# STANDING FIRM AT A DEI CROSSROAD

# A CALL TO LEAD IN THE FACE OF ADVERSITY

In a time when divisive rhetoric challenges decades of progress made in workplace culture and opportunity, Diversity, Equity, and Inclusion (DEI) initiatives are a platform for innovation and profitability. Companies that champion DEI don't just adapt to the changing workforce—they lead it. Yet, with anti-DEI sentiments rising in some circles, you face a pivotal question: will you choose progress or regression?


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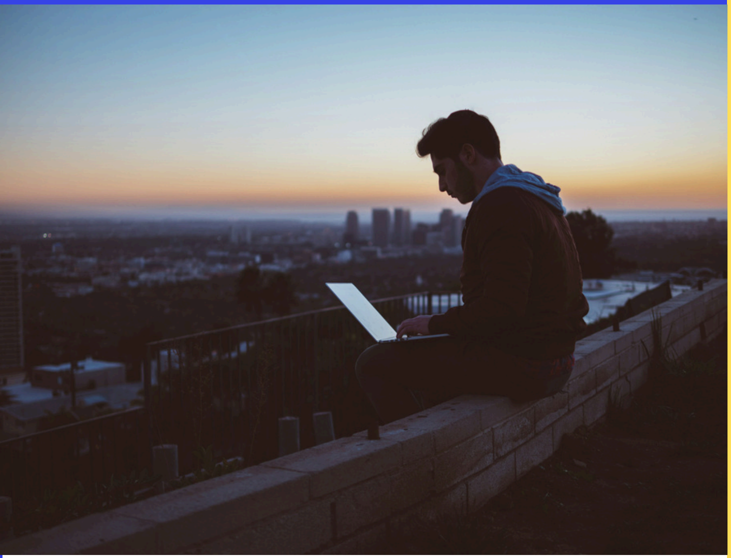
Through data and actionable insights, this document underscores why an inclusive company culture is indispensable for modern organizations and how steadfast companies like Costco and Apple reap tangible benefits by staying the course. More than ever, businesses need allies in this endeavor. Together, we can ensure that DEI remains a priority and a cornerstone of sustainable growth.



Workforce diversity efforts expanded significantly over the past two decades.

Recently, the term “DEI” has taken on a negative connotation by some. Recent social movements and political shifts have led some organizations to scale back, or even fully eliminate, their DEI efforts.

Are these decisions being made based on data and results?

**DEI goals, particularly those associated with talent acquisition, should not be viewed as a political statement - but a smart, data-driven business decision that expands applicant pools without taking away opportunities from anyone, reduces turnover, and improves the bottom line.**

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## Message from TalentAlly President, Russell Esquivel Jr.

“It is deeply disheartening to witness corporations dismantling the very diversity initiatives that were vital to their success. Many of these companies were trailblazers in the DEI space, working diligently to close critical gaps in areas like gender pay equity, recruitment biases, and the identification of high-potential, yet underrepresented employees. To now see these organizations bow to pressure from special interest groups or leverage the current economic climate to cut costs by retreating from investments in underserved communities—the very communities that are their customers—is both perplexing and troubling.

The term "DEI hire" has unfortunately become a misnomer, propagated by special interests with the aim of categorizing all DEI efforts as discriminatory. In reality, dismantling DEI programs and employee resource groups sends a damaging message: that companies are choosing to overlook the well-documented disparities and challenges that persist in today’s workforce. TalentAlly does not support the concept of a "DEI hire," nor do the vast majority of DEI advocates. Hiring decisions should always be based on merit, organizational fit, and an unbiased process. However, the way companies recruit, promote job opportunities, and build diverse talent pipelines must be reimagined. Relying on the same, narrow talent pools repeatedly is not conducive to innovation or business growth.

Historically, many companies have failed to broaden their outreach to diverse talent pools, leading to the underrepresentation of various groups, especially in leadership roles. It was this very apathy toward diversity that gave rise to DEI programs in the first place. Eliminating these programs now will not reduce disparities; it will likely exacerbate discriminatory practices.

That’s why we strongly commend companies like Costco, who recognize that their organization is stronger when employees feel accepted and valued for their unique backgrounds. They understands that diversity is a strategic asset—one that drives creativity, fosters innovation, and fuels growth. It is clear that diverse teams outperform homogeneous ones, bringing fresh perspectives that contribute to a thriving business environment.”

# Data Proves Diversity is Good for Business

Data consistently shows that diversity drives better business outcomes. For instance, companies in the top quartile for board gender diversity are **27%** more likely to financially outperform than those in the bottom quartile (McKinsey, 2023) and teams following an inclusive process make decisions **2x faster** with half the meetings (Cloverpop, 2017). Let's look at this from three perspectives:

- Expanded talent acquisition pools
- Employee performance and retention
- Financial performance

## Expanded Talent Acquisition Pools

Let's first address misconceptions and false information about what properly-managed DEI programs actually accomplish.
**Myth:** DEI initiatives take away opportunities from certain groups of people and unnecessarily benefit others.
**Reality:** DEI expands talent pools, ensuring equal opportunities for all without disadvantaging anyone.
**Myth:** When choosing between two relatively-equal candidates, companies that embrace DEI will select the "more diverse" candidate.
**Reality:** Employers will hire the best fit for the job based on experience, skills, fit with the existing team, and other objective factors, regardless of demographic characteristics - they just have an expanded pool of applicants to choose from.

DEI in talent acquisition isn't taking an even playing field between Applicant A and Applicant B and giving Applicant B an unfair advantage. It is promoting your open positions in a way that Applicant B hears about the open position in the first place and is encouraged to apply. It expands your opportunities to new applicants without giving anyone an unfair advantage.

Diverse recruiting approaches not only attract more talent, it attracts better employees that want to learn and be challenged by working with people with different thought processes, experiences, and problem solving capabilities.

**83%**

of candidates prioritize an inclusive interview process.

(Monster, 2020)

**37%**

of job seekers wouldn't apply to a company with ethnic/racial disparities in employee satisfaction.

(Glassdoor, 2022)

**67%**

of job seekers consider a company's racial diversity a factor when evaluating offers.

(Glassdoor, 2022)

Employees at companies that embrace DEI are more likely to recommend their workplace, increasing your talent acquisition reach and trust in your company culture through employee referrals.

(Harvard Business Review, 2019)

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## Employee Performance and Retention

Studies clearly show that embracing diverse viewpoints leads to improved organizational performance, including decision-making, innovation, creativity, and problem solving. Consider the following data points:

Inclusive employers make better decisions for the bottom line as high as **87%** of the time.
(Cloverpop, 2017)

These employers are also **1.7x** more likely to be considered innovative in their field.
(Bersin, 2019)

According to Harvard Business Review (2022), team performance improves when companies promote psychological safety.

Cognitive diversity is linked to a **20%** enhancement in team innovation.
(Deloitte, 2018)

**74%** of employees believe their organization is stronger with an inclusive culture.
(Deloitte, 2018)

Additionally, employees who believe their company prioritizes DEI are **64% more engaged**, which is closely linked to retention rates (Culture Amp, 2024). A high employee turnover rate is a costly issue. While it can vary drastically, especially given the level of the position, SHRM (2022) estimated that **the cost to replace high-level employees can be 3-4x the position's annual salary** due to recruitment costs, training, and lost productivity/knowledge gaps.

## Financial Performance

According to InStride (2024), more diverse / inclusive companies are **35%** more likely to outperform competitors financially. The link lies in expanded talent pools, innovation, employee satisfaction and decision-making. Let's take a look at some more numbers:

Diverse management teams drive **19%** higher revenue.
(Boston Consulting Group, 2018)

Similarly, bilingual employees can help connect companies to a wider market.
(InStride, 2024)

Diverse companies are **70%** more likely to capture new markets.
(InStride, 2024)

Gender-diverse companies are **15%** more likely to have above-average returns.
(InStride, 2024)

Furthermore, the World Economic Forum (2023) estimates that achieving equal gender diversity in the workforce could boost GDP by up to **26%**, showing a vast economic increase.

The data paints a clear picture - DEI initiatives create equitable opportunities and deliver measurable, tangible business outcomes. By investing in inclusivity, organizations can unlock the potential of diverse talent pools, improve employee satisfaction, and solidify long-term financial success.

# Standing Strong: DEI Lessons from Industry Leaders

Costco has demonstrated unwavering commitment to DEI, even amid external pressures. The company's leadership emphasizes that respect and inclusion are integral to business success, enhancing creativity, innovation, and customer satisfaction (AP News, 2025).

As the DEI landscape evolves, Costco faced a proposal from shareholders to scale back its DEI initiatives, citing potential financial risks. Despite mounting pressure from both financial and political spheres, Costco's board firmly rejected the proposal, reaffirming that fostering diversity and inclusion is essential for driving creativity and innovation in their business operations.

Costco's dedication to DEI began in 2004 with the appointment of its first Chief Diversity Officer, positioning the company as a leader in inclusive practices well ahead of industry trends (New York Times, 2025). This long-standing commitment emphasizes DEI as a core value of Costco's culture —one that continues to shape its business success.

Apple's DEI efforts are deeply integrated into its corporate culture, aligning with broader business strategies to drive innovation and maintain a competitive edge. Apple's consistent focus on inclusivity underscores the strategic value of such initiatives.

Apple is another company rejecting a shareholder proposal to scale back its DEI policy. Apple recently faced a shareholder proposal from a conservative think tank accusing the company of discriminatory hiring practices due to its comprehensive diversity programs. In response, Apple reaffirmed that its practices fully comply with nondiscrimination regulations, emphasizing the importance of DEI in its corporate values. (Forbes, 2025)

Apple consistently shares progress on its diversity initiatives. Over the past year, it reported filling more leadership roles than ever with women and Black candidates in the U.S. These efforts demonstrate that diversity remains central to its long-term vision for innovation and success. (Apple, 2025)

In TV appearances in January 2025, the CEO's of both JPMorgan and Goldman Sachs confirmed that they'd be continuing their DEI initiatives, despite shareholder activists demanding a change.

Speaking on behalf of JPMorgan, CEO Jamie Dimon acknowledged that DEI initiatives are good for the bottom line. "We're going to continue to reach out to the Black community, the Hispanic community, the LGBT community, the veterans community," and "foster a sense of belonging, to open doors to opportunities for all our associates, customers and suppliers."

Goldman Sachs CEO, David Soloman, said, "We continue to stay focused on talking to our clients and doing the things we've always done." Soloman expressed that the company is focused on what stakeholders are asking for, which is backed by Bloomberg data that shows "similar proposals from conservative groups in the past have rarely exceeded 2% support." (Flitter, Green, Foxman, 2025)

# CALL TO ACTION:
# Champion Diversity and Lead the Way

Whether you're a small business, a nonprofit, or a Fortune 500 company, your actions today can shape a better, more equitable tomorrow. Here's why embracing diversity in recruitment isn't just the right thing to do—it's the smart thing to do:

- **Small Businesses:** Unlock innovation by bringing fresh perspectives to your team. Inclusive hiring practices make you more competitive in attracting top local talent and building a resilient company culture.
- **Nonprofits:** Your mission to create positive change starts within. By diversifying your workforce, you mirror the communities you serve and strengthen your impact.
- **Fortune 500 Companies:** Set the global standard. Use your platform to drive progress and foster the inclusive leadership that inspires employees and stakeholders alike.

**Together, we can reimagine recruitment as an engine for growth, innovation, and equity. Take the First Step Today:**

- **Expand Your Reach:** Broaden your talent pools by intentionally promoting opportunities to underrepresented groups.
- **Commit to Fair Practices:** Ensure hiring decisions are based on merit while creating an environment where all candidates feel valued and respected.
- **Lead by Example:** Inspire your peers by sharing your success stories and advocating for inclusive workplace practices.

**Imagine the possibilities when diverse perspectives drive your organization's growth.** TalentAlly is here to guide you with tools, expertise, and actionable strategies to achieve your DEI goals.

- **Be the Change:** Transform your organization into a beacon of inclusion.
- **Inspire Progress:** Build teams that reflect the future you want to see.
- **Lead Boldly:** Shape a legacy that prioritizes equity, innovation, and excellence.

This is your opportunity to lead by example and create lasting change. Contact TalentAlly today to start building a future where diversity fuels success.

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## Contact Us

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## Want to do more research? Check out our data sources.

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