



Demystifying the State of DEI Programming in 2025

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Since the start of 2025, US-based companies have been racing to interpret and align their Diversity, Equity & Inclusion (DEI) strategies with new federal executive orders.

Responses have varied widely across the country: some companies have eliminated all DEI investments, erased DEI mentions from their websites, and dissolved their internal programming. Others, however, have taken a less reactive and more measured approach.

Many CEOs continue to speak publicly about the virtues and importance of diverse perspectives and cultivating a workplace culture rooted in inclusion. These companies are choosing to reassess and evolve their DEI strategies rather than abandon them altogether.

What does “Adapting” look like in Today’s DEI Climate?

When we hear that companies are scaling back DEI programs, it’s important to note that there is no uniform approach. The majority of executives we speak with continue to express strong conviction that diversity is essential for building resilient, innovative, and high-performing organizations. The challenge lies in maintaining and committing to the momentum of prior DEI efforts and evolving them amidst navigating new legal frameworks.

What's being phased out?

- **Hiring quotas, goals and targets:** Originally gaining traction after 2021, these practices have long been legally ambiguous. Companies Marlin Hawk has spoken with have now removed them to ensure compliance.
- **Supplier diversity mandates:** Like hiring targets, most organizations now view these requirements as incompatible with the evolving legal landscape and have removed these.
- **Compensation or incentives tied to DEI objectives:** Financial incentives connecting to diversity outcomes have largely been eliminated.
- **Diversity language in regulatory filings:** References to DEI have been minimized or completely removed from ESG reports, proxy statements and other forms of legal disclosures.
- **Board diversity policies:** In early 2024, 100% of S&P companies had board diversity requirements; as of May 1st this figure has dropped to 75% and is expected to decline further.
- **Targeted programs:** Initiatives that provide opportunities exclusively based on race, gender or other protected characteristics are no longer permissible under the new legal framework.

What's staying the same?

- **Employee Resource Groups (ERG):** Majority of companies structured their ERGs to be accessible to all employees from the start, to encourage and foster understanding and allyship. Organizations are actively working to ensure ERGs remain visible, inclusive and compliant.
- **Heritage Month Celebrations:** Companies who continue to maintain a focus on DEI are maintaining these cultural celebrations. These events were designed to be educational and engagement driven. However, both internal and external budgets have been scaled back in many organizations. External budgets have been hit the hardest – these have historically been tied to events (e.g. Pride Parades).

What's still evolving?

- **Rebranding DEI teams:** Many organizations are renaming DEI functions using terms like “Belonging”, “Opportunity” or “Culture & Engagement”.
- **Organizational structure:** In companies where DEI programs have been cut, entire teams have been disbanded. Elsewhere, DEI recruiters have been integrated into broader talent acquisition teams. Development initiatives previously housed within DEI are being rolled into larger L&D or Talent functions. Where small DEI teams remain intact, they are largely focused on managing partnerships with external organizations.
- **Targeted leadership and development programs:** Programs meant to recruit, retain and develop underrepresented groups are being restructured to be open to all employees. What does that mean? Many of these internal programs were by nomination or application by design; however, this now means the application and/or nomination process will be open to all.

What Remains at the Heart of DEI in a Changing Landscape?

DEI initiatives were originally designed to foster environments where all individuals – regardless of background, identity, or experience – are valued, respected and provided equitable opportunities to thrive. At their core, these programs aimed to drive education, build awareness, and enhance employee retention and engagement. These principles remain central to companies still committed to meaningful diversity efforts, even if the terminology and execution are shifting.

What Lies Ahead in the Uncharted Terrain of DEI

It is still too early to predict exactly how DEI teams and programs will evolve – especially given the potential for additional, quick legal or political changes. What is clear is that companies are rethinking the structure, branding and visibility of their diversity strategies. One of the most pressing questions is the future of the Chief Diversity Officer (CDO). Our research suggests three emerging pathways:

- 1. Retain the title, shift the focus:** Rather than leading large DEI teams, the CDO will focus on strategic advisory work – partnering closely with senior leaders to ensure that DEI remains core to the business, even if not explicitly stated.
- 2. Role evolution to Chief Talent Officer:** DEI responsibilities are absorbed into broader talent functions – Talent Acquisition, Leadership Development, and Engagement. This model views diversity not as a standalone effort but as a part of the fabric of every facet of an organisation's people and talent strategy.
- 3. Repositioning within Culture & Engagement:** In this scenario, DEI becomes part of the broader culture, engagement, and employee experience teams – prioritizing inclusivity and organizational belonging as strategic priorities.

Companies that made meaningful progress in their diversity efforts were those that took a data-driven approach. While data is essential to achieving pay equity and measuring investments, it plays a critical role across all facets of DEI—and its significance will only grow as AI becomes more embedded in workforce strategy. Increasingly, leading companies like Delta Air Lines, Microsoft, and Goldman Sachs are using data not only to inform how they hire, train, retain, and develop talent, but also as a cornerstone of their employee engagement efforts—actively listening to their workforce and shaping strategies that reflect and support their needs.

This enabled them to identify pressure points, understand where to invest, and develop targeted strategies to address specific challenges – rather than resorting to superficial measures or virtue signaling. In today's environment, where standalone initiatives may be limited or prohibited, maintaining a strong focus on measurement is more important than ever. Organizations that haven't yet employed a data-driven approach should revisit their data to understand what has been effective and what has been less effective. This insight will be essential for leveraging AI and building robust future-ready diversity strategies – one that can also adapt swiftly if and when the political landscapes shift again.

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insights.**



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