



the diversity movement
A Workplace Options Company



2025 Employee Engagement Trends & Predictions

Insights from The Diversity Movement's
work with clients in 2024

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At The Diversity Movement, a Workplace Options company, we have worked with hundreds of organizations in the past several years to build and strengthen employee engagement by connecting business outcomes to diversity, equity, and inclusion (DEI) initiatives. Our top priority remains helping our clients cultivate better workplaces for all employees. Here are some highlights of the work we completed with our partners in 2024:



Facilitated more than 125 training sessions



Completed 41 listening sessions



Led more than 50 one-on-one executive coaching sessions

As we do annually, we want to share the trends that we are seeing and our predictions for the coming year.



Latest Trends



Elections and political change were top of mind last year, as voters in more than 60 countries went to the polls. Across the globe, people expressed their frustration with rising prices and other economic issues by [turning on incumbent parties](#), which either lost elections or saw their power diminish.

In the United States, cultural divisions and partisan political messaging amplified feelings of uncertainty. According to a poll by Harris and the American Psychological Association, [69% of respondents](#) were anxious about the U.S. presidential election and more than two-thirds (77%) were worried about the future of the nation. Stress and discord crept into the workplace, leaving

leaders searching for ways to stay focused on business and help their teams protect their mental health. It's not surprising that our guidebook "[How to Discuss the Election \(Not Politics\) at Work](#)" was one of our most popular resources in 2024.

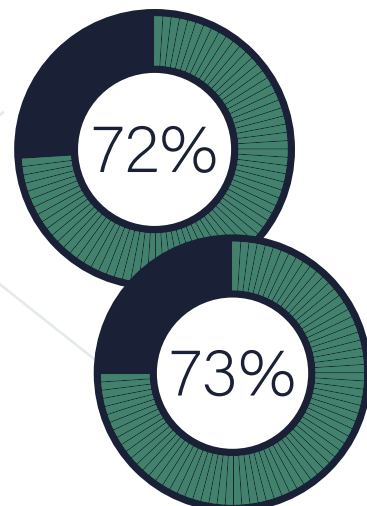
The impact of a second Donald Trump presidency is uncertain; however, we are confident that forward-thinking organizations will continue to invest in strategies that promote inclusion, center well-being, and benefit the bottom line. Other macro trends emerged over the past year, and they will continue to shape the business landscape and workplace culture in 2025. We highlight these indicators to provide you with the insights needed to plan strategy and set objectives:

01

Forward-thinking organizations are embedding diversity, equity and inclusion initiatives into their business strategies.

Vocal anti-DEI critics have targeted diversity-led programs, threatening consumer boycotts and legal action. The partisan, negative noise has fed DEI resistance in the business community, with several high-profile companies including [Walmart](#), [Meta](#), and [Lowe's](#) reducing DEI initiatives or eliminating programs altogether.

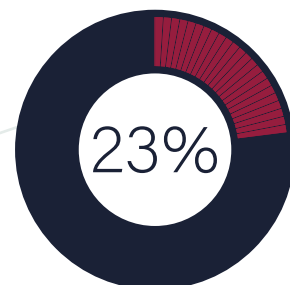
However, research supports our observations that most organizations remain committed to DEI, including top employers like [Costco](#). Of the 400 C-suite and HR leaders polled in the [2024 Bridge Partners' Inclusion Barometer](#), **72% expect to build their DEI programs in the next 24 months, and 73% say DEI is more important now than it was five years ago**. Likewise, our clients have reaffirmed their commitment to diverse and inclusive workplaces by investing in strategies that promote employee engagement, inclusive leadership, psychological safety, and professional development. These proven methods foster high-performing teams, insightful leaders and loyal employees.



02

Employee engagement, psychological safety and well-being continue to be top concerns for executive leadership.

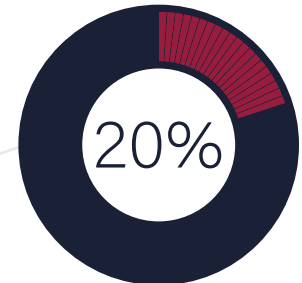
Mental health, work-life balance, and physical well-being are critical to employee and organizational success. Engaged employees are happier and more productive, yet in the latest research from [Gallup](#), **only 23% of global employees say they are engaged, costing the world economy roughly US \$8.8 trillion in lost productivity every year**. In addition, chronic stress can undermine employee engagement and performance, leading to burnout, absenteeism, and turnover. It's clear that wellness initiatives that promote [psychological safety](#) are an effective business strategy, improving workforce readiness and fostering engagement.



03

Clients want to move beyond DEI basics, seeking education and training that improve workplace culture, team effectiveness, and day-to-day operations.

Notions of diverse workplaces are expanding, with interest growing around different identities, such as generational diversity and [neurodiversity](#). Our clients want more than unconscious bias training; they want to know how to create better workplaces for all employees. **Generation Z now makes up roughly 20% of the workforce**, and this cohort approaches work much differently than previous generations.



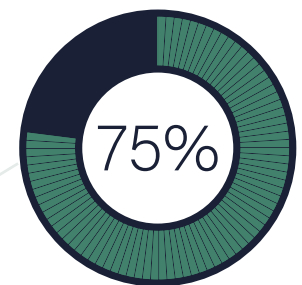
They expect more than a paycheck, seeking meaningful work with employers that value flexibility and career development. Among our clients, we have also seen greater awareness of neurodiversity and interest in creating psychologically safe workplaces where creativity and collaboration can thrive. According to the [World Economic Forum](#), “neurodiversity offers a vast, untapped resource of talent, creativity and innovation.”

04

Despite the high-profile in-office mandates, hybrid work is here to stay.

Amazon, AT&T, and other big employers announced stringent [return-to-office mandates](#) last year, many citing the impact of in-person collaboration on company culture. The efforts signal that the balance of power in the workplace is shifting back to employers. As it becomes [harder to find work](#), employees are more likely to accept jobs that require them to work in person, five days a week.

At the same time, organizations continue to offer flexible schedules, because they support employee engagement and retention. Employees also report greater well-being and a better work/life balance. Among [parents, caregivers](#), and [people with disabilities](#), hybrid work and flexible schedules also significantly boost retention. **According to a recent [Pew Research Center survey](#), 75% of U.S. adults are working remotely at least some of the time, and 46% of those workers say they would be unlikely to stay at their jobs if they couldn't work from home.**



05

Inflation and financial uncertainty remain top concerns.

Employees continue to worry about financial security after a year of [rising consumer costs](#) and limited compensation increases. These concerns can raise stress levels and lower employee morale. Instead of ignoring these issues, employers can sustain engagement and strengthen loyalty by responding with open dialogue and professional support. Showing empathy and being transparent about compensation decisions helps foster a trusted workplace. Opportunities for skill-building and career growth demonstrate a commitment to employees' long-term success, even when immediate raises are not feasible.

06

As the global workforce becomes increasingly interconnected, teams require the skills to communicate and collaborate across cultural divides.

Miscommunication and lack of cultural awareness can have serious financial and reputational consequences—from chronic inefficiency and unhappy clients to poor employee morale and high turnover. According to the [Swiss research firm Slator](#), multinational companies experienced **annual losses between €7 to €10 million due to project delays, misunderstood contracts, and failed negotiations**. To succeed in the global economy, companies must cultivate leadership approaches and communication strategies that bridge regional differences and support inclusive collaboration.



€7-€10
Million

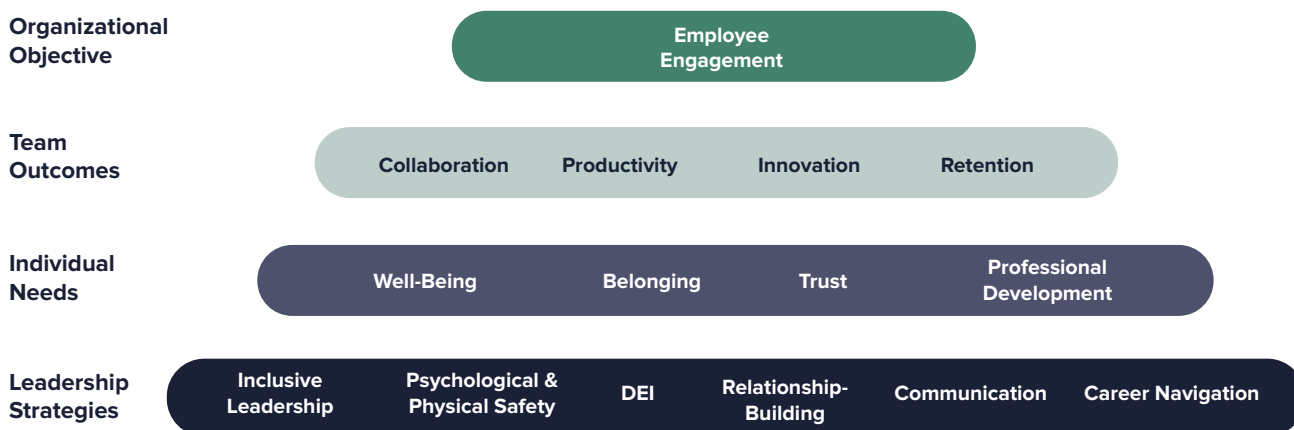
07

The impact of generative artificial intelligence (AI) continues to reverberate through the business environment.

Organizations are looking for ways to increase productivity and AI is one way to improve productivity and create new capabilities. AI is reshaping job requirements, demanding a workforce that blends technology skills with human-centered capabilities like emotional intelligence and problem-solving. Professional development, reskilling, and upskilling will be crucial as employees learn how to best use these tools. At the same time, companies must be transparent about their AI approach to avoid workforce anxiety.

2025 Predictions

For 2025 and beyond, we encourage a holistic approach to fostering workplace excellence, one that is focused on cultivating employee engagement. Defined as the involvement and enthusiasm of employees in their work and workplace, employee engagement is tightly linked to financial performance, customer satisfaction, and innovation. Along with our colleagues at Workplace Options (WPO), we have developed the [Employee Engagement Growth Model](#), which gives leadership teams the tools to achieve financial and business goals while also meeting the expectations of individual employees.



Employee Engagement Growth Model



Deep-rooted employee engagement leads to greater creativity, innovation, and an environment where people can be their authentic self in every aspect of their life.

Alan King
President and CEO, *Workplace Options*

When looking at the macro trends that shaped the past year, it's clear that an overarching focus on employee engagement, well-being, and psychological safety must shape business goals. Our predictions for the coming year, therefore include “win-win” strategies that support inclusion, team performance, and sustainable organizational success.



1

In workplaces where everyone feels included, diversity-forward initiatives must be integrated into business strategy and aligned with operational goals.

A year ago, we urged leaders to adopt a robust communications strategy along with their DEI programs: sharing success stories, redefining “diversity, equity and inclusion,” and aligning their initiatives with core business functions. As a real-world example, we are encouraged by the recent actions of [Costco’s Board of Directors](#), which urged shareholders to reject a proposal by the National Center for Public Policy Research (NCPPI) to study the potential risks of DEI. The board rejected the idea that diversity policies put the company at risk of lawsuits, and instead, stated that DEI practices and goals “enhance our capacity to attract and retain employees who will help our business succeed,” which has “rewarded our shareholders.” Costco’s pragmatic defense of DEI as an effective business strategy serves as a guide for other companies who want to communicate the benefits of cultivating an inclusive culture for all employees.

Employee Resource Groups (ERGs) and DEI Councils/Committees have emerged as powerful, yet cost-effective, mechanisms to drive workplace belonging, innovation, and employee engagement. Employee-led groups were a common response to the 2020 racial unrest, but many became little more than social clubs. While ERGs should be safe spaces for individuals to share personal experiences, we have seen that the most successful of these groups also have a business focus and a clear strategy to accomplish measurable goals. Once ERG leaders have the tools to move strategies forward, these groups can be powerful drivers of business impact and inclusion.

During our work with [bluebird bio](#), we saw the powerful business impact that ERGs and their leaders could have. With nearly 400 employees spread across 33 states, bluebird bio innovates therapies for severe genetic diseases. The company had a strong commitment to inclusion and wanted to further align its ERGs with the company's business goals and retention strategies. We partnered with bluebird bio to deliver the [ERG Leader Certificate Program](#), supported with resources from [TDM Library](#) and [MicroVideos](#). The training equipped leaders with the knowledge, skills, and confidence to drive significant changes within their ERGs and the organization.

“Strategically, I want to create more leaders that are women, LGBTQ+, and people of color, and that’s the bottom line. And I think that this work creates avenues for those leaders,” says **Andrea Walton**, Chief People Officer at bluebird bio. *“The ultimate goal is for everyone to go through this work with us, ERG leads, ERGs, leaders that are our allies. Growing leaders so that the biotech space looks like our communities and the country.”*

Empower Your Employee-led Groups with Actionable Insights and Strategies

With the right support, your ERG members, Council members, and DEI leaders can drive revenue, attract customers, and boost recruiting and retention. [TDM Library](#) and [MicroVideos](#) have the how-to guidance to help them move business strategies forward, and the [ERG Leader Certificate Program](#) provides tools to drive results.



2

To retain top talent and build high-performing teams, organizations must cultivate psychological safety, trust, belonging, and well-being. To create strategies that address the distinct needs of each workplace, actionable, accurate, and timely data is essential.

People-first strategies that promote employee engagement will continue to be a priority for market-leading organizations. Employees want to work in inclusive workplaces where their mental, physical and emotional health is a priority. Individual leaders can set the cultural tone for the organization by promoting initiatives that foster trust and feelings of belonging, ensuring all employees feel comfortable and productive at work.

Belonging and employee engagement are key outcomes of diversity, equity, and inclusion strategies. Proof of this link was especially strong during our most recent collaboration with longtime client Builders Mutual, a leading construction insurance provider based in Raleigh, North Carolina. In 2024, [Builders Mutual](#) and TDM launched the DEIB Exchange—a custom series of short [workshops](#) designed to provide employees with practical, accessible DEI education. The series exceeded attendance goals, and feedback was overwhelmingly positive, with 95% of employees rating the series favorably. Employees also reported changes in their day-to-day interactions, including being more mindful of their language and regularly checking in with colleagues.

In the company's 2024 Elements of Engagement survey, 85% of employees reported that the workplace was psychologically and emotionally healthy, and 92-97% said employees were treated fairly, regardless of race, age, gender, or sexual orientation. *"We've seen our belonging data go up,"* says **Kimberly Velazquez, Talent Acquisition & Engagement Manager**, referencing the survey. *"Our belonging scores have risen from the 70s to 80-81%, and a lot of that has to do with the initiatives we've implemented with TDM."*

Build Belonging and Inclusion with Data and Targeted Training

With [TDM Analytics](#), you get the data you need to measure employee engagement, identify areas of improvement, and track your organization's progress. TDM can help navigate specific challenges with a variety of virtual and in-person [workshops](#) for all levels of your organization—from leadership development for executives to foundational DEI topics for your entire workforce.

3

Inclusive leadership training remains critical for executives, especially those who lead multicultural teams in a global business environment.

The link between strong leaders and improved performance is undeniable. **Leaders and managers account for a staggering 70% of the variance in employee engagement—which is directly tied to better business results.** And we have found that the most effective way to improve employee engagement is by developing inclusive leadership skills and practices within an organization’s executive and senior leadership teams. Inclusive leadership is based on an empathetic and psychologically safe approach to leadership—and it has been shown to be [more effective](#) in engaging employees and producing better business results.

Cultural intelligence and [inclusive communication](#), two attributes of an [inclusive leader](#), equip executive teams with the tools to bridge cultural gaps; build strong, cohesive teams; and effectively navigate the complexities of a worldwide business landscape. By respecting everyone’s unique worldview, inclusive leaders can cultivate welcoming workplaces where people feel valued, included, and encouraged to contribute their best work. The resulting sense of belonging results in a more collaborative workplace and a healthier focus on employee well-being.

The benefits of inclusive leadership training were clear during our work with the leadership team at [Ullico](#), a client that provides insurance and investment solutions to labor organizations, investors, and employees. We used our groundbreaking inclusive leadership assessment, [TDM Leaderview](#), to gain valuable insights into each leader’s strengths and areas for development. Our engagement also included customized training, which helped leaders understand the importance of inclusive communication and language, fostering a more mindful and inclusive atmosphere.

Inclusive Leadership Drives Powerful, Cohesive Teams

Employee engagement hinges on capable leadership, especially in a global business environment. The [Inclusive Leadership Certificate Program](#) and [Inclusive Leadership coaching](#) can help leaders at all levels develop the skills to boost team effectiveness, while the [Powerful Pronunciation](#) and [Inclusive Listening](#) workshops can reduce misunderstandings and drive stronger multicultural teams.

In Summary

Organizations and their leadership teams understand that policies and procedures that boost diversity, equity, inclusion, and belonging also increase retention, productivity, and long-term financial success. Astute executives will increasingly prioritize and invest in culture-building strategies, broadening their focus to encompass holistic employee engagement rather than concentrating exclusively on DEI initiatives.



Leaders want to do the work, but they don't want to be in the news.

Donald Thompson
CEO, *The Diversity Movement*



We have seen the transformational effects of our work on individuals, leadership teams and throughout large organizations. Even when our engagements end, the impact of our work continues to ripple and spread. A few months ago, we were invited to attend a conference hosted by one of our clients. We discovered that a presentation we gave in 2023 had inspired the company to revise its forms to use more inclusive language. Stories like this remind us that we are making a difference. As we continue to meet our clients where they are, we look forward to helping leaders cultivate inclusive workplaces where everyone can thrive.

About The Diversity Movement

The Diversity Movement (TDM), a Workplace Options company, helps organizations drive growth through culture-led initiatives that lead to enhanced well-being, belonging, and trust. By helping leaders and their teams be more productive, collaborative, and innovative, TDM enables organizations to deepen employee engagement and deliver scalable business impact. Our integrated approach empowers leaders to create inclusive culture through the application of data-informed insight, award-winning content, technology, and DEI expertise. The result? Your organization benefits from better business outcomes delivered by high-performing, resilient teams. Learn more at thediversitymovement.com.