

Thought Paper



DE Gends

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As the year ends, NWC would like to take this opportunity to emphasize the importance of reflection and analysis for organizations striving to uplift Diversity, Equity, and Inclusion within their spaces. By reviewing and evaluating key events and initiatives throughout the year, organizations can deepen their impact and foster greater inclusion for all. NWC understands the significance of staying ahead of the curve in the everevolving DEI landscape. Therefore, we would like to reflect on the key trends observed in 2023 and offer insights into the predicted DEI trends in 2024. By reflecting on the past and preparing for the future, organizations can ensure they continue to advance in fostering diverse. equitable, inclusive and workplaces and communities.

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In 2023, we witnessed various DEI trends that challenged and reshaped how organizations approach diversity, equity, and inclusion. Companies that should have prioritized diversity and inclusion faced significant challenges, such as public backlash, loss of talent, and damage to their reputation. Elon Musk, known for his stance on eliminating DEI, faced challenges as Tesla experienced labor union problems in Sweden and lawsuits concerning discrimination, while Twitter saw a loss of advertisers. In contrast, the backlash was driven by organizations that committed to DEI but reneged on them. For example, Budlight and Target faced negative consequences when they returned their commitments to DEI initiatives such as Pride Month, which impacted sales, particularly during Pride Month.

Additionally, entrepreneurship was reimagined as diverse founders and leaders brought new perspectives, ideas, and solutions to the forefront. One notable example is Stackwell, an early-stage startup founded by diverse leaders. Stackwell aims to address the racial wealth gap by empowering a new community of Black investors, specifically Black millennials and Gen Z. The company launched in early 2022 and offers an app that combines pre-built portfolios based on risk, educational resources, and behavioral nudges to help bridge the wealth gap.

Another trend we observed in the past year is increased remote and flexible work due to technology. Work, travel, and global connections were redefined, with remote work and digital platforms enabling cross-cultural collaborations worldwide. This year, there was a greater expectation for a people-first culture as organizations recognized the need to prioritize the well-being and development of their employees. In 2023, Acme Corp recognized the importance of employee wellbeing and implemented various initiatives to foster a healthy work environment. They provided flexible work arrangements, including remote work options and flexible hour policies, to accommodate the diverse needs of their employees. In addition, Acme Corp offered comprehensive employee wellness programs that included access to mental health support, gym memberships, and wellness workshops. Acme Corp significantly increased employee engagement and satisfaction by prioritizing employee well-being and development.







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The explosive demand for social and simple digital tools and artificial intelligence advancements revolutionized how organizations engage with diverse audiences. Nike is one example of an organization that embraced the explosive demand for social and simple digital tools and employed artificial intelligence advancements to revolutionize how they engage with diverse audiences.

Nike, a global leader in sports and athletic apparel, has been at the forefront of utilizing technology and digital platforms to engage with its diverse customer base. In 2023, Nike launched a series of innovative initiatives to better connect with their audience. Nike leveraged popular social media platforms like Instagram and TikTok to engage with diverse audiences through authentic and inclusive content. They collaborated with athletes and influencers from various backgrounds, sharing stories of empowerment, diversity, and inclusion. These initiatives connected with Nike's core audience and attracted new customers who resonated with the values portrayed. In addition, Nike developed a userfriendly mobile app and online platform that provided seamless shopping experiences to customers of all backgrounds. With personalized recommendations and easy-to-use interfaces, Nike made it convenient for diverse audiences to explore and purchase their products. Artificial intelligence played a significant role in Nike's engagement strategies as well. Nike implemented chatbots and virtual assistants on their website and chat platforms to assist customers with personalized recommendations, answer productrelated queries, and provide real-time customer support. Using AI, Nike ensured a smooth and efficient customer experience, even during peak demand periods.

This year, unpredictable weather patterns and the urgent need for sustainability forced organizations to prioritize environmental considerations and embrace growth models supporting profitability and environmental stewardship. IKEA, a global furniture company, has long recognized the importance of sustainability and has made significant efforts to reduce its ecological footprint. The organization has set ambitious sustainability goals, such as becoming climate-positive by 2030, and has taken numerous steps to reduce its carbon footprint. One of their initiatives is developing and implementing clean energy solutions, such as solar panels and wind turbines, in their stores and production facilities. Furthermore, they have increased the use of sustainable materials in their products, from using recycled polyester for their textiles to sourcing wood from responsibly managed forests.

The redesign of space and the expectation for progressive, non-traditional benefits further showcase the evolving nature of DEI in organizations. Companies redesigned their physical workspaces to foster inclusivity and accommodate diverse needs. For example, organizations are beginning to consider and implement accessible design principles, incorporating ramps, braille signage, and adjustable furniture to create an inclusive environment for employees and clients with disabilities. Furthermore, organizations are beginning to recognize the importance of offering benefits that promote work-life balance and cater to employee needs. These benefits include expanded parental leave, sabbatical programs, and flexible childcare options.





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The predicted DEI trends in 2024 indicate exciting developments and challenges in creating inclusive environments. These predicted trends for 2024 highlight the continued importance of diversity, equity, and inclusion in organizations, as well as the need to adapt and evolve strategies to create truly inclusive workplaces. Below are the predicted trends:

- The Next Generation of Disability Inclusion: In 2024, we estimate that there will be a heightened focus on environmental inclusion for individuals with disabilities. Organizations will prioritize creating physical spaces that are accessible and accommodating, such as implementing ramps, elevators, and sensory-friendly areas.
- Focus on Flexibility: The concept of flexibility in the workplace will continue to gain traction. This may include adopting four-day work weeks, as seen in some European countries. Companies must develop new performance management skills and project management approaches to navigate team dynamics, collaboration, and scheduling effectively. Providing employees with flexible holidays and benefits, such as unlimited vacation days or remote work options, will also be emphasized.
- Hyper-Intersectionality: Intersectionality will become an even bigger focus in 2024. Organizations will prioritize creating multipurpose rooms instead of gender-specific bathrooms to accommodate individuals with diverse gender identities. Single bathrooms and family bathrooms will also be implemented to ensure inclusivity. Learning from models in other countries that prioritize intersectionality, organizations will explore ways to be more inclusive, such as providing closed captioning on videos to help non-English speakers access information or offering short-term and long-term caregiving support. Recognition of the intersectionality of identities, including marital status, will also be essential.
- More Political Hype: There will be increased political discourse and controversies, requiring organizations to provide the correct information and counteract misinformation. Companies will be expected to actively engage in conversations about societal issues and take a stance on diversity, equity, and inclusion matters. This could involve initiatives such as fact-checking resources and sharing accurate information to combat misinformation.
- **ESG Unlimited:** Environmental, Social, and Governance (ESG) factors will be at the forefront of corporate decision-making. Organizations will prioritize sustainable practices, social responsibility, and ethical governance. For example, a manufacturing company may invest in renewable energy sources to reduce its carbon footprint and implement supply chain transparency to ensure fair wages and working conditions.
- **Broader Al Adoption**: Artificial Intelligence (AI) will be widely adopted to enhance diversity, equity, and inclusion efforts. Al-powered tools can help remove biased language in job descriptions, anonymize applicant information during hiring processes, and provide real-time accessibility features. If utilized correctly, this technology can aid in better decision-making and create equitable opportunities for all.
- A Complete DEI Reset: In 2024, organizations will undergo a complete DEI reset, reevaluating their current diversity, equity, and inclusion strategies, policies, and initiatives. This includes reassessing goals, implementing new programs, and fostering a culture of inclusivity at all levels of the organization. Companies will actively seek employee feedback, develop accountability measures, and ensure that DEI efforts are integrated into all aspects of the business.



DEI Trends

Ways Organizations. Can Continue to Mplift DEI

Due to our understanding of previous DEI trends and predicted trends for the upcoming year, here are eight suggestions on how organizations can be proactive in their DEI efforts, considering the predicted DEI trends for 2024:

- Commitment from Leadership: Organizations must have buy-in and commitment from leadership to prioritize DEI. Leaders should demonstrate their dedication to fostering an inclusive and diverse workplace culture through their actions, statements, and resource allocation.
- Strategic Planning: Organizations should develop a comprehensive DEI strategy that aligns with their business goals and addresses the predicted DEI trends for 2024. This plan should include specific actions and initiatives aimed at attracting, retaining, and promoting diverse talent and creating an inclusive work environment.
- Transparent and Inclusive Hiring Practices: Organizations should ensure that their hiring practices are fair, inclusive, and free from bias. They can implement blind resume screening, diverse interview panels, and mandatory diversity training for recruiters and hiring managers. Additionally, they should build partnerships with diverse talent pipelines and expand their recruitment efforts to attract underrepresented candidates.
- **Employee Education and Training:** Organizations should invest in DEI education and training programs for all employees. These programs should focus on raising awareness about unconscious bias, promoting cultural competency, and creating a more inclusive workplace. Providing ongoing training and development opportunities can help employees understand the importance of DEI and their role in fostering an inclusive environment.
- **Employee Resource Groups (ERGs)**: Encourage the formation and support of ERGs for various underrepresented groups within the organization. ERGs provide a platform for employees to connect, share experiences, and advocate for inclusion. Organizations should provide resources and opportunities for ERGs to collaborate and contribute to the broader DEI strategy.
- Regular Diversity Metrics and Reporting: Organizations should track and report on diversity data regularly. Organizations can measure their progress and identify improvement areas by collecting data on employee demographics, representation at different levels, pay equity, and employee satisfaction. This data-driven approach helps organizations stay accountable and make data-informed decisions.
- Partnerships and Outreach: Collaborate with external organizations, community groups, and educational institutions to foster diversity and inclusion. Building relationships with these entities can provide access to diverse talent pools, enhance community engagement, and support local initiatives focused on DEI.
- **Continuous Evaluation and Adjustment:** DEI efforts should be continually assessed and adjusted based on emerging trends and feedback. Organizations should create feedback mechanisms, such as surveys or focus groups, to understand the experiences and needs of their diverse workforce. This feedback can guide the organization in refining and improving its DEI strategies.



DEI Trends



- 1. IKEA Sustainability Climate positive
- 2. <u>IKEA Sustainability Clean energy solutions</u>
- 3. IKEA Sustainability Sustainable sourcing
- 4. IKEA Sustainability Circular approach
- 5. IKEA Sustainability Recognitions and awards
- 6. Source: Nike Newsroom Inclusive by Design: Nike Reveals Year's Best Sneakers for All
- 7. McKinsey. (2023, January 13). 2023 DEI initiatives report: Inside the lighthouses.
- 8. The Society for Diversity webinar on "End of the Year: DEI 2024 Trends & Checklist" by Leah Smiley

