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Managing diversity amid change: Insights for organizations and higher education

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Abstract

This article reflects on how organizations can navigate diversity, equity, and inclusion (DEI) in a 2026 landscape defined by a complex dual-track reality of intense political backlash and changing regional regulations. By examining corporate and public organizations and focusing on Higher Education Institutions (HEIs) as a critical case, the paper bridges the gap between organizational theory and academic governance to explore the potential for cross-learning between these spheres. Drawing on relational accountability frameworks, we argue for a crucial paradigm shift from transactional compliance to a model centered on intersectional governance and plurality of perspective. Ultimately, this paper provides insights into how leaders across both sectors can translate the foundational principles of DEI into actionable and durable practices. It also reinforces the centrality of DEI within HEIs in sustaining the trustworthiness of science and maintaining accountability to key stakeholders.

Keywords: accountability, diversity, higher education, legitimacy, political backlash, strategic management

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Introduction: The decoupling crisis and the 2026 landscape

The conceptualization of Diversity, Equity, and Inclusion (DEI) is inherently multifaceted. While diversity traditionally emphasizes the representation of demographic differences, equity targets systemic fairness in outcomes, and inclusion focuses on the extent to which employees perceive themselves to be esteemed members at work. This is achieved by satisfying their simultaneous needs for belongingness and uniqueness, while actively integrating marginalized voices into decision-making power (Kabigting Jr., 2026). However, these concepts are not detached from the socio-political ecosystem in which individuals and more broadly society operate.

DEI in a changing global landscape

Following the late 2010s/early 2020s global reckonings of #MeToo and Black Lives Matter (BLM), organizations initially responded with unprecedented, though often performative, commitments to structural change; these were marked by an estimated \$50 billion in pledges toward social justice¹. Conversely, the (second) Trump administration in the United States has worked substantially against DEI practices and policies, beginning with the presidential act of January 20, 2025, titled “Ending Radical and Wasteful Government DEI Programs and Preferencing”.

By 2026, the DEI landscape had entered a period of profound contraction, revealing the fragility of diversity initiatives built primarily on a business-case rationale. As Laure Bereni argues, this retreat reflects a broader failure of organizational accountability. Evidence of this reversal is striking: between 2021 and 2025, public support for DEI initiatives fell from 87% to 38% (Allen et al., 2025). Following the 2025 US presidential inauguration, many corporations responded by scaling back both the visibility and substance of their DEI commitments. Diversity-related terminology in corporate communications declined by 72%, and even neutral DEI language decreased by 34%². This disengagement culminated in a sharp drop in transparency, with participation in the Human Rights Campaign's Corporate Equity Index falling by 65%, as the number of Fortune 500 companies reporting their equity practices decreased from 377 in 2025 to 131 in 2026.

What is also interesting is that the global landscape in 2026 now presents a complex, dual-track reality. While the US experiences a coordinated rollback driven by judicial precedents, other regions are pursuing a rigorous regulatory institutionalization of DEI. In the European Union, Member States are embedding inclusion through strict legislative mandates, including the EU Pay Transparency Directive and the Women on Boards Directive, both of which face critical implementation deadlines in June 2026. These geographic fractures carry profound implications for understanding DEI at the organizational level, such that global organizations must now navigate a multi-faceted world where they are simultaneously scaling back in some jurisdictions while being legally mandated to increase transparency and equity in others.

¹ <https://www.creativeinvest.com/diversityinvestingnews.html>

² Gravity Research. (2025). *Analyzing changes in corporate DEI messaging*.

Accountability as a lens for sustaining DEI

This divergence suggests that the future of DEI in organizations cannot be understood solely through the presence or absence of diversity initiatives. Rather, it raises a more fundamental question regarding organizational accountability: How do institutions sustain commitments to DEI under conditions of social and political contestation?

To address this question, we ground our reflection in the idea of accountability. Roberts (1991) defines accountability as a “form of social relation which reflects symbolically upon the practical interdependence of action: an interdependence that always has both a moral and strategic dimension” (p. 367). Drawing upon relational approaches to accountability (e.g., Roberts, 1991), we focus on the interdependent relations between different groups and their consequences to better understand the implications of strategic choices in terms of DEI. Addressing the three core characteristics of accountability, namely, *for what*, *to whom*, and *how*, we further reflect on the sustainability of DEI as a management issue for organizations and their relationship with society, particularly amid changing societal expectations and political backlash.

Higher Education Institutions as a critical context

Among the institutions experiencing these accountability tensions, higher education institutions (HEIs) deserve particular attention. Like other corporate or public entities, HEIs face growing challenges in sustaining DEI initiatives amid political backlash, particularly in the US. Yet, unlike in many “traditional” organizations, diversity is not a superficial corporate add-on or merely a managerial concern for HEIs; it represents a core, existential prerequisite for trustworthy knowledge production (Oreskes, 2019) and underpins higher education's focus on multiculturalism and sustainability.

Historically, educational organizations have pursued an unyielding mission to disseminate knowledge, underpinned by the value of academic freedom. Yet, this mission has repeatedly been compromised and decoupled from reality due to deeply entrenched racial, gender, and cultural biases. While incremental developments continue to be made, HEIs remain characteristically male-dominated spaces where the transition from exclusionary traditions to genuine institutional equity is an ongoing battle (e.g., Fotaki, 2013). In this context, accountability for HEIs is crucial both with regard to DEI, through the diverse knowledge and perspectives it brings to the fore, and with regard to the individuals who contribute to knowledge production. HEIs must move beyond performative compliance and empty signifiers (Ben Khaled & Ghio, 2026) to actively dismantle these historical barriers. They must reinforce the notion that a plurality of perspectives is fundamental to preserving academic freedom, challenging groupthink, and upholding the very bedrock of scientific validity (Oreskes, 2019).

Studying DEI across organizations and Higher Education Institutions

We examine current DEI practices across both general organizations and HEIs, viewing the present socio-political challenges as an opportunity to revisit questions of accountability and, in turn, their implications for leadership. We argue that the reflections on organizations and the focus on HEIs is motivated by the fact that they are deeply interconnected: an overview of current organizational trends is key to understanding the major developments and fundamental questions surrounding DEI in the contemporary global political landscape. In turn, HEIs shape future organizational actors through education, contribute to public debate through research, and influence how diversity-

related issues are understood and enacted across society. At the same time, HEIs cannot be reduced to organizations like any other. Their public mission, rooted in knowledge production, academic freedom, and scientific rigor, gives DEI a particular significance that extends beyond managerial or compliance concerns.

Studying organizations and HEIs together therefore allows us to explore both the convergences and divergences in how DEI is currently being challenged, defended, and reconfigured. It also provides a unique lens through which to examine accountability in contexts that are simultaneously shaped by global regulations, political backlash, and institutional legacies.

Taken together then, we address the following research questions:

1. What DEI practices emerge across the fundamental pillars of accountability (for what, to whom, and how) within organizations and HEIs?
2. How can organizational and academic leaders revisit these DEI practices in ways that are both accountable and resilient to socio-political challenges?

In the next section, we examine the DEI practices identified across the three fundamental pillars of accountability, paying particular attention to the similarities and tensions that emerge between organizations and HEIs in response to contemporary social expectations and political pressures. These insights form the basis for the propositions developed in this paper.

Diversity *for what*: fundamentals and paradigms in conflict

To understand the current crisis around organizations and HEIs, leadership must first address a fundamental management question: *What is the organization accountable for when pursuing DEI?*

Organizations have extensively justified their focus on DEI based on the idea of a business case, pointing to the fact that diversity improves their financial performance. However, as Ely and Thomas (2020) argue, the business case paradigm is inherently fragile. Indeed, when diversity initiatives are justified solely by expected financial returns, commitment becomes contingent and easily withdrawn if measurable gains do not materialize or if socio-political pressures mount. Moreover, such framing implies that people from underrepresented groups require economic justification for their presence, thereby weakening the normative legitimacy of diversity efforts (Ely & Thomas, 2020). Organizations, and especially higher education institutions, must increasingly frame diversity not as a transactional asset but as a requirement for organizational legitimacy and long-term credibility. By grounding DEI in learning and institutional mission rather than in short-term economic returns, organizations can build sustainable practices that remain durable even when political support fluctuates.

The question of the business case for diversity is also particularly salient in HEIs. Indeed, for over a decade, the approach to diversity in higher education has been heavily dictated by a dominant neoliberal paradigm (Fleming, 2019). Rather than grounding equity in the core educational mission, this paradigm relies on narrow key performance indicators (KPIs) designed primarily to boost global university rankings, protect tuition-driven enrolment, and secure prestigious institutional accreditations (Morley, 2003). In this commercialized framework, diversity across faculty, students, and research methodologies is reduced to quantifiable, transactional metrics. However, as Ben Khaled and Ghio (2026) demonstrate,

these bureaucratic indicators frequently function as empty signifiers. They allow HEIs to engage in performative transformation thereby signaling progress outwardly to maintain legitimacy, while leaving deep structural inequalities and tokenism completely unresolved.

The question of *diversity for what?* points to the limitations of a business-case approach to diversity. Such an approach proves fragile in times of political backlash, when the anticipated business benefits are no longer evident or persuasive. Moreover, as analyses of HEIs suggest, the business case is often translated into practice in a narrow and instrumental manner, reinforcing rather than challenging existing power imbalances.

Diversity to whom: selective inclusion

The second fundamental question we ask is: *As institutions navigate external pressures, how do shifting lines of accountability dictate to whom diversity efforts are extended, and which marginalized groups are sacrificed for the sake of political palatability?*

In organizations and HEIs, the scope of diversity has progressively expanded beyond traditional categories such as gender and race to include a wider range of visible and invisible differences, including age, disability, religion, sexual orientation, and socio-economic background. Yet, organizations rarely address all dimensions of diversity simultaneously. Instead, diversity initiatives tend to reflect selective choices shaped by regulatory requirements, stakeholder expectations, reputational concerns, and business priorities. As Ely and Thomas (2020) argue, such choices often emerge from instrumental rationales that privilege certain groups or issues over others.

At the same time, in the current climate of intensifying backlash, organization and HEIs are increasingly likely to prioritize palatable diversity groups who appear more connected to the power centres (e.g., women in leadership), while strategically distancing themselves from more politically sensitive dimensions like racial justice or LGBTQI+ rights to mitigate external friction. This strategic retreat from certain groups likely results in a critical misalignment between framing and DEI practice, where public-facing rhetoric is decoupled from actual resource allocation and policy implementation.

This environment creates several detrimental psychological and organizational effects. Dover et al. (2020) and Mor Barak (2015) highlight a dangerous side effect, in the sense that the mere presence of diversity initiatives creates a presumption of fairness among high-status groups. This leads dominant group members to believe that the organization is inherently equitable. Paradoxically, this mistaken perception of fairness makes actual discrimination more difficult to identify, report, or litigate (Posselt, 2016). For marginalized groups, shallow DEI efforts signal a lack of genuine commitment, triggering social identity threat. According to Dover et al. (2020), these inconsistencies transmit mixed signals that profoundly impact internal perceptions. When an organization or an HEI champions diversity in theory but retreats in practice, marginalized individuals likely perceive these inclusion signals as conditional. This sends a clear, if unspoken, message that their presence is valued only insofar as it does not challenge existing power structures or provoke controversy.

In the context of HEIs, for many marginalized faculty, this creates a performative environment where symbolic power remains imbalanced, and inclusion is only granted to those who fit within existing institutional norms. Indeed, marginalized individuals can report lower levels of belonging and higher turnover rates to the extent that faculty, students or employees in HEIs begin to view the institution's support as performative, or

what Kabigting (2026) describes as a compliance-based deficit model that focuses on avoiding litigation rather than empowering individuals. Finally, Allen et al. (2025) argues that the resulting misalignment between framing and practice functions as a negative signal that directly undermines individuals' sense of belonging.

Current organizational diversity efforts may create implicit hierarchies of attention and legitimacy, raising important questions about whom are organizations ultimately accountable to, and whose interests are recognized or neglected in contemporary DEI practices. This is particularly problematic in HEIs, where diversity of individuals and perspectives is central to the creation of knowledge (Oreskes, 2019). Moreover, diversity among academic staff plays an important role in providing role models for students and fostering inclusive learning environments.

Diversity *How*: reactive actions and camouflage

A final, critical question must be answered to understand the mechanics of contemporary institutional resistance: *Through what discourses and practices are organizations and HEIs implementing DEI?*

Currently, a growing and troubling trend across organizations is the strategic rebranding and linguistic camouflage of equity initiatives as university administrations attempt to navigate an increasingly polarized landscape of political and cultural controversy. To avoid "woke" labeling and mitigate external state-level or donor-driven attacks, many organizations are shifting their administrative vocabulary away from explicit justice-oriented goals toward neutral, risk-averse descriptors. In parallel, many firms are shifting their titles to neutral descriptors such as wellbeing, belonging, or organizational culture³. Roles previously titled "Head of DEI" are being transformed into "Head of Culture" or "Head of People," and in some extreme cases, institutions have permitted the word inclusion while explicitly banning the term diversity. The rollback is substantial even beyond the US: for instance, the number of Pride-related posts by large UK companies has dropped by 85% in 2025 compared to 2023.

Similar discursive shifts are also occurring within HEIs where rebranding initiatives are taking place at multiple levels. For example, the DEI Section of the American Accounting Association has been renamed the Engagement, Access, and Community Section, while all diversity-related content has been removed from the Association's website. Similar developments can be observed at the accreditation level. The Association to Advance Collegiate Schools of Business (AACSB), for instance, has replaced references to "diversity and inclusion" in its accreditation standards with "community and connectedness." These changes suggest a broader transformation in the discourse surrounding diversity, raising questions about the extent to which they are accountable for the discourses and practices.

The impact of the above-mentioned performative signals related to DEI, particularly in response to rankings and accreditation in higher education institutions, is profound (Ben Khaled & Chio, 2026). When institutions engage in such symbolic gestures without addressing the underlying stigma management experienced by marginalized staff, they exacerbate the sense of diversity dishonesty experienced by those on the margins.

³ <https://www.theguardian.com/world/2025/dec/22/revealed-how-big-businesses-are-rolling-back-public-support-for-pride>

With the notable exception of the United States where many HEIs have scaled back their diversity initiatives and positions, there are still few signs of institutional responses to the current political backlash against diversity. One notable exception may be Stand Up for Science⁴, although it appears to be more rooted at the grassroots level than at the institutional level.

Together, it emerges that the way organizations and HEIs are implementing DEI has undergone changes primarily in discourse. Terms related to diversity have become taboo and have been reworded, while it remains unclear whether the underlying practices have been maintained. It is interesting to notice that little resistance has emerged, except from grassroots associations in academia and through "wait-and-see" strategies outside the US.

Propositions: a call for accountability on DEI

To maintain legitimacy and, importantly, strengthen their accountability, organizations and HEIs must therefore rethink their approach to DEI and use this opportunity to build resilient, structural practices.

This shift was highlighted during a public event on 7 January 2026 at ESCP Business School's Paris campus, organized by the Leadership and Inclusive Management Institute. The forum brought together researchers such as Laure Bereni (CNRS); institutional leaders, including deans Léon Laulusa (ESCP Business School), Delphine Manceau (NEOMA Business School), Valérie Moatti (Gobelins Paris), and Éloïc Peyrache (HEC Paris); and professional representatives including Emilie Benayad (Venture Capital/Investment), Victor Roisin (Legal Expert/Lawyer), Patrick Scharnitzky (Observatoire de l'Inclusion), and Anne-Laure Thomas (L'Oréal) to emphasize that DEI is a collective, structural responsibility that cannot be reduced to isolated initiatives.

Based on the above questions on current DEI practices, as well as responses to social expectations and recent political backlash across organizations and higher education, and drawing on a synthesis of this high-level dialogue and recent scholarly evidence, we propose the following strategic mandates across structural and operational. Figure 1 provides a visual representation of the overall framework of actions which, building on the above reflections on DEI and accountability, develops recommendations across both structural and operational levels to make this shift in accountability pervasive and long-lasting.

⁴ <https://www.standupforscience.net/>

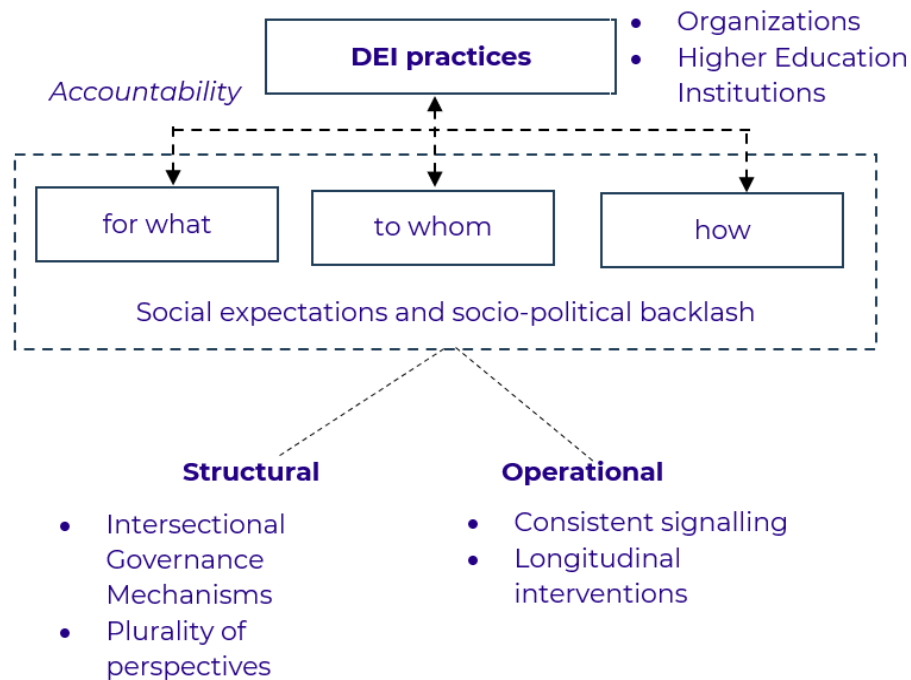


Figure 1: Accounting for DEI amid change

Structural axis:

1. Intersectional Governance Mechanisms

DEI responsibility must be distributed across the entire ecosystem, including investors, legal counsel, and senior leadership, rather than being siloed in HR.

- **Action:** Shift from a compliance-based deficit model to a Learning and Effectiveness model (Kabigting Jr., 2026). DEI must become a core competency integrated into daily organizational life. This involves leveraging DEI across strategy and governance, supported by longstanding strategic engagement to move beyond symbolic action. Academic leaders must evolve their structures into inclusive HEI and organizational frameworks that involve faculty, staff, and students in genuine, collective power-sharing dynamics. Crucially, this governance must be intersectional, which requires embedding intersectional metrics into faculty hiring networks to dismantle historical hierarchies alongside protected institutional pathways designed to elevate marginalized scholars.

2. Promotion of knowledge and plurality of perspectives

Organizations shall promote grassroots initiatives and value diversity groups to help diverse perspectives flourish:

- **Action:** Facilitate the emergence of new groups based on employees' and potentially stakeholders' shared identities and experiences, including those reflecting intersectional identities. This grassroots approach can ultimately foster broader collective engagement with DEI while making visible within organizations the diverse voices and perspectives emerging from employees and, more broadly, from stakeholders. In the HEIs context, DEI is a prerequisite for rigorous inquiry. Business schools must act as safe spaces for open, rigorous debate to contribute to societal depolarisation. Academia must demonstrate that a plurality of perspectives is essential

to challenge groupthink and uphold the bedrock of scientific validity (Oreskes, 2019). University administrations must explicitly support diversity as a core value for their activities. Accountability demands that current leaders serve as active advocates, dismantling environments where the historical prioritization of dominant demographics is falsely couched as normal, neutral, objective, and true.

Operational axis:

3. Leadership through consistent signaling, not "hushing"

While many firms are rebranding DEI as Wellbeing or Culture to avoid political heat and many under-pressure university boards are currently engaging in a tactical retreat, leaders must resist the urge to silence their commitments.

- **Action:** Endorse and actively support all diversity groups through the allocation of resources, inclusion in top management discourse, and organizational disclosure. Continue to sponsor initiatives across diversity groups also outside the organization. Maintaining DEI initiatives during periods of external political friction, organizations and HEIs send a robust, high-cost signal that inclusion is a non-negotiable, permanent core value.

4. Adopt longitudinal, skill-based interventions

The failure of "one-and-done" DEI workshops has fueled the virtue signaling narrative. Short-term compliance tracking yields temporary results that disappear rapidly and function as empty signifiers (Ben Khaled & Ghio, 2026).

- **Action:** Organizations (including HEIs) must replace one-off events with sustained development tracks. By investing resources over time into long-term infrastructure, organizations provide high-consistency signals that prevent stakeholder attributions of diversity dishonesty, transforming diversity from a performative administrative exercise into a deeply rooted institutional reality.

Conclusion

The question for 2026 is whether organizations are brave enough to remain accountable to the fairness they claim to uphold. To navigate the growing societal expectations and backlash around DEI, we argue that organizations must transition from reacting to the news to acting on our values through deep, cultural integration. This is especially important for HEIs, given their role in supporting democratic systems through the production of trustworthy knowledge grounded in diverse perspectives.

Organizational accountability on DEI in a volatile political landscape depends on DEI becoming more than a business case function. Rather, it must be woven into the very fabric of institutional identity and daily operational practices. By shifting from symbolic gestures to legitimacy-based practices, where framing is consistently aligned with discourses and longstanding engagement, organizations and HEIs can build a resilient infrastructure that survives external pressure. Ultimately, an accountable DEI approach ensures that it is treated not as a fair-weather trend to be silenced during backlash, but as an existential prerequisite for scientific rigor, and long-term democratic survival.

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