

Is DEI dead?

At the current pace, closing the global gender gap alone will take 123 years, or roughly five generations

By Raju Chellam



Three friends from university meet for coffee when the topic turns to diversity, equity, and inclusion (DEI).

“Our company takes diversity so seriously that once a year they change the stock photo on the website,” a man says. “And spend the rest of the year making sure nobody in the actual office accidentally matches it.”

If that corny corporate conversation made you cringe, digest this data on the fringe: employee engagement fell to 21% globally in 2024, matching the lowest levels seen since Covid-19, according to Gallup’s State of the Global Workplace poll. This decline came with a steep price: USD 438 billion in lost productivity. Female managers saw a seven-point fall, while overall manager well-being declined.

The issue has been aggravated by how the current US administration has denounced DEI, especially around affirmative action, corporate diversity targets, and the role of identity in hiring and promotion. This has led many organisations to scale back highly visible commitments, reduce public reporting of diversity goals, and reframe programmes in more neutral

language such as “talent development” or “belonging”.

So, is DEI dead? While few companies are abandoning inclusion efforts altogether, the overall effect has been to make DEI initiatives more cautious, less explicit, and more internally focused.

“At the current pace, closing the global gender gap will take 123 years, roughly five generations, with disparities in workforce representation, pay, and leadership hindering economic growth,” warns the World Economic Forum (WEF). “The global economy can’t afford to leave talent on the sidelines.”

THE AI ANGLE

Has the rapid adoption of artificial intelligence (AI) increased gender parity in the workplace? No. Quite the opposite.

Women remain underrepresented across the AI ecosystem, accounting for only 28.2% of science, technology, engineering, and mathematics (STEM) roles and 12.2% of STEM C-suite positions, the WEF notes. Women are also disproportionately concentrated in roles vulnerable to automation.

“ DEI MAY BE RETREATING FROM CORPORATE HEADLINES, BUT GENDER GAPS, MANAGER BURNOUT, AND AI BIAS SHOW WHY THE WORK IS FAR FROM OVER.

The real worry is that limited diversity in AI design risks amplifying bias. But the reverse is also true. Inclusive and well-governed AI systems can help detect, mitigate, and counteract bias.

Widespread anxiety about AI-driven job losses is also undermining productivity and slowing adoption. In the first quarter of 2026, Gartner polled 12,000 employees in 40 countries to study AI's impact on work and workforce enablement.

“Employees with a positive outlook towards AI are 3.4 times more likely to be highly productive,” says Swagatam Basu, a senior Gartner analyst. “The most effective drivers of positive AI adoption are employee confidence in their current and future roles, transparent communication about how AI will be used, and its impact on jobs.”

Gartner advises companies to communicate clearly how jobs and skills will evolve with AI, conduct regular trust pulse surveys, and address concerns proactively. Otherwise, 50% of enterprises will lose their top AI talent to competitors that prioritise workforce enablement over basic adoption.

THE GEN Z ANGLE

That path will be shaped by the “Zoomers”, the first true digital natives, who grew up immersed in the internet, smartphones, and social media.

Deloitte polled 22,500 Gen Zs and millennials across 44 countries and found that nearly 75% use AI in their day-to-day work, up sharply from 57% a year earlier.

Despite widespread use, many feel their organisations are not prepared. About 33% do not believe their employer is sufficiently training employees on AI's capabilities, benefits, and value, while around 30% say their employer is not prepared for the changes AI will bring.

Nearly all respondents, 96%, say having a sense of purpose at work is important to job satisfaction and well-being. About 40% have rejected a potential employer based on personal ethics or beliefs, and 68% of Gen Zs want their job to make a meaningful contribution to society.

The solution? Invest in managers.

People managers sit at the core of the employee experience. They drive culture, shape daily work environments, and serve as the bridge between strategic goals and human needs.

“When managers are equipped, supported, and connected to purpose, they can unlock engagement and well-being across an organisation,” Gallup notes.

Global manager engagement fell from 30% to 27% in 2025. Engagement dropped five points for managers under 35 and seven points for female managers. Individual contributors did not experience the same drop; engagement held steady at 18%. This points to managers as the lever, not just another data point.

One way to respond in the AI era is to evolve pay for performance.

A Gartner survey found that when employees believe there is a strong link between pay and performance, they are 17% more productive.

“As AI changes how work gets done and creates new opportunities for evaluating performance, pay-for-performance strategy must evolve to reflect that,” says Kayla Velnoskey, a director at Gartner.

If performance criteria fail to capture productivity gains from AI, or if AI use in performance reviews creates biased assessments, organisations risk weakening the link between performance and pay.

Gartner recommends redefining an AI-ready performance philosophy, applying AI with risk-informed guardrails, and combining human and machine intelligence while preserving pay equity, transparency, and managers' ability to explain outcomes.

Since we started with one corny corporate conversation, let us end with another.

Three classmates meet at a reunion, and the conversation turns to workplace DEI.

“Our company seems serious about inclusion,” a man says. “They added a whole section about it on the website, right between Innovation and Sustainability.”

“Naughty and nice,” the third friend chuckles. “Our company runs DEI workshops where we all share our perspectives, and then quietly make sure none of that affects anything we actually do.”

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