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## **An Examination of How Early DEI Policies Have Shaped Current Corporate DEI Practices and Programs**

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### **Abstract**

In recent years, diversity, equity, and inclusion (DEI) practices, programs, and policies have become very prevalent and routine in corporate America. Many companies have tried to create a more welcoming and inclusive environment for their employees because of the potential benefits of these initiatives. Companies implementing DEI within their business could experience higher revenue and profits, higher company morale, greater diversity of ideas, views, and opinions, and an enhanced appeal to potential employees. This research paper aims to analyze and explain how early DEI policies have affected corporate DEI practices and programs today. By researching and examining statistics, documents, and research articles, this study will describe the evolution of the earliest DEI policies in the US. I will specifically focus on three early DEI policies, including the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and affirmative action. These three early initiatives have been key to the fundamental goal of diversifying the workforce and creating equal opportunity for all. This paper will provide insights into the past, present, and future of DEI in the corporate world by analyzing the causes and effects of the earliest DEI policies. The findings of this study can be utilized by corporations, the US government, and employees to achieve the goal of fostering inclusive and equitable environments that benefit employees, businesses, and society as a whole.

## **An Examination of How Early DEI Policies Have Shaped Current Corporate DEI Practices and Programs**

Injustice and discrimination have always existed. People have been wrongly judged based only by their social class, socioeconomic status, ethnicity, race, gender, religion, and sexual orientation. Change was required to level these imbalances. The diversity, equity, and inclusion (DEI) movement was formed in the 1960s to remedy such injustices. DEI has “its roots in the 1960s civil rights movement” and focused on recognizing the achievements of racial and ethnic minorities (Edmunds and Lind 1). Diversity, equity, and inclusion are often grouped together because of their apparent similarities. Although they may seem similar, they have very significant differences that should first be acknowledged. According to Lisa Dunn’s article, diversity is defined as acknowledging all the ways people differ. Although equity is commonly interchanged with equality, there are key differences between the two: “where equality is a system in which each individual is offered the same opportunities regardless of circumstance, equity distributes resources based on needs” (Dunn). Inclusion takes diversity a step further; it is the actual act of welcoming and supporting all individuals.

Now that diversity, equity, and inclusion have been properly defined, discussing DEI specifically in corporate America is necessary. Although the DEI movement began in the 1960s, DEI in corporate America gained popularity in the 1980s when most big employers had hired equal opportunity managers and the creation of workshops, programs and special groups began for women and minorities. (Dobbin et al. 23). Back then, the main focus was to increase the number of women in top jobs (Williams et al. 440), as “women in senior leadership are 60% more likely to provide emotional support to employees and 24% more likely to ensure their teams’ workloads are manageable” (Berg and Miller 2). With more women choosing to work, there was a need for more representation in senior positions. Currently, DEI in the workplace is a much bigger umbrella term for various programs, positions, and policies that companies enforce to create a more diverse and inclusive environment. However, these programs, positions, and policies could not have been created without the foundational framework of early DEI policies in the 1960s. Therefore, this research paper analyzes the effects of early DEI policies, including the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and affirmative action in modern business. To ensure the longevity of DEI in the workplace, it is important to understand past initiatives’ problems, challenges, and successes.

There are plenty of benefits to implementing DEI in a company. Hiring employees from diverse backgrounds can increase profits, reduce turnover, and increase employee productivity, creativity, and innovation (Williams et al. 440). Although many companies take actionable steps to ensure all employees feel welcomed, others include DEI to sound more appealing to consumers. Because DEI is currently such a hot topic of discussion, some companies feel pressured to add something relevant to DEI on their websites, advertisements, and other materials to merely keep up with other companies. The facade of DEI often misleads individuals who view these companies from the outside, which could be especially harmful to prospective employees looking to work in an inclusive and welcoming environment. More recently, because of these illusions, the term DEI in corporate America has started to lose credibility and traction from various industries such that “American workers are split on the importance of a diverse workforce, surveys find” (Chen and Weber). As a result, companies put less money every year into DEI programs and positions. A recent article stated, “In the wake of George Floyd’s murder in police custody in May 2020, companies scrambled to hire chief diversity officers, changing the face of the C-suite” (Chen and Weber). Today, CDOs are quitting or getting laid off due to the

decreasing budget and lack of control. In a survey of 138 diversity executives, 82% said they had sufficient influence to do their job, down 6% from 2022 (Chen and Weber). Many individuals working in corporate America do not know what role diversity, equity, and inclusion efforts will play in the future.

### **Commissions and Committees**

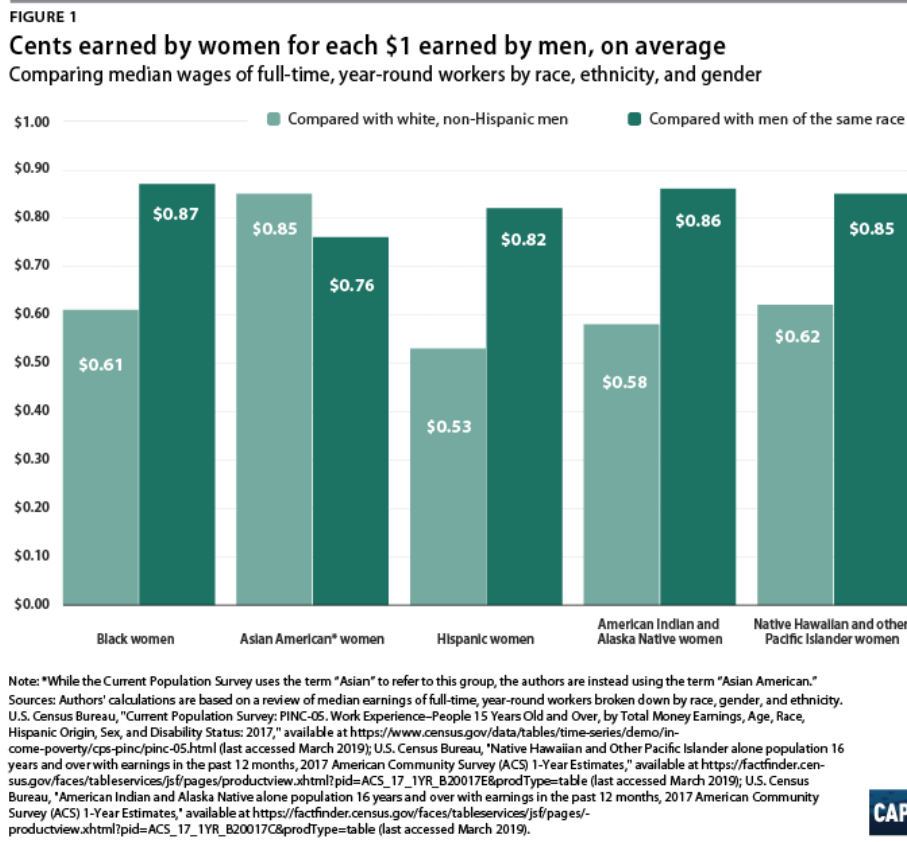
A specific US commission, the Equal Employment Opportunity Commission (EEOC), aids in creating and establishing many early and current DEI laws. The EEOC was established to protect all individuals in the workplace by enforcing laws to limit discrimination based on race, color, religion, and sex. Unfortunately, before 1963, employees were not protected during the hiring process, from wrongful termination, or from discrimination due to their identities (Maness and Conway-Klaassen 41). However, since its establishment, the EEOC has become the primary enforcer of employment discrimination law in the United States for decades. The EEOC has played a part in enacting the Equal Pay Act, the Civil Rights Act, and the Pregnancy Discrimination Act (U.S. Equal Employment Opportunity Commission). The EEOC continues to play a significant role in fighting for the rights of millions of working Americans.

### **Equal Pay Act of 1963**

The Equal Pay Act of 1963 was one of the very first DEI laws created to fight the wage discrepancy, mainly between men and women. The Equal Pay Act, signed by President John F. Kennedy, prohibited discrimination on account of sex in the payment of wages by employers engaged in commerce or the production of goods for commerce (U.S. Equal Employment Opportunity Commission). Women are known to earn less money than men even though they are working the same job. Wage secrecy, the impracticality of suing, and the strength of current laws are just a few reasons this continues (Maness and Conway-Klaassen 39). Research found that in 2014, women working full-time earned only 79 percent compared to what the man earned working full-time. African American and Latina women faced larger pay gaps; African American women earned 64 cents and Latina women earned 56 cents for every dollar earned by a white non-Hispanic man (Merluzzi). The figure below, from the Center for American Progress, breaks down each race, ethnicity, and gender and their median wages in 2019, where racial/ethnic and gender wage disparities are evident.

Unfortunately, the Equal Pay Act of 1963 has not entirely served its purpose in corporate America as President Kennedy hoped. Although this is a federal law, there continues to be an ongoing and obvious wage discrepancy. However, there are some positives within individual companies striving to create DEI in their businesses. In 2016, 28 companies signed President Obama's Equal Pay Pledge to share their commitment to equal pay (Merluzzi). Some of these companies include Amazon, American Airlines, Spotify, and Pepsi. With an increasing number of women and minorities working, these companies have promised to support gender and racial balance and work towards equal pay for all.

Multiple organizations have been created outside of individual businesses to fight wage discrimination in America. Founded in 1974, the Equal Rights Advocates (ERA) organization is one of the earliest examples. Today, the ERA includes not only men and women but also the LGBTQ+ community. The ERA fights unequal workplace pay by helping enact civil rights laws and providing free legal help to those in need. Not only do they focus on equal pay, but they also advocate for ending sexual harassment in the workplace.



### Title VII of the Civil Rights Act of 1964

Title VII of the Civil Rights Act of 1964 is considered the most important equal opportunity law enacted because it prohibits discrimination based on skin color, religion, gender, or national origin (Etools4Education). During Kennedy’s presidency, he advocated for and announced major civil rights legislation at the request of civil rights leaders across America (National Parks Service). After President Kennedy’s assassination, President Lyndon Johnson ensured that the Civil Rights Act would take effect immediately after it passed through Congress. The Minnesota Journal of Law and Inequality has concluded that between 1967 and 1984, Title VII’s enforcement narrowed the sex differential in earnings by 7.1%. Although this number may seem insignificant, these types of DEI policies are designed to last a very long time and develop with the changing society and views.

Many individuals today view Title VII of the Civil Rights Act as somewhat effective over the 60 years it has been in place. In response to Title VII of the Civil Rights Act, many companies have created special programs designed to eliminate discrimination and stereotypes in the workplace. Companies in the 80s and 90s also used Title VII to “protect against and settle civil rights suits” (Vaughn). Almost every major company in America has adopted programs such as mentoring programs, affinity groups/employee resource groups (ERG), and diversity training. Starting in the 1980s and continuing into the 1990s, businesses expanded to include other identity groups, such as religious and LGBTQ+ groups (Vaughn). Mentoring programs were created to connect senior and junior employees with the same attributes and characteristics, such as race, ethnicity, and religion, and to uplift and support one another within the company.

Mentoring programs and diversity managers are primarily successful in increasing the number of women and minorities working (Dobbin et al. 26).

Although affinity groups serve the same purpose as mentoring programs, they have not been perceived as successful. Affinity groups can create an unwanted culture of discrimination for individuals who feel left out of a particular group, which can cause workplace friction and tension. In 2007, Frank Dobbin and colleagues wrote that hiring a diversity manager or creating a task force is one of the most effective ways to promote DEI within a company. Today, “the number of CDO searches is down 75% in the past year,” and demand is the lowest in 30 years (Chen and Weber). This demonstrates how up and down and volatile some DEI trends can be in the workplace over time.

### **Affirmative Action**

In 1961, President Kennedy signed Executive Order 10925 to show the government’s commitment to equal opportunity for all employed Americans. Specifically, “Affirmative action is defined by [...] the obligation on the part of the contractor to take action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or status as a protected veteran” (U.S. Department of Labor). Affirmative action in schools and universities has also become widely controversial due to the recent Supreme Court rulings and “remains a highly contentious political issue and debate topic” (Tomar).

Since being enacted, affirmative action has taken many forms in businesses, schools, universities, and other organizations and has seen a rise in favorability (58%) over the years among people of color and other minorities (Just Great Lawyers). Women and other racial and ethnic minorities like Black and Native Americans have experienced major success from affirmative action in education and the workplace. Between 1973 and 2003, the employment share increased from 4.7 to 5.8 percent for Black women and 2.1 to 4.4 percent for Hispanic women (Kurtulus 1). In addition to hiring practices, affirmative action uses various methods to promote equal opportunity, such as trainings, outreach, and equal pay policies (Ferguson). Employers have utilized training programs specifically to combat workplace discrimination and bias. Managers or other employees typically participate in training programs to learn how to eliminate bias and stereotypes when hiring new employees and create an inclusive, welcoming environment for all existing employees. However, training programs have not been perceived as successful because these trainings often do not have the proper amount of time allocated to them, and many individuals see them as a one-time event that they will ultimately forget about (Eleven Recruiting). After the 2023 Students for Fair Admissions v. President and Fellows of Harvard College Supreme Court ruling, there have been major concerns for the future of Corporate America. Some of the largest companies, including G.M. and Meta, have argued that the elimination of affirmative action will make it harder to build diverse workforces. (Ross Sorkin et al.).

Affirmative action in the workplace remains a complex and contentious issue that continues to spark debate among policymakers, scholars, and the general public. While it has made significant strides in promoting diversity and addressing historical inequalities, it also faces criticism for potential reverse discrimination and concerns about its effectiveness.



## Conclusion

These initiatives formed in the 1960s have profoundly shaped society's progress on diversity, equity, and inclusion. While these multifaceted laws have not done nearly enough to ensure DEI within the workplace, there have been countless positives that have stemmed from these early policies. They have not only fostered a more inclusive environment for all American employees but also challenged and brought to light the inequities in the outdated systems and structures of Corporate America.

Over the decades, the Equal Pay Act of 1963 has paved the way for greater economic fairness, providing a legal framework to challenge pay discrimination based on gender. While progress has been made, challenges persist, and there is still work to be done to fully close the gender pay gap. Title VII has not only opened doors of opportunity for countless individuals who were previously marginalized but has also played a vital role in shaping corporate culture and promoting diversity and inclusion in the workplace. Creating multiple programs and positions has been hit or miss but still proves many companies' commitment to creating an inclusive environment. While affirmative action was designed to eliminate bias in the workplace, it has evolved to include other organizations, mainly top-tier universities. The Supreme Court decision will no doubt affect and change the way Corporate America structures its DEI efforts.

These policies were created in response to the demand for change in the workplace. Women and minorities especially have been fighting the uphill battle of discrimination and bias for decades. Continued dedication to evaluating, refining, and implementing DEI policies is vital for Corporate America to move closer to the goal of fostering inclusive and equitable environments that benefit employees, businesses, and society as a whole.



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