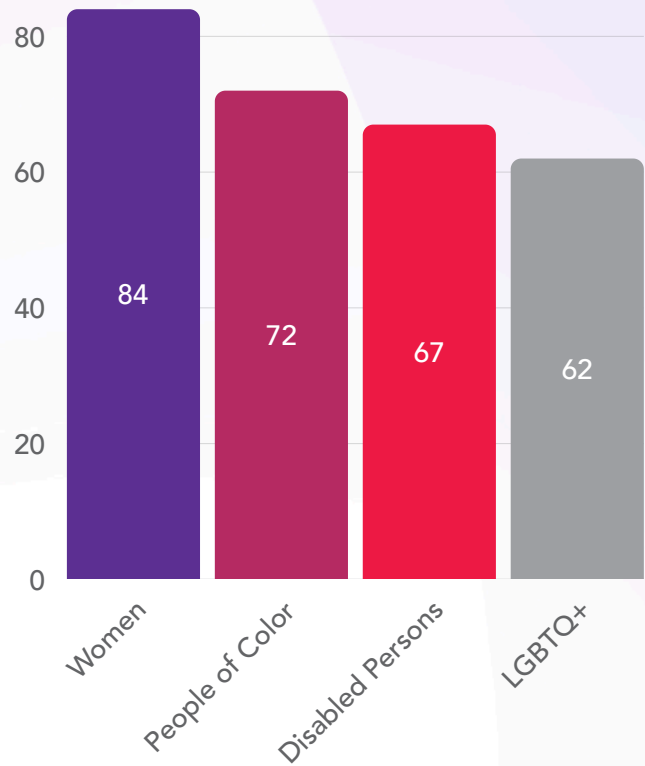


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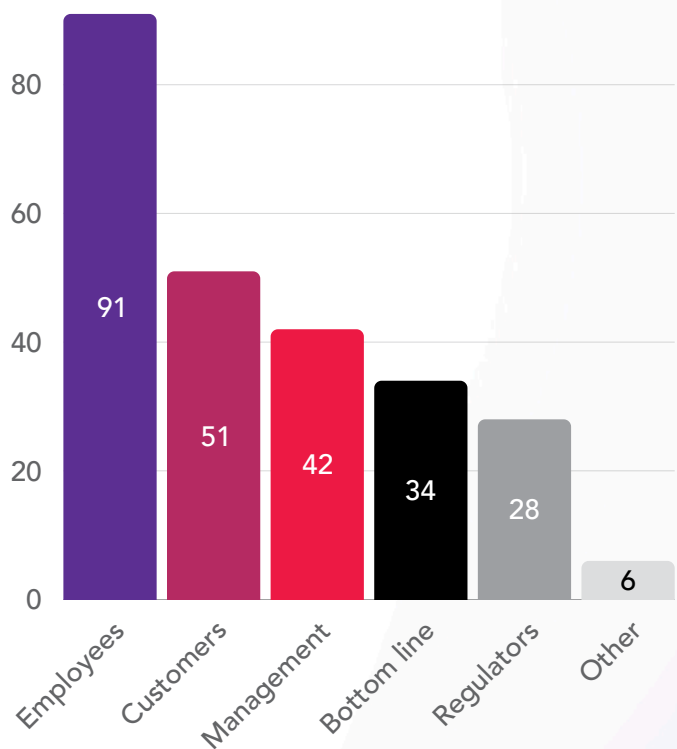
Where does your organization focus its DEI activities?

Among those who reported that their organization engages in DEI activities.



What are the most important factors when your company makes decisions about DEI programs?

Among those who reported that their organization engages in DEI activities.



Case Studies:

Successful Diversity Programs Track Organizational Values

Indeed, the business landscape is littered with examples of companies that found themselves out of step with important constituencies. This often involved decisions over products, marketing, and hiring that ignored values held by customers or employees. In some cases, companies were moving toward DEI and in others they were moving away from it.

For example, in an attempt to increase the appeal of Bud Light by venturing into DEI, Anheuser-Busch found itself out of step with many of its customers. In April 2023, the company collaborated with a transgender influencer, who created a social media post to promote the product. A group of activists announced a boycott, and the backlash was swift. Within three months, sales of Bud Light (once the #1 beer in America) dropped by 28%, according to a [Harvard Business Review study](#). The decline increased to 32% in the fourth quarter of that year.

“This additional decline in sales is likely a result of retailers and distributors reducing shelf space for Bud Light, illustrating how boycotts can lead to a negative feedback loop,” the study said. “What started as a consumer-led boycott generated downstream adjustments from retailers and distributors. These supply-side adjustments hurt the brand’s visibility and further exacerbated the negative impact on Bud Light’s performance.”

Whatever the intention, miscalculating the possible reception of the campaign cost Anheuser-Busch dearly in both the bottom line and consumer loyalty.

In contrast, Target encountered similar problems when it took the opposite approach, discontinuing many of its diversity efforts after Trump’s executive orders were released. For years, the company has cultivated an image of inclusivity, such as releasing an annual line of clothing celebrating LGBTQ+ Pride Month and making public efforts to support the African-American community in the wake of the 2020 killing of George Floyd.

So, when Target announced its decision to scale back on diversity programs, the consumer reaction was immediate. Customers boycotted Target and there were protests at stores in several states, including some timed to the anniversary of Floyd’s death in Minneapolis, where Target is headquartered. Reverend Al Sharpton, a well-known civil rights leader, even demanded a meeting with Target’s CEO.

The reaction appears to have hurt Target’s business, with [The Street](#) reporting that foot traffic was down 9% in February and 6.5% in March compared to the same periods in 2024. The company [missed its first-quarter earnings expectations](#) and revised its sales outlook downward for the rest of the year.

In an attempt to avoid alienation at the federal level, Target found itself out of step with part of its core customer base.

However, not all diversity-related decisions create problems. Costco, for example, held firmly to its pro-DEI position when activists tried to get shareholders at the membership-driven warehouse store to roll back efforts. The company’s board wrote a [forceful and articulate](#) argument urging shareholders to reject the proposal. They said Costco’s practices are in line with company ethics and laid out the business case for the initiatives Costco supports.

“As our membership diversifies, we believe that serving it with a diverse group of employees enhances satisfaction,” they wrote. “Among other things, a diverse group of employees helps bring originality and creativity to our merchandise offerings, promoting the ‘treasure hunt’ that our customers value. That group also helps to provide insights into the tastes and preferences of our members. And we believe (and member feedback shows) that many of our members like to see themselves reflected in the people in our warehouses with whom they interact.”

On January 23, 2025, shareholders voted overwhelmingly against the effort, and Costco saw no negative impact. When it reported quarterly earnings on March 6, revenue and net sales were both up at least 9% over the same period in the previous year. Fees supplied by the company's 78.4 million paying members also increased, and the company reported a renewal rate of more than 90%.

Dufrane said that because Costco upheld the values expressed by its leadership, its employees, its customers, and its shareholders, the company has largely avoided negative scrutiny. By contrast, many other companies have made decisions out of alignment with company values, sending stakeholders mixed messages.

“The painful lesson many companies have learned is that values matter. When DEI decisions clash with company values, the outcome is almost always problematic.”

Dr. Amy Dufrane, CEO of HRCI

Methodology:

HRCI sent a survey via email between April 2 and April 17, 2025, and 353 HR professionals responded globally. Most (89%) were based in the United States. Large majorities had more than 10 years of experience (74%) and worked for a company with more than 250 employees (59%). Seventy-six percent identified as female, 17% as male, less than 1% as non-binary, and 6% preferred not to self-identify. Fifty-three percent identified as White, 19% as Black, 14% as Hispanic or Latino, 5% as Asian, 1% as Native American, 1% as Pacific Islander. Five percent identified as “Other,” and 9% preferred not to answer.

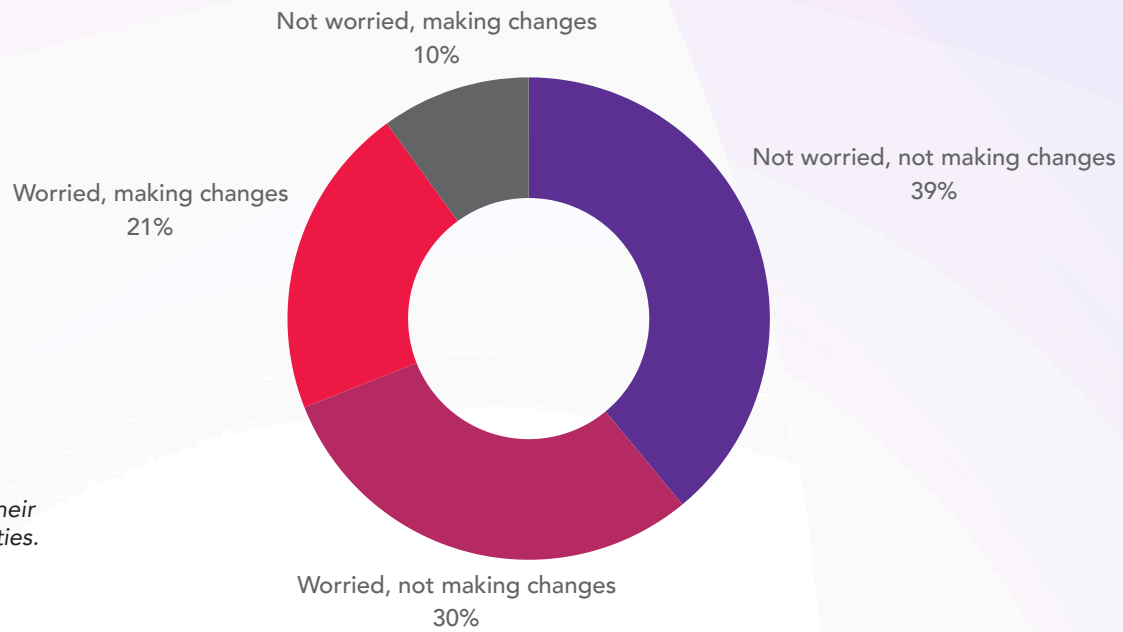
[Download HRCI's Guide to Value-Based Strategic Decision-Making here](#)

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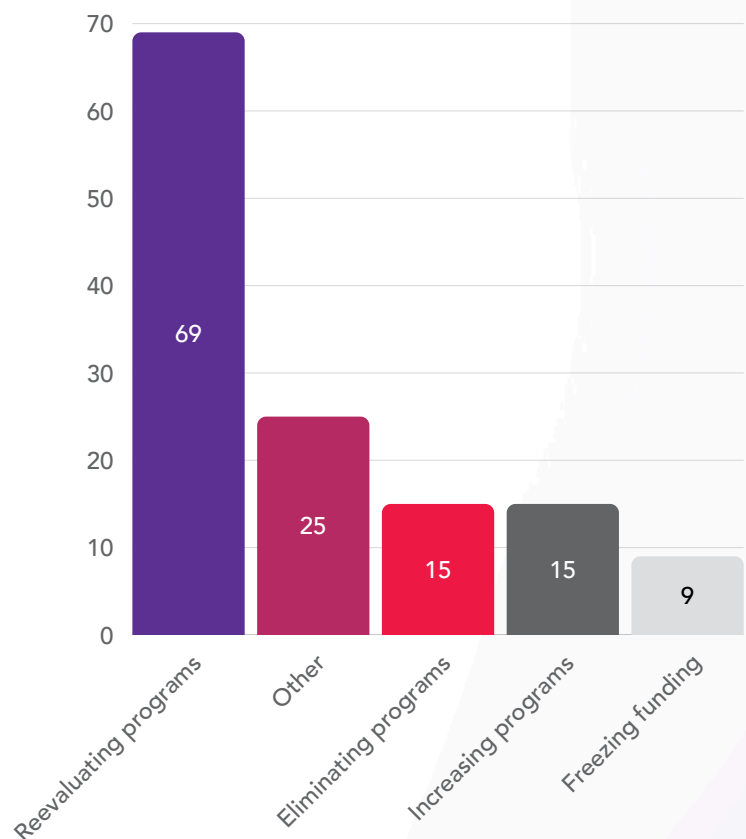
Do you worry the political climate will require your organization to make changes to its DEI efforts? Are you currently making changes?

Among those who reported that their organization engages in DEI activities.







What changes to DEI are you making?

Among those who report that their organization is making changes.



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