



# Inclusion, Equity and Diversity

## C-Suite Survey Report

JANUARY 2024

**Littler**<sup>®</sup>

## Executive Summary

Employers are being confronted with numerous legal and workplace complexities in managing inclusion, equity and diversity (IE&D) programs, from the repercussions of the U.S. Supreme Court's decisions to roll back affirmative action college admissions policies to new anti-IE&D state laws to mounting calls to take a stance on social issues.

To gauge how employers are responding to what has become a critically important — and increasingly embattled — workplace issue, Littler surveyed more than 300 C-suite executives located across the United States, including Chief Executive Officers (CEOs), Chief Legal Officers (CLOs) and Chief Diversity Officers (CDOs). Representing a diverse range of industries and company sizes, the survey results provide a snapshot into employers' IE&D commitments and initiatives, as well as the outlook for the year ahead.

The findings reveal that employers remain committed to IE&D, with most (57%) even growing their efforts over the past year, despite the fact that nearly the same proportion (59%) say that backlash has increased since the Supreme Court's decisions on affirmative action in June 2023. In fact, the decisions have had minimal material impact on the C-suite executives surveyed, 91% of whom say the court's opinions have not lessened their prioritization of IE&D. Among the 6% who decreased their IE&D-related efforts since 2022, concerns surrounding general legal liability and cost were the primary factors, rather than the court's rulings.

Yet there remains room for growth. Organizations have largely steered clear of more legally complex IE&D initiatives — like diversity-based incentives for executives — opting instead for such tried-and-true steps as providing professional development opportunities, training and educational resources. Notably, however, our survey revealed sharp differences in perspectives between CLOs and CDOs, suggesting that their IE&D-related goals may clash. Responses from CEOs indicate that their perspectives often fall in between their C-suite colleagues.

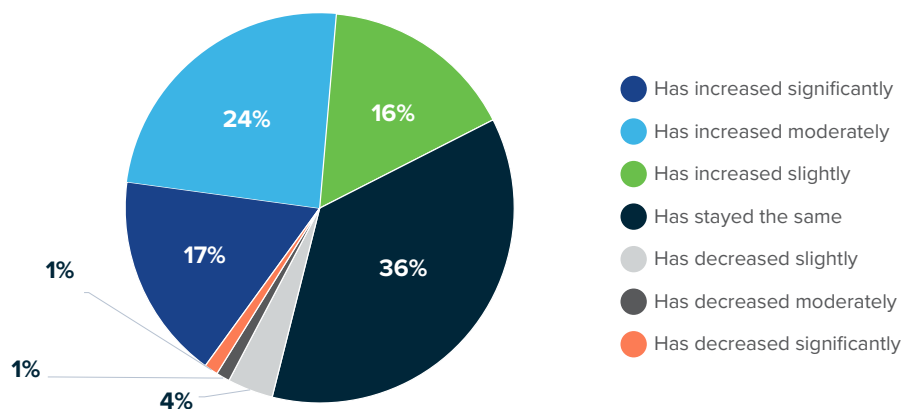
The lack of alignment in the C-suite could pose new challenges for organizations in communicating and acting on their IE&D-related positions and values. Nearly three-quarters of executives (73%) are facing some degree of challenge around managing divisive social and political beliefs among employees — creating a renewed need to find a balance in addressing sociopolitical issues amid heightened expectations from various stakeholders.

In what follows, we'll examine the evolution of IE&D in the workplace and key considerations for leaders as they navigate these business-critical issues.

*Responses to some questions do not add up to 100% due to rounding, and some exceed 100% because respondents were invited to select more than one answer. For the full survey [methodology and a breakdown of respondent demographics](#), see page 12.*

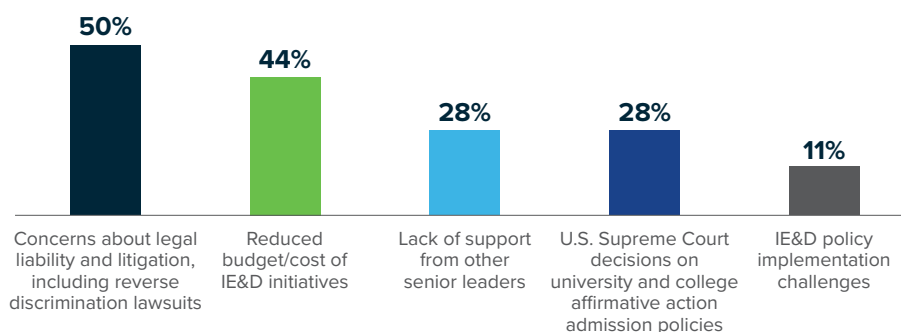
## EMPLOYERS REMAIN COMMITTED TO IE&D DESPITE BACKLASH

To what extent has your organization's IE&D commitment and level of activity changed, if at all, since this time in 2022?



To what would you attribute your organization's decreased commitment to IE&D now versus one year ago? (Select all that apply)

*This question was only asked to those whose organizations have decreased their IE&D commitment.*



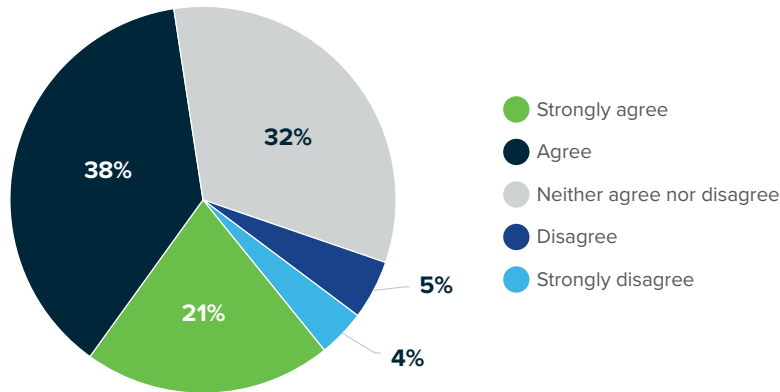
Despite a difficult year for IE&D programs following the affirmative action rulings and [legal attacks](#) on diversity initiatives, many C-suite leaders say their organizations are now *more supportive* of IE&D efforts.

Nearly six in 10 executives surveyed say their organizations have increased their IE&D commitment and level of activity to some degree since 2022, with 17% boosting their dedication significantly. More than a third (36%) have maintained their commitment and activity level since 2022, which is notable in itself given the challenging environment. Only 1% of respondents report a significant decrease in their commitment or activity level in this area.

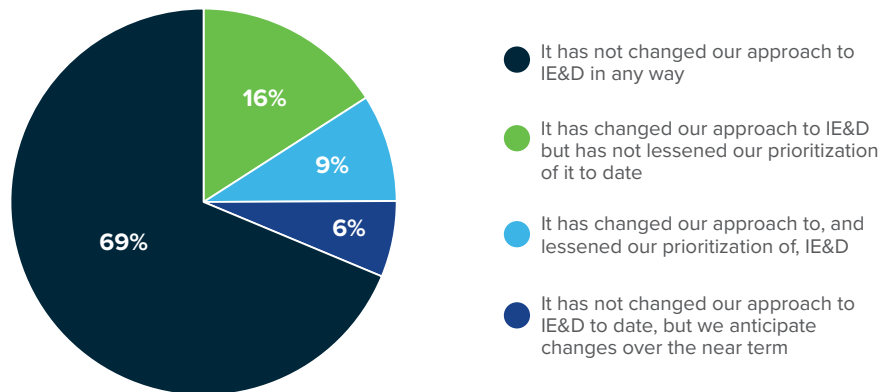
The increased commitment was even more prominent among larger organizations (*i.e.*, those with more than 1,000 employees), with 64% reporting a rise in their level of activity over the past year.

Among the 6% who pulled back to any degree, 50% attributed their decreased commitment to concerns about legal liability and litigation, including reverse discrimination lawsuits. Just 28% selected the Supreme Court's affirmative action decisions.

**To what extent do you agree with the following statement: Backlash toward corporate diversity programs and/or initiatives has increased since the U.S. Supreme Court’s affirmative action decisions in June 2023?**



**Which best describes how, if at all, the U.S. Supreme Court’s decisions to roll back affirmative action admissions policies impacted your organization’s approach to IE&D?**



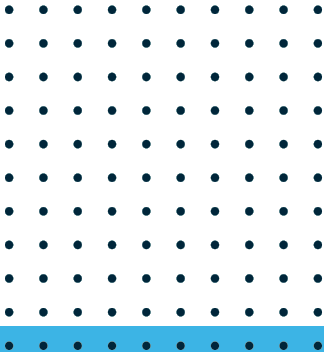
To be sure, organizations are still taking note of antagonism toward IE&D programs, even if it has not changed their commitments. The majority of executives agree (38%) or strongly agree (21%) that backlash against such programs or initiatives has increased since the Supreme Court ruled that race-based admissions programs are illegal. Only 9% disagreed.

Large organizations are even more cognizant of the criticisms around IE&D programs, with 29% strongly agreeing that such backlash is on the rise, compared with 16% of those with fewer than 1,000 employees.

When asked about the impact of the decisions themselves, 91% of C-suite leaders say the rulings have not caused them to diminish their focus on IE&D. Nearly seven in 10 say the SCOTUS rulings have not changed their approach to IE&D in any way, potentially reflecting the fact that the Harvard/UNC opinions did not have a [direct impact](#) on employment law, although there is often confusion among employers about the [difference between](#) affirmative action plans and programs that are intended to create inclusive, equitable and diverse workplaces.

The ongoing commitment might also reflect that IE&D has become an important part of employee relations and talent strategies for many organizations. For instance, in a recent [Ernst & Young \(EY\) survey](#), 74% of the employees responding said that a company’s prioritization of IE&D factors into their choice of where to work.

Responses from CDOs, however, indicate a more cautious outlook than their C-suite counterparts, perhaps due to their closer familiarity with such programs. Only 41% of CDOs surveyed said their organizations had not changed their IE&D approach in any way as a result of the court’s decisions, compared to 69% overall, and 15% of CDOs expect their organizations will change their approach in the near term, compared to just 6% of all respondents.



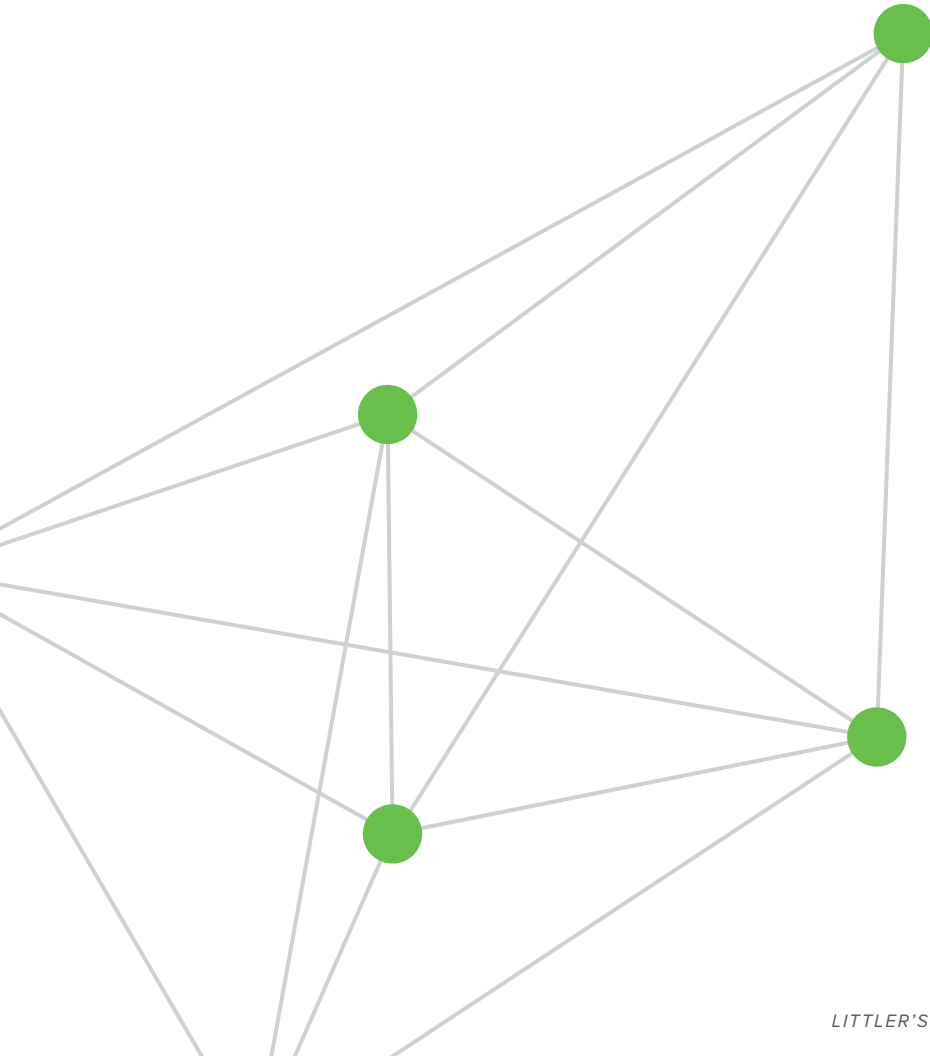
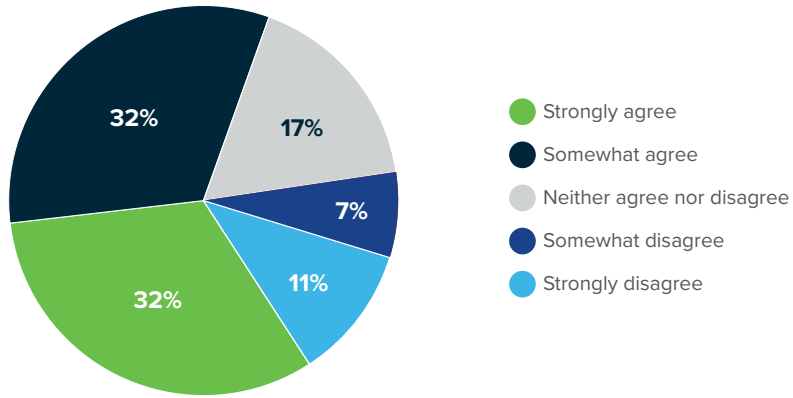
“We’re seeing many employers maintain — or even double down on — their commitment to IE&D, even as backlash spikes. Demonstrating that IE&D is part of their core values, many organizations are taking the prudent step of auditing and assessing their current initiatives, rather than eliminating them amid the challenges in today’s political and legal environment.”

[Jeanine Conley Daves](#),  
Littler shareholder and member of  
the firm’s Inclusion, Equity and  
Diversity Consulting Practice

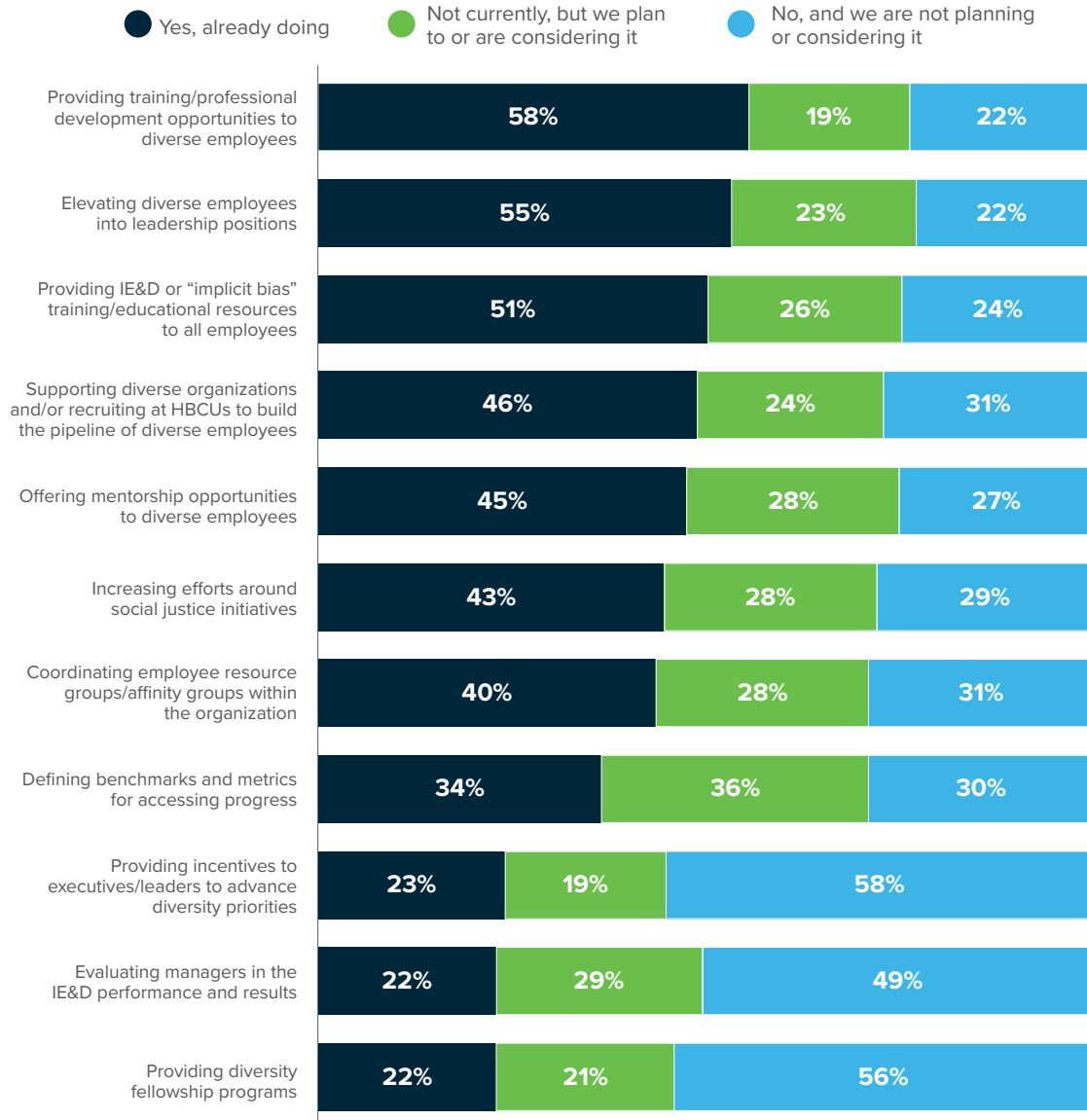


## IE&D PROGRAMS ARE MATURING, BUT IMPORTANT STEPS REMAIN

To what extent do you agree with the following statement: **My organization has clear plans and goals in place as it relates to IE&D.**



## Is your organization taking the following steps to support its IE&D goals?



While executives are largely maintaining or increasing their IE&D commitments, more than one in three (35%) do not agree that their organizations have clear plans and goals in place relating to IE&D.

Further, only 34% say their organizations have defined benchmarks and metrics for assessing their IE&D progress, potentially reflecting concerns around doing so in a legally compliant manner. Appearing to use racial or gender quotas, for example, may invite claims under [Title VII of the Civil Rights Act of 1964](#). Collecting sensitive employee data may also raise privacy concerns under state laws such as the California Privacy Rights Act.

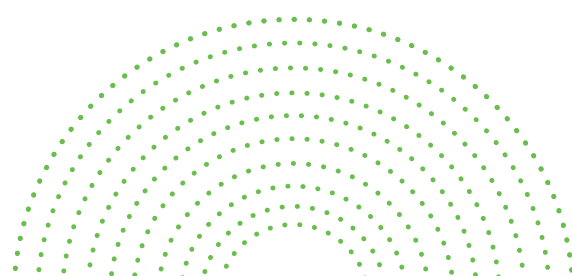
Many organizations have also been slow to implement other legally thorny IE&D goals. Just 22% report having diversity fellowships after a number of these programs faced legal challenges from conservative organizations and politicians in 2023. Less than a quarter of respondents, meanwhile, say their organizations provide incentives to executives and leaders to advance diversity priorities (23%)

or evaluate managers in the areas of IE&D performance and results (22%). Employers may be trying to avoid what they perceive as an especially fraught area, as evidenced by a \$10 million award in a 2021 [reverse discrimination](#) case that hinged in part on such incentives.

The most popular initiatives tend to be more straightforward and established. These include providing training and professional development opportunities to diverse employees, as well as providing organization-wide IE&D or “implicit bias” training and educational resources — both of which have already been implemented or are in the planning stages at 77% of organizations. About three quarters of executives (73%) also say their organizations already provide or are planning to develop mentorship opportunities for diverse employees.

Crucially, many organizations made strides in recruiting and promoting diverse employees following increased pressure on companies to address racial inequality in 2020. The survey found 55% of executives saying their organizations are elevating diverse employees into leadership positions, and 23% are planning to do so. Nearly half of C-suite leaders (46%) also say their organizations are already supporting diverse organizations and/or are recruiting from historically Black colleges and universities (HBCUs) to build the pipeline of diverse candidates, while another 24% are considering such efforts.

Large organizations with over 1,000 employees are taking more IE&D-related actions than their smaller counterparts with fewer than 100 employees, including in the areas of providing implicit bias training (59% versus 39%), supporting diverse organizations and/or recruiting from HBCUs (57% versus 34%), and offering employee resource groups or affinity groups (57% versus 23%). This could be a reflection of the greater diversity in their workforces, as well as more intense scrutiny of their policies and practices.



“As IE&D initiatives face more legal challenges and receive greater attention in the public discourse, it raises the stakes for employers to develop programs that are compliant with federal and state laws. In today’s environment, it’s more important than ever for organizations to assess whether their investments in IE&D are achieving their desired outcomes without creating new liabilities.”

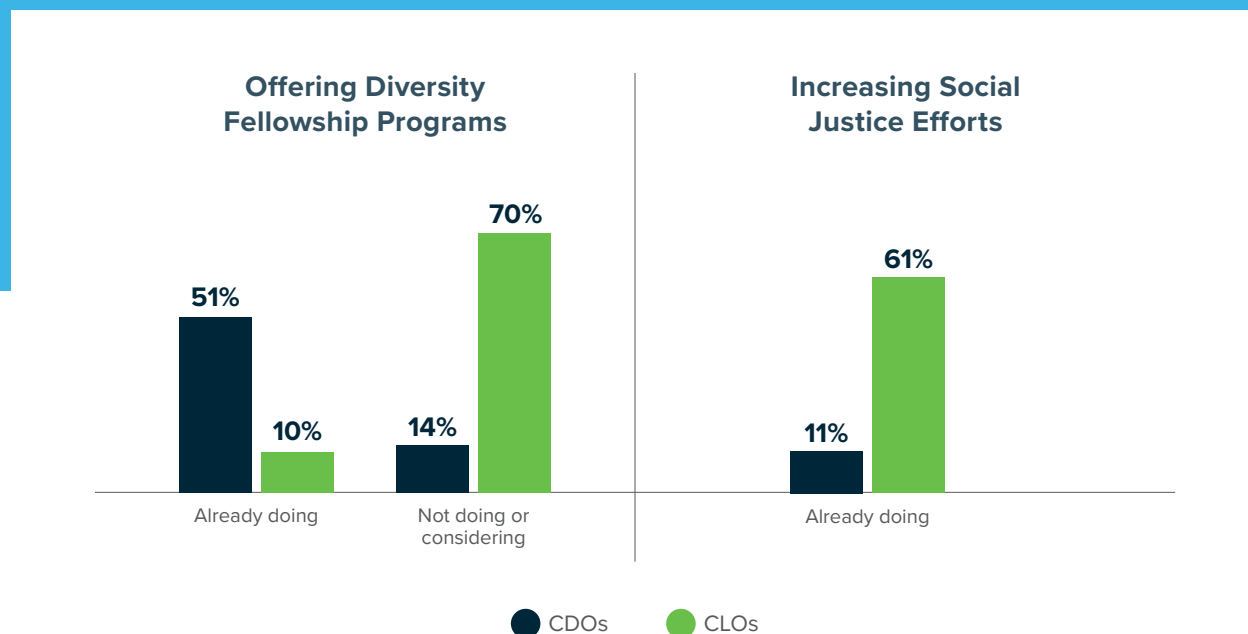
[Kate Mrkonich Wilson](#),  
Little shareholder and member of  
the firm’s Inclusion, Equity and  
Diversity Consulting Practice





## CHIEF DIVERSITY OFFICERS VS. CHIEF LEGAL OFFICERS

CDOs and CLOs often differed significantly in their survey responses, demonstrating how the perspectives and goals of these roles are diverging as IE&D faces new legal and political challenges.



Just over half of CDOs, for example, say their organizations are offering diversity fellowship programs, while 70% of CLOs say their organizations are not offering, nor are they considering, such programs. There are also vast discrepancies between the proportion of CDOs and CLOs who say their organizations are providing IE&D-related incentives to executives (49% versus 8%, respectively), offering mentorship to diverse employees (66% versus 37%), and defining metrics for IE&D progress (57% versus 19%), to name a few.

Reversing the trend, however, 61% of CLOs say their organizations are increasing efforts around social justice initiatives, compared to just 11% of CDOs.

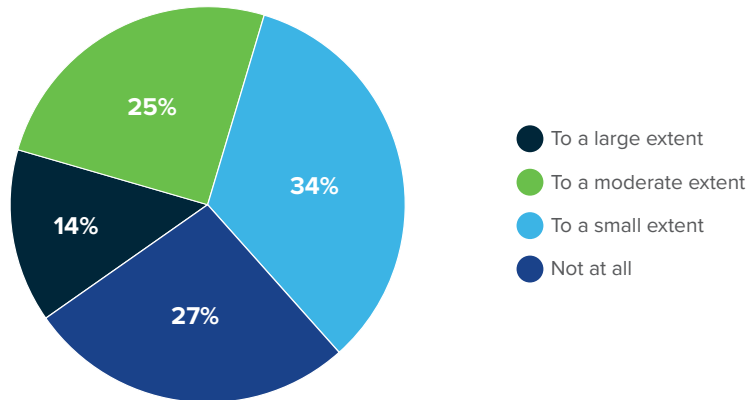
More broadly, and perhaps unsurprisingly, the vast majority of CDOs (89%) say their organizations' IE&D plans and goals are clear, reflecting their high degree of involvement with such initiatives. CLOs, on the other hand, were more skeptical: 31% disagreed to some extent that their organization had well-defined IE&D strategies, nearly double the percentage of those who disagreed overall (18%).

These stark differences could suggest a concerning lack of alignment in the C-suite. If CLOs do not have full visibility into or awareness of the IE&D programs their organizations offer, for example, these programs might create legal liability, particularly in states like [Florida](#) and Texas that have passed laws targeting IE&D trainings or other diversity-oriented programming. On the other hand, CLOs and CDOs may have meaningfully different understandings of what these programs are trying to achieve or even what falls under the definition of "social justice" — potentially hampering the effective implementation and ultimate success of IE&D programs.

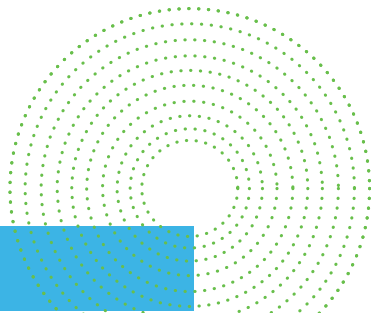
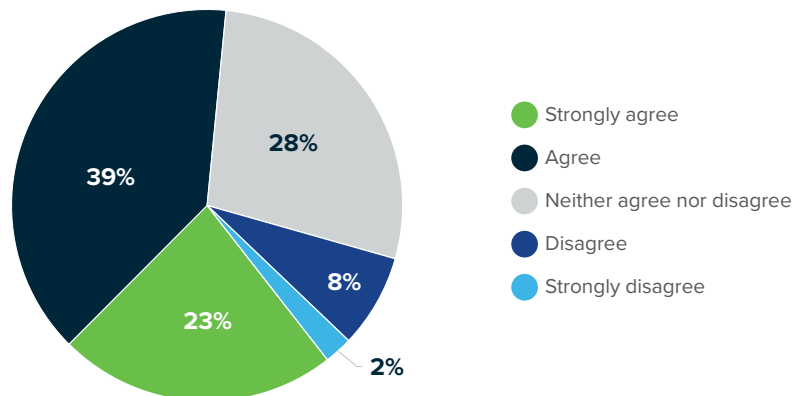
More than ever, organizations should work toward aligning their leadership not only on their IE&D values, but also how they are putting them into practice.

## EMPLOYERS WRESTLE WITH CONTRADICTIONARY VIEWS AND EXPECTATIONS

To what extent is your organization facing challenges in managing potentially divisive social and political beliefs among employees and/or with navigating pressure for the company to take a stance on social issues?



Please indicate your level of agreement with the following statement:  
In recent years, workplace legal issues have increasingly been viewed by our leadership team as key areas of focus that can have high-stakes consequences for our core business and reputation.

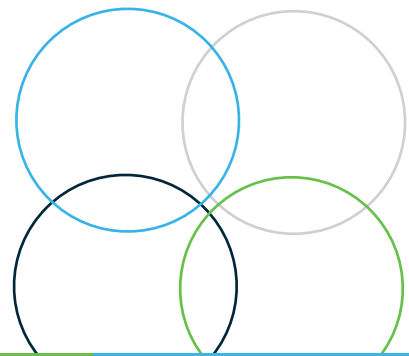


Managing not only IE&D programs but also larger social issues in the workplace has become a minefield for many organizations amid increased political polarization in the U.S.

Nearly three quarters (73%) of executives surveyed say they are facing at least some degree of challenge in handling [potentially divisive social and political beliefs](#) among employees and/or navigating pressure for the company to take a stance on social issues. This aligns with findings from Littler's [2023 Annual Employer Survey Report](#), released in May, where a similar proportion (76%) of employers struggled to some extent with these issues.

Events in the latter half of 2023 further revealed how critical management of these issues can be to an organization. The Israel-Hamas war, for example, which began just weeks before the fielding of this survey, left many organizations scrambling to balance calls from employees to support either Israel or Palestine — while also combatting [antisemitism and Islamophobia](#) both in the workplace and in off-duty employee conduct.

More broadly, the majority (62%) of C-suite executives surveyed say that in recent years, workplace legal issues have been viewed by their leadership teams as key areas of focus that can have high-stakes consequences for their core business and reputation. An even higher percentage of CDOs (82%) agree, likely because of their first-hand experience with how IE&D — or the lack thereof — can influence an organization's hiring, retention, culture and perception, both internally and externally.



“The past few years have shown that IE&D is not a self-contained concept, but rather something that is embedded into nearly every aspect of an organization, from employee engagement and hiring to data privacy and pay equity. As companies take a more holistic look at their business interests and commitments in IE&D programs, they are more likely to view such initiatives in the context of other high-stakes workplace legal issues for their organizations.”

[Erin A. Webber](#),  
Littler's President and  
Managing Director



## Methodology and Demographics

In November 2023, 322 U.S.-based C-suite executives from a wide range of industries completed Littler's survey via an online survey tool. Respondents all indicated playing leading or supporting roles with regard to IE&D initiatives and decision-making.

Respondents included:

- Chief Legal Officer / General Counsel (31%)
- Chief Executive Officer (30%)
- Chief Human Resources Officer (17%)
- Chief Diversity Officer (11%)
- Chief People Officer (5%)
- Chief Operating Officer (4%)
- Chief Compliance Officer (1%)
- Chief Strategy Officer (1%)

Companies represented were of a variety of sizes:

- One to 100 employees (29%)
- 101 to 500 employees (20%)
- 501 to 1,000 employees (18%)
- 1,001 to 5,000 employees (19%)
- 5,001 to 10,000 employees (6%)
- More than 10,000 employees (7%)



# About Littler's Inclusion, Equity and Diversity Consulting Practice

Littler has decades of experience counseling employers on workplace discrimination and equity matters, dating back to the civil rights movement and the enactment of Title VII of the Civil Rights Act of 1964. Drawing on our deep history partnering with organizations in the U.S. and globally on their IE&D programs, along with our unmatched resources as the world's largest employment and labor law firm, our team is uniquely positioned to help employers implement meaningful, effective and legally compliant IE&D initiatives.

We provide holistic counsel to organizations — from C-suite executives and boards of directors to HR teams — on the full scope of their IE&D needs, including program development and implementation, analytics and assessments, reporting and compliance, crisis management and communication, and managing litigation or other legal challenges related to their programs.

Littler meets organizations where they are on their IE&D journeys, helping clients align their corporate values with their risk tolerance and reach their IE&D objectives amid shifting trends and pressures impacting the workplace.

## ABOUT THE LITTLER INCLUSION, EQUITY AND DIVERSITY PLAYBOOK

*Littler offers extensive IE&D educational and training resources, including executive workshops, in-person and online training courses, and a first-of-its kind IE&D Playbook.*

*The IE&D Playbook is a free resource providing employers with an interactive, comprehensive collection of resources — including videos, FAQs, podcasts and high-level summaries — that can help organizations address fundamental IE&D compliance questions, assess their current efforts, uncover gaps and challenges, and identify IE&D programming opportunities. More information about the Playbook can be found [here](#).*

