

Research Article

Re-evaluating Corporate Diversity Initiatives: Leveraging Social Identity Theory

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Abstract

Corporate Diversity, Equity, and Inclusion initiatives have historically aimed to address systemic inequities in the workplace. However, in recent years, these efforts have faced increasing political, legal, and financial challenges, leading many organizations to scale back or reassess their diversity strategies. Critics argue that certain diversity programs, such as mandatory diversity training and affirmative action policies, may unintentionally reinforce stereotypes, generate resistance, and create workplace divisions. This paper explores how Social Identity Theory can enhance inclusion efforts. By understanding how individuals form social identities and perceive ingroups and outgroups, organizations can implement more effective diversity strategies that foster collaboration rather than division. The paper highlights the importance of promoting a superordinate identity that unites employees under shared organizational goals, reducing intergroup tensions.

Keywords: Diversity, Social identity theory

Corporate diversity initiatives were introduced as a response to historical discrimination faced by certain groups, which led to systemic adversities and underrepresentation in modern workplaces. However, in recent years, many companies have scaled back their diversity efforts due to political pressures, legal challenges, and financial considerations. A backlash against corporate diversity initiatives has emerged, with critics labeling them as “woke” and divisive. The reasons for this backlash are multifaceted. Research indicates that mandatory diversity training can increase prejudice and resistance, particularly when perceived as coercive. Additionally, diversity communications that emphasize group differences may unintentionally reinforce stereotypes rather than mitigate them. Affirmative action programs (AAPs) can also stigmatize their beneficiaries, potentially leading to lower performance and negative perceptions from colleagues [1]. Despite this backlash, revisiting the foundational principles of diversity—rooted in fairness and equity—remains crucial. While certain aspects of diversity initiatives require reevaluation, there is value in identifying strategies to improve their effectiveness. This paper explores how the social identity lens can enhance inclusion initiatives and address challenges associated with diversity implementation.

Why Diversity Programs Fail

Diversity programs often fail due to poor implementation, unintended consequences, and resistance from stakeholders. Scholarly work has illuminated the complex reasons behind the diversity initiatives. Drawing upon the insights of Burnett and Aguinis and Dobbin and Kalev [2], we elucidate the multifaceted causes that contribute to the underperformance—and even backfiring—of many

DEI (Diversity, Equity, Inclusion) programs. A fundamental issue can be the misalignment between DEI initiatives and the organization's core strategic objectives. When diversity efforts are designed as isolated, symbolic gestures rather than integrated components of the organizational mission, they tend to become superficial. Such tokenistic approaches often fail to address underlying structural inequities and may even trigger counterproductive responses among employees who perceive these measures as insincere or merely performative. Additionally, without clear metrics and timely feedback, organizations are unable to detect unintended consequences or recalibrate their strategies effectively. The traditional diversity training programs have lacked innovation in their approach. Many diversity initiatives are overly reliant on one-off training sessions, which often produce only transient attitudinal changes. Such programs can inadvertently prompt defensive reactions, particularly among majority group members, thereby reinforcing preexisting biases. Moreover, initiatives that depend solely on tools like mentoring programs or diversity committees tend to lack the structural support and accountability necessary for sustained impact. The absence of comprehensive policies and clear performance incentives further undermines these efforts.

Authentic leadership holds the key to successful initiatives, whether rooted in diversity or not. Genuine commitment from senior management is critical; without it, even well-conceived diversity initiatives are likely to flounder. Leadership that fails to align rhetoric with tangible actions generates skepticism among employees, contributing to disengagement and resistance. In essence, diversity programs must be underpinned by a visible and consistent commitment from the top echelons of management to transform organizational culture effectively. Another significant barrier is the

misalignment of incentives within the organizational framework. Diversity initiatives that are not fully embedded into broader human resource and performance management systems often lack the necessary reinforcement to drive long-term change. When diversity efforts are seen as add-ons rather than integral to the company's operational fabric, they may falter in the face of entrenched cultural norms and existing power structures.

Overall, the failure of DEI initiatives can be attributed to several interrelated factors: inadequate design and integration, overreliance on ineffective training methods, insufficient leadership commitment, and misaligned organizational incentives. Scholarly work advocates for evidence-based frameworks that align diversity efforts with the organization's strategic priorities, emphasize accountability, and foster a culture of continuous learning and adaptation. Addressing these challenges is essential for transforming diversity initiatives from symbolic gestures into sustainable drivers of organizational change. Approaching from a cognitive lens, DEI initiatives can be seen as both a challenge to deeply held beliefs about meritocracy and fairness and a constraint on individual and organizational autonomy, leading to resistance [3]. Individuals with privileged identities may perceive increasing diversity as a threat to their social status. Those who believe their status is earned tend to view DEI as unjust. This reflects a zero-sum mindset, in which benefits to one group are seen as disadvantaging another. Research supports this perception, showing that individuals benefiting from diversity initiatives often face negative evaluations. Another source of diversity resistance is the belief that such initiatives restrict autonomy in decision-making and workplace practices. Diversity efforts often introduce structured hiring and evaluation processes (e.g., standardized interviews) to mitigate bias, but these measures can be perceived as limiting individual discretion. Autonomy is a fundamental motivator, and when individuals feel their freedom is constrained, they may resist these changes.

Corporate Responses Amid Legal, Political, and Financial Challenges

The last few years have witnessed a concerted withdrawal of corporations from obvious as well as subtle diversity policies [4]. Critics have increasingly opposed corporate diversity programs, arguing that these efforts may lead to reverse discrimination against majority groups. For example, Elon Musk criticized DEI initiatives as "exclusionary" and divisive, aligning with a broader backlash against such efforts [5]. Similarly, major technology companies such as Google and Meta have significantly reduced their diversity programs in response to political and legal scrutiny [6].

The 2023 Supreme Court ruling against affirmative action in college admissions has also influenced corporate diversity policies. This decision has raised concerns about the legality of workplace diversity programs, prompting companies to scale back efforts to avoid potential litigation [7]. Economic downturns and financial constraints have led many organizations to deprioritize DEI initiatives. During times of economic uncertainty, diversity programs are often viewed as nonessential expenditures. For instance, Google and Meta have reduced diversity teams as part of broader cost-cutting measures (CNBC, 2024). Lowe's has also scaled back its diversity initiatives by consolidating

employee resource groups and ceasing participation in diversity surveys to streamline operations (Forbes, 2024). Critics argue that such budget-driven decisions undermine long-term equity and inclusion goals (Forbes, 2024). Additionally, some organizations have questioned the effectiveness of diversity programs. Research suggests that poorly implemented DEI initiatives may inadvertently exacerbate divisions by emphasizing differences rather than fostering unity. Musk's critique aligns with this perspective, as he contends that diversity programs often intensify tensions rather than alleviate them (Forbes, 2024).

Social Identity Theory and DEI

Social Identity Theory (SIT) [8] explains how individuals derive a sense of self from their group memberships. People categorize themselves and others into social groups (e.g., nationality, religion, profession), forming an ingroup (us) and defining outgroups (them). To enhance self-esteem, individuals favor their ingroup and may discriminate against outgroups. This process strengthens group cohesion but can lead to bias, stereotyping, and intergroup conflict. The theory underpins phenomena like nationalism, workplace dynamics, and discrimination, highlighting how social structures shape identity and behavior. In the context of diversity initiatives, social identities can mobilize an "us versus them" mentality, leading to the alienation of groups and undermining the purpose of such initiatives. However, the foundational premises of social identity can also be employed to mitigate the shortcomings of diversity initiatives. In competitive settings, where the team is represented as a "social identity", then individuals are willing to set aside their personal preferences so as not to let their peers down. These results highlight the potential for leveraging social identity to drive philanthropic efforts, reinforcing that structuring charitable campaigns around group affiliation and competition can enhance social welfare [9]. Waldman and Sparr (2023) argue that an overemphasis on distinctiveness can sow divisions among individuals. They propose embracing the paradox that unity and diversity are concomitant, suggesting that diversity initiatives must highlight this balance. DEI efforts should frame all organizational members as equally deserving of organizational capital while acknowledging the lived experiences of disadvantaged groups without attributing guilt to majority groups. An integrative approach to diversity should articulate a collective identity that fosters collaboration and inclusivity.

Enhancing DEI Training with Insights from Social Identity Theory

While the tenets of SIT have hitherto been used to explicate prejudice, and in/out group bias, we propose to use the same foundations to enhance the effectiveness of diversity initiatives for organizations that see value in the inherent principle of a diverse workplace. Understanding social identity and its impact on group processes can enhance the effectiveness of diversity training by leveraging psychological mechanisms that drive intergroup behavior and fostering meaningful engagement among participants. The foundational step for organizations is to promote a superordinate identity that transcends traditional markers such as race, gender, and ethnicity. After all, the concept of "social" identity is validated through its social interpretation and construction. Organizations can actively

shape this construct by fostering an inclusive framework that unites individuals from diverse backgrounds, thereby creating a supra-social identity that reinforces collective belonging and purpose. This identity can be at the level of the organization or even a department (depending on the size of the organization). Evidence supports the notion that superordinate identity reduces ingroup favoritism, a tendency for individuals to prefer their own groups over others [10,11]. Individuals are more likely to trust and engage with those they perceive as part of their social identity group (here a department). Thus, organizations should cultivate a superordinate identity that transcends subgroup distinctions, fostering a collective sense of belonging.

Furthermore, knowledge transfer within organizations is more effective when individuals perceive themselves as sharing a superordinate identity. It is seen that that knowledge exchange was more successful when both the sharer and recipient identified with a superordinate social identity [12]. Applying this principle to diversity training suggests that structuring training groups with a focus on collective identity can improve program outcomes. To implement this strategy, organizations should frame diversity initiatives within the larger mission of the company. When diversity is positioned as integral to the organization's overarching goals, employees are more likely to perceive it as beneficial to all rather than an effort aimed at specific subgroups. Establishing this shared identity can be reinforced through company-wide meetings, collaborative projects, and social events that highlight common values and objectives. By fostering a sense of shared purpose, diversity initiatives can reduce resistance and ingroup favoritism while increasing effectiveness. After the initiation of a superordinate identity, the following specific strategies can be adopted into integrative DEI actions:

Leverage Ingroup Favoritism for Positive Outcomes

Social Identity Theory suggests that individuals naturally favor ingroup members. Ingroup favoritism occurs because individuals view their group status as an integral part of their social identity, shaping perceptions of fairness and resource distribution [13]. In contexts where resources such as promotions or leadership opportunities are perceived as limited, ingroup bias can contribute to resistance against DEI efforts. However, organizations can leverage preferences for ingroup to enhance DEI effectiveness. By aligning diversity initiatives with the group's overarching goals, organizations can frame diversity as essential to achieving broader success for the group. For example, when teamwork and innovation are organizational priorities which gives them a competitive edge against the competing companies, highlighting diversity's role in fostering creative collaboration can help reposition diversity as an asset rather than a challenge [14]. Furthermore, reinforcing a common identity among employees can redirect ingroup favoritism toward collective organizational success. When individuals perceive diversity initiatives as benefiting the entire workforce rather than specific subgroups, resistance diminishes. By strategically framing DEI efforts as tools for strengthening the organization as a whole, companies can transform potential ingroup biases into drivers of inclusion and cooperation.

Address the Double-Edged Nature of Trust

The study of trust within diverse communities has been

a prominent topic in academic research, yet findings remain inconclusive regarding the extent to which both actual and perceived dimensions of ethnic diversity influence intergroup trust [15]. Trust among ingroup members can contribute to both positive and negative outcomes, particularly in the context of diversity initiatives. While trust facilitates cohesion and collaboration, it can also lead to reduced vigilance regarding harmful biases and risks [16]. By increasing awareness of these dynamics, diversity training programs can promote more mindful and inclusive decision-making among participants. A critical mechanism through which SIT can enhance diversity initiatives is by addressing the complex nature of trust. Trust is intrinsically linked to social identity, as decades of research have demonstrated that individuals tend to exhibit greater trust toward members of their own social group [17]. Given that social identification serves as a fundamental driver of trust, it is imperative to recognize both its advantages and its potential drawbacks. DEI training can be designed to educate participants on how shared identity influences trust and risk perception, thereby enabling program leaders to highlight both the benefits and the inherent biases associated with trust. Furthermore, an important consideration is the relationship between trust and diversity within organizational groups. Research indicates that individuals are more likely to trust ingroup members over outgroup members, even when assessing facial expressions, as even "untrustworthy faces were trusted more and perceived as less risky when they were ingroup members compared with outgroup members". A study by Assche et al. suggests that the distinction between ingroup and outgroup perceptions is primarily shaped by ingroup favoritism rather than deliberate discrimination. Understanding these trust-related dynamics is crucial for the successful implementation of diversity initiatives. An introduction of a supra-identity as an "in-group" (we are innovators, change-makers, etc.) will subtly lead to trust within this scope of identity rather focus on the categories of race and gender. A trust that transcends barriers of hitherto emphasized dimensions of diversity will lead to an integrative workforce.

Identity to Foster Solidarity

An additional application of SIT in enhancing diversity training programs involves utilizing identity to cultivate solidarity within organizations. Shared experiences serve as a powerful mechanism for fostering connections among individuals from diverse backgrounds, allowing them to perceive their individual identities as part of a broader, superordinate identity. This principle can be strategically integrated into workplace diversity training to strengthen intergroup cohesion. Craig et al. found that recognizing parallel forms of discrimination across different groups fosters solidarity and collective action, suggesting that identifying common ground in lived experiences can inspire collaboration and promote interpersonal understanding. Furthermore, research in social learning theory has demonstrated that individuals are more likely to adopt new behaviors when they identify with those modeling them i.e. their in-group members, underscoring the role of social identity in shaping learning and behavioral adaptation [18,19].

Organizations can leverage this principle by incorporating narratives and discussions that highlight shared experiences of discrimination or

exclusion, thereby cultivating solidarity across diverse groups. While the severity of discrimination may vary among individuals, acknowledging that exclusion is a common human experience can facilitate meaningful dialogue and foster mutual understanding. However, it is crucial for DEI training leaders to balance this approach carefully. Overemphasizing disparities in discriminatory experiences may inadvertently reinforce division rather than unity. Instead, centering the discussion on shared experiences—particularly those related to social exclusion—can enhance perceptions of similarity among participants. This, in turn, fosters collaboration, psychological safety, and a sense of collective identity, ultimately contributing to the effectiveness of diversity training initiatives.

Tailor Communication Strategies

Effective communication is a fundamental component of successful organizational dynamics. SIT provides valuable insights into optimizing message delivery. Research suggests that individuals are more receptive to messages conveyed by those they perceive as members of their ingroup (Greenaway et al., 2014). In other words, people are more likely to engage with and internalize information when the communicator shares aspects of their social identity, a common experience in that organization or department. Therefore, for diversity training to be effective, it is essential to frame messages in ways that resonate with participants' shared identities, thereby increasing receptivity and engagement. To maximize the effectiveness of diversity training programs, organizations must equip trainers with the skills to align messaging with the social identity of their audience. This requires a comprehensive understanding of participant demographics, social affiliations, and collective experiences to identify which aspects of shared identity can be leveraged for engagement. Trainers should employ culturally sensitive communication, utilize inclusive language, and adapt their delivery to accommodate diverse learning styles. Additionally, the mode of communication should be tailored to the audience's preferences, whether through interactive

discussions, visual presentations, or experiential learning exercises. For example, a DEI training program in a multinational corporation may encounter employees from diverse cultural and professional backgrounds. If the training emphasizes a shared corporate identity—such as a commitment to innovation, ethical leadership, or teamwork—it is more likely to resonate with employees regardless of their cultural differences. By framing diversity initiatives within the broader mission and values of the organization, trainers can foster a sense of unity and collective purpose, ultimately enhancing engagement and the program's overall effectiveness.

Incorporate Realistic Role-Playing Scenarios

Incorporating role-playing into diversity training programs is an effective application of SIT, as it enables participants to engage with theoretical principles in a practical setting. Given the diversity of learning styles, role-playing serves as a dynamic pedagogical tool that allows individuals to explore various social scenarios, develop problem-solving skills, and experience firsthand the impact of inclusive behaviors. In the context of DEI training, role-playing facilitates the understanding of how fostering a superordinate identity—one that transcends individual group memberships—can lead to improved interpersonal relationships and collective outcomes. By designing exercises that simulate real-world intergroup interactions, diversity trainers can demonstrate how shared goals reduce biases and enhance trust among diverse groups. Adopting roles of individuals within one's superordinate social group, will allow individuals to reflect on their unique challenges as a key towards bettering the collective experience of the larger group. Role-playing fosters empathy through perspective-taking, heightens awareness of power dynamics, and encourages critical reflection on privilege and systemic inequities. Moreover, it provides a structured environment in which participants can engage in difficult conversations and practice conflict resolution and de-escalation strategies. Through immersive, scenario-based learning, trainees refine their ability to navigate complex social interactions and respond to challenges in real time.

Leveraging Social Identity Theory in DEI Initiatives

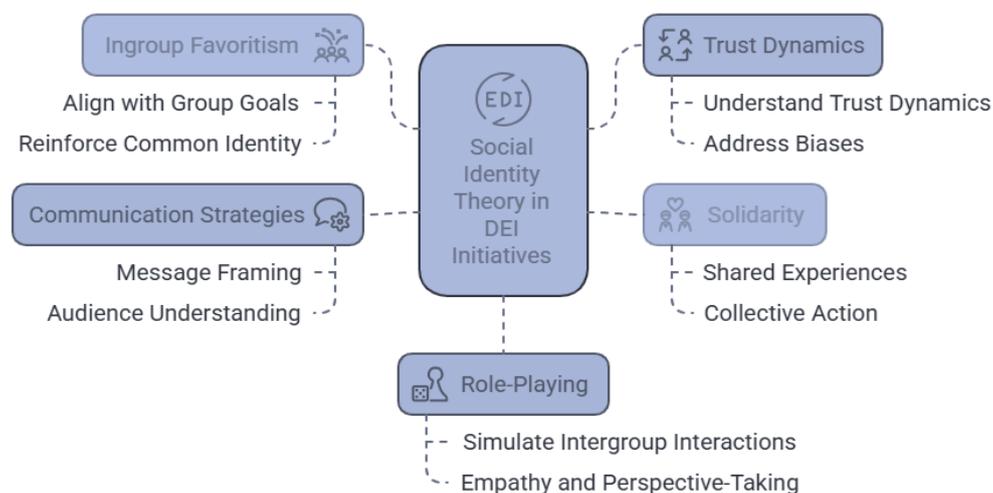


Figure 1: Leveraging social identity theory in DEI initiatives.

For example, a role-playing exercise could involve a workplace scenario in which employees of different cultural backgrounds collaborate on a high-stakes project. Through random selection, one participant may be assigned the role of a supervisor tasked with ensuring inclusivity in decision-making, while another may play an employee who feels marginalized. Through guided interaction, participants can explore how inclusive leadership strategies—such as active listening, acknowledging different perspectives, and reinforcing a shared corporate identity—can create a more cohesive and productive team dynamic. By actively engaging in such exercises, participants internalize the principles of social identity and inclusive communication, leading to more effective and sustainable diversity practices within organizations (Figure 1).

Conclusion

Research confirms that targeted initiatives play a crucial role in ensuring that organizations operate fairly and adhere to scientifically validated best practices. For instances, practices like structured interviews reduce bias by standardizing questions and evaluations, blind resume reviews have been shown to reduce bias and increase the hiring of underrepresented candidates. Retention efforts, including employee resource groups (ERGs) and mentorship programs, support minoritized employees' career growth. Despite resistance, these initiatives demonstrably enhance workplace equity and inclusion (Nittrouer et al., 2025). The evolving landscape of corporate diversity initiatives underscores the complexities and challenges associated with fostering inclusive work environments. While diversity programs emerged in response to historical inequities, recent trends indicate a retrenchment of these efforts due to political, legal, and economic pressures. Critics argue that certain diversity strategies, particularly mandatory diversity training and affirmative action policies, may inadvertently reinforce bias, create resistance, and contribute to workplace divisions. The backlash against corporate DEI programs highlights the need for a more nuanced and effective approach to inclusion—one that aligns with organizational goals while addressing concerns surrounding fairness and meritocracy. A key insight from SIT is that intergroup dynamics shape individuals' perceptions, behaviors, and willingness to engage in inclusive practices. Traditional diversity efforts often fail when they emphasize group differences rather than fostering a shared, superordinate identity. By framing diversity initiatives around common organizational goals and values, companies can reduce intergroup tensions and promote collaboration. Research suggests that individuals are more likely to trust and engage with those they perceive as part of their ingroup, a principle that can be leveraged to enhance DEI effectiveness. Initiatives that position diversity as integral to broader organizational success—rather than as a separate, compliance-driven mandate—are more likely to gain traction among employees. Moreover, diversity training can be significantly improved by adopting communication strategies that resonate with participants' identities, tailoring messaging to align with shared experiences and cultural contexts. Role-playing exercises and experiential learning techniques offer practical avenues for reinforcing inclusive behaviors, helping employees navigate complex social interactions, and mitigating biases. By integrating

these strategies, organizations can shift from a compliance-oriented approach to one that fosters genuine engagement and long-term cultural transformation.

Additionally, the role of trust in shaping intergroup interactions cannot be overlooked. While trust within ingroups enhances cohesion, it may also lead to risk discounting and exclusionary tendencies. Addressing the double-edged nature of trust within diversity frameworks requires emphasizing common experiences of exclusion and fostering a collective identity that transcends racial, gender, and other demographic categorizations. This approach encourages employees to view diversity not as a zero-sum endeavor but as a means of strengthening organizational unity and effectiveness. Ultimately, the success of diversity initiatives depends on their ability to create inclusive environments that benefit all employees. Organizations must move beyond performative commitments and symbolic policies toward substantive, research-backed strategies that integrate social identity principles. By prioritizing a superordinate identity, leveraging trust dynamics constructively, and refining communication and training methodologies, diversity programs can become more sustainable and impactful. The future of workplace diversity hinges not on coercion or division but on fostering a sense of belonging that aligns with the collective mission of organizations.

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