

What's The Memo? How the US is changing the DEI landscape right now

January 2025

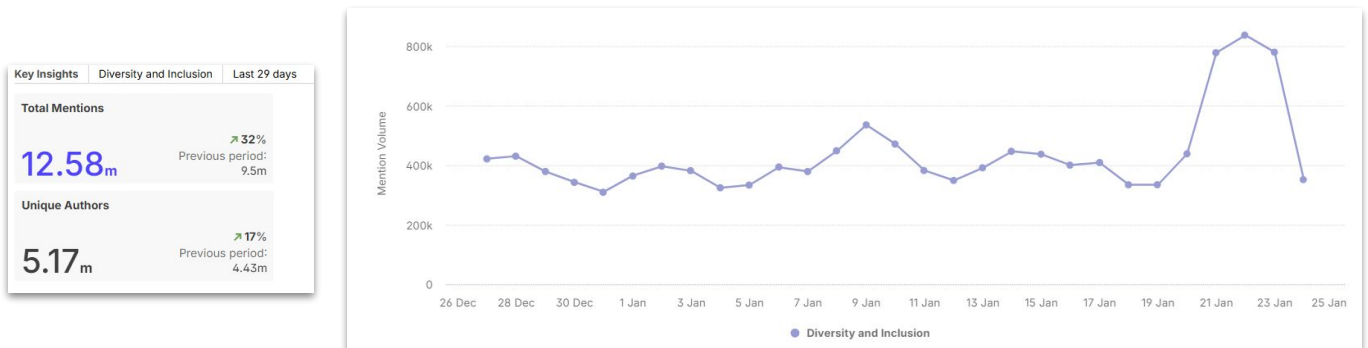
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A close-up photograph of a hand holding a white document. The document features a large, bold, black ink signature. The signature is highly stylized and appears to be a cursive name. The hand is positioned on the right side of the document, with the thumb and fingers visible. The background is blurred, showing what appears to be a laptop screen and a dark surface.

What's The Memo?

In January 2025 the DEI discourse has been renewed with stories and conversations at peak volume revolving around Trump's inauguration and first few days in office. The Trump administration's actions and executive orders regarding immigration and diversity, equity and inclusion policies and roles have sparked controversy and legal action.

These decisions have polarised opinions and raised concerns about the future, particularly on the topics of discrimination, government operations and the future of DEI in America that may have a knock on effect in other countries. The below shows the increase in total mentions on stories related to DEI.



This is just a snapshot of some headlines:

Trump's DEI cuts force Davos elite to find new words for diversity

Trump's D.E.I. Order Creates 'Fear and Confusion' Among Corporate Leaders
 The executive order signals that private businesses and organizations could be investigated over their diversity policies.

LEADERSHIP: DIVERSITY AND INCLUSION

Trump signed an order ending DEI. Here's what it means for Fortune 500 companies

BY BRIT MORSE
 January 23, 2025 at 10:37 PM GMT

These companies are sticking with DEI amid backlash
 Other companies reversed course on diversity, equity and inclusion programs.

While there have been high profile rollbacks of US companies in the headlines (e.g. Meta and Amazon), many organisations staying true to the ethos of inclusion, ensuring that they are nurturing people that are representative of society, and ensuring that their products and services meet the needs of different people. Some 33 have been counted by users of Reddit who are sharing what they find online with one another.

The approach can be summed up by Bank of America CEO, Brian Moynihan, who said:

"There's going to be a lot of good, courageous conversations going on," Moynihan said. "Do we have the thoughtful balance right in companies and institutions ... Do we have the balance right that everybody feels included?"

What are the conversations you need to have right now?

We have had our eye on this for years. In 2023 we noted that DEI conversations were relentlessly optimistic while “woke” garnered negative attention in the media narrative. The two terms have become intrinsically linked, and we offer an inside out approach on what this means.

We always advise that there’s no “one size fits all” when it comes to DEI, which is why the range of responses is so varied. Just as Meta and Amazon’s backtracking hit the headlines, just days later high profile support came from Costco and e.l.f. This leaves business leaders in a quandary: how to continue to benefit from diversity and inclusion without getting caught in the cross fires.

Here are some questions to help you and your teams navigate this right now:

What’s the long term ambition?

Organisational culture is a factor of societal culture. While the two are connected, one eye needs to be firmly kept on the type of organisation you are in how DEI directly links to value creation. Countless studies show links and now is the time to create deeper connections where you are and underline what exactly DEI does for your top line and bottom line.

How are you measuring DEI?

In the surge of interest in 2020, much of the measurement that entered the boardroom focussed on representation of different groups within the workforce. While this is still important, more nuance is now required around measuring inclusion. We recommend the nine measures that are set out as part of [inside out inclusion](#), our market leading measurement model.

What’s your inclusive leadership approach?

The benefits of inclusive leadership aren’t about representation data of boards, they’re about the behaviours and capabilities to lead different people from different backgrounds to yield superior business outcomes. In our inclusive leadership coaching and skills building we see the value of consistent and shared language amongst leaders - moving away from the table stakes of ‘DEI’ and towards tangible and practical behaviours they can demonstrate from the top down.

How inclusive is your culture?

[Measuring inclusion](#) - a felt experience - is not easy. The science and insight we apply to our inside out inclusion model shows us that there are specific measures, such as psychological safety, that have an exponential impact on fostering inclusivity in more diverse teams. To get there, teams need context-based skills that allow them to make mistakes and learn. Developing these skills takes a mixture of neuroscience and behavioural change to make a difference.

How prepared is your approach?

The companies that didn’t have a ‘right to play’ when it came to inclusivity are the ones that are rowing back right now. While community members and those from groups that have traditionally been excluded have been highlighting this for some time, the corporate need for a response needs thinking through. Before putting anything out in the world, ask yourself: who is this serving?

How are other companies responding?

Here are some companies that are staying steadfast for DEI:

Costco: In January, shareholders voted overwhelmingly (98%) against reevaluating DEI measures and the company's board firmly upheld its commitment to inclusion.

JPMorgan Chase: At the World Economic Forum, CEO Jamie Dimon reaffirmed the bank's outreach efforts to diverse communities including Black, Hispanic, LGBTQ+, and veterans. JPMorgan Chase stressed that its DEI policies are not about pandering but about doing what is right, believing that diversity enhances both business performance and community relationships.

Apple: The company's board recently advised shareholders to reject a proposal to reconsider diversity initiatives, highlighting that inclusion is essential to Apple's culture and that superstitions regarding unfair hiring practices that benefitted certain identities were false.

Pinterest: CEO Bill Ready has publicly supported the company's DEI initiatives, emphasising inclusivity within the platform creates value for users and advertisers alike.

Microsoft: With a clear commitment to diversity, Microsoft's chief diversity officer, Lindsay-Rae McIntyre, has stressed the importance of DEI not only from a business growth standpoint but also in shaping the internal company's culture and its external relationships with stakeholders and consumers.

e.l.f. Beauty: Although the beauty brand doesn't have a dedicated chief diversity officer, it has embedded diversity into its values and practices. They continue to boldly demonstrate campaigns promoting inclusivity, demonstrating their commitment despite external pressures.

Lush Cosmetics: The soap company is reiterating their commitment to DEI with a public statement - naming three bath bombs 'diversity', 'equity' and 'inclusion' - signposting continued efforts to policies, programmes and practices.

What are the key takeaways from these companies' responses?

- **Inclusive workplaces remain crucial:** These companies understand that creating welcoming environments where people from all backgrounds feel valued is enriching for work culture and aids feelings of belonging.
- **DEI as a consumer strategy:** They align DEI with business goals; DEI is a means to drive innovation, attract top talent, and make sure consumer needs are met. This is clearly stated in a number of comments, ensuring the link between a more diverse workforce and the opportunity to reach a wider pool of consumers is clearly made
- **Long-term growth:** As a result of the previous two, DEI is fully integrated into their core strategy and a key factor in business success, therefore measures that aim to refute this become farcical.

Looking to navigate the noise?

There is now a need for discussion over division. It's why we stand up in the House of Commons to argue the merits of inclusion and why, over several years, we have made it our mission to accelerate inclusion and have done so with a range of private, public and third sector client partners.

Here you can find four things we are speaking to our clients about right now:

Spark 'outside in' thinking - as part of planning processes or leadership development, we are bringing bespoke insight into our clients' organisations to help them think differently and more inclusively. These sessions include a combination of strategic advisory and skills building, and are typically with senior leadership teams or those responsible for company direction.

Create the right measurement framework - many DEI strategies have been focussed on representation statistics and balances. While these are part of the equation, we have long argued for a more rounded approach. We're working with a number of clients on how they consider inclusion at a strategic business level, exploring what it means to apply inclusivity as a lever for growth.

Focus on psychological safety - as this has become increasingly measured across our organisations, we are working with leaders and teams to decipher existing data points and build plans of action that help to build psychological safety. This includes skills building through in-person and online leadership and team development programmes.

Sharpen the audience approach - talk about 'diverse audiences' is often where business growth falls down. We've been working with a number of brand marketing teams on new ways of thinking about audience segmentation and audience growth. Using a combination of frameworks, neuroscience and psychographic profiling, we expand thinking and make inclusion more approachable and, well, inclusive.

If you're interested in finding out more about how we can help you navigate the current climate then [contact us](#) for a complimentary 30 minute consultation.

If you'd like to receive our weekly Memo newsletter then you can sign up at the [bottom of this website](#).



GET IN TOUCH

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