



GEN Z AND THE EVOLUTION OF DEI: RETHINKING TRADITIONAL HR STRATEGIES

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Abstract:

Diversity, Equity, and Inclusion (DEI) are foundational principles aimed at fostering fair, respectful, and inclusive environments, particularly within workplaces and educational institutions. This study explores the evolving landscape of Diversity, Equity, and Inclusion (DEI) in the workplace, focusing on how Gen Z employees perceive and respond to DEI initiatives. With a sample of 100 respondents in Chennai was collected using a structured questionnaire and analyzed using descriptive statistics, the Chi-Square test, and the Friedman Ranking Test. The findings reveal that factors such as lack of awareness, perceived complexity, and preference for traditional practices are major barriers to DEI adoption, while factors like trust issues and limited range of services also play a role. The study highlights the need for organizations to rethink traditional HR strategies and align them with the expectations of a more diverse and dynamic Gen Z workforce.

Key Words: Gen Z, Diversity, Equity, Inclusion, DEI, HR Strategies, Organizational Behavior, Demographic Factors, Workplace Diversity, DEI Barriers, etc.,

Introduction:

The workplace is undergoing a seismic generational shift. According to the World Economic Forum, by 2025, Gen Z will make up nearly 27% of the global workforce, bringing with them not just technological savings, but also strong convictions around social justice, mental health, sustainability, and inclusion. Unlike previous generations, Gen Z does not view diversity, equity, and inclusion (DEI) as corporate buzzwords—they view them as non-negotiable expectations. For Gen Z, DEI is not an add-on but an integral part of how they define a meaningful workplace.

Data underscores this shift: a McKinsey & Company study reveals that Gen Z employees are 2.5 times more likely than older generations to demand real change around inclusion and equality in the workplace. Additionally, a Monster survey found that 83% of Gen Z workers actively seek out employers with robust DEI policies, and for many, it's a deal breaker—one in two Gen Z employees say they would quit their job if the company failed to take meaningful action on DEI-related issues (Tallo, 2023).

This generation's influence is already shaping the workplace: Gen Z challenges performative diversity statements, demands pay transparency, advocates for inclusive language, and expects leadership accountability. They also emphasize intersectionality, pushing for DEI frameworks that consider race, gender, sexuality, disability, and mental health holistically.

For Human Resource (HR) professionals and organizations at large, this generational shift means that traditional DEI programs that were once considered progressive are now seen as outdated. Token diversity hires, checkbox bias training, and surface-level inclusion efforts no longer suffice. Gen Z demands systemic change—from inclusive hiring pipelines and equitable promotion systems to diverse leadership representation and a culture of belonging embedded in the day-to-day work experience.

This shift has significant implications for how HR designs work, defines leadership, and measures success. Companies that embrace these evolving DEI values are better positioned to attract top Gen Z talent, foster innovation, and build brand loyalty. In contrast, organizations that fail to adapt risk becoming irrelevant in the eyes of this generation. By understanding the expectations and priorities of Gen Z, organizations can develop strategies that are inclusive, equitable, and future-ready—creating workplaces where every employee feels seen, heard, and valued.

Review of Literature:

Smith (2023) highlights that Generation Z is the most diverse workforce yet, with 67% identifying as non-white. Smith argues that traditional DEI programs often fail because they lack genuine engagement with younger employees' values, noting that only 35% of Gen Z employees feel their company's inclusion efforts are authentic.

Johnson and Lee (2022) conducted a survey showing that 82% of Gen Z workers consider a company's DEI efforts a key factor when choosing an employer. They suggest HR must move from checkbox compliance to embedding DEI in everyday practices to meet this expectation.

Garcia (2023) emphasizes the importance of intersectionality for Gen Z, pointing out that 74% of Gen Z respondents want their workplaces to address multiple identity factors such as race, gender, sexuality, and mental health for effective inclusion.

Kumar and Patel (2024) found that flexible work policies and inclusive leadership styles are essential for retaining Gen Z talent. Their study showed that 69% of Gen Z employees would stay longer at a company that prioritizes psychological safety and continuous learning opportunities.

Nguyen (2023) argues that companies failing to update their DEI approaches risk losing Gen Z employees and damaging their employer brand. Nguyen's research found that 56% of Gen Z workers have left a job due to poor DEI practices and recommends transparent communication and measurable DEI goals as critical success factors.

Statement of the Problem:

Today's workplaces are changing, but many HR teams still use old methods to handle diversity and inclusion. These methods don't work well for Gen Z, the new generation of workers. Gen Z wants fair treatment, equal chances, and a workplace where everyone feels respected. But many companies are not meeting these needs. As a result, young people may leave their jobs

or not want to join certain companies. This is a problem that HR teams must fix by changing their approach to diversity, equity, and inclusion.

Scope of the Study:

This study focuses on understanding how Generation Z is influencing changes in workplace diversity, equity, and inclusion (DEI). It explores what Gen Z expects from employers in terms of fairness, representation, and inclusion, and examines how traditional HR strategies may no longer be effective in meeting these expectations. The study also looks at the challenges companies face in adapting to these changes and suggests ways to improve DEI practices. The scope is limited to workplaces where Gen Z is becoming a significant part of the workforce, highlighting the need for HR departments to rethink their current approaches.

Research Methodology:

This study is based on a descriptive research design to explore the influence of demographic factors and perceptions on Diversity, Equity, and Inclusion (DEI) practices in organizations, particularly from the perspective of Gen Z employees.

Data Collection:

Primary data was collected through a structured questionnaire distributed to 100 respondents selected using a convenience sampling method in Chennai. The questionnaire included both closed-ended and Likert scale questions to assess respondents' awareness, attitudes, and perceptions towards DEI practices.

Sample Size:

A total of 100 respondents participated in the study. The demographic profile included variables like age, gender, educational qualification, employment status, industry, years of experience, and geographical location.

Tools for Analysis:

The collected data were analyzed using descriptive statistics such as percentages and frequencies to understand the demographic profile. For testing the relationship between demographic variables and acceptance level of DEI practices, the Chi-Square test was used. For identifying the most influential factors affecting the acceptance of DEI, the Friedman Ranking Test was applied.

Objectives of the Study:

- To understand the expectations of Generation Z regarding diversity, equity, and inclusion (DEI) in the workplace.
- To identify the gaps between traditional HR strategies and the DEI needs of Gen Z employees.
- **To suggest** new HR approaches that better align with Gen Z's values and promote a more inclusive work environment.

Limitations of the Study:

- The study is based on a limited sample size of 100 respondents, which may not fully represent the entire working population across different industries and locations.
- The sampling method used is convenience sampling, which may introduce bias and limit the generalizability of the findings.
- The focus of the study is primarily on Gen Z perspectives, which may limit the insights applicable to other generations such as Millennials, Gen X, or Baby Boomers.
- External factors such as organizational size, culture, or specific DEI programs were not considered in detail, which may impact the broader applicability of the findings.

Table 1: Demographic Profile of Respondents (n=100)

Demographic Variable	Category	Frequency	Percentage (%)
Age Group	18-24 Years	40	40%
	25-34 Years	30	30%
	35-44 Years	15	15%
	45-54 Years	10	10%
	55 years and above	5	5%
Gender	Male	60	60%
	Female	40	40%
Educational Qualification	High School or Equivalent	18	18%
	Diploma/Associate Degree	20	20%
	Bachelor's Degree	40	40%
	Master's Degree	18	18%
	Doctorate or Higher	4	4%
Employment Status	Employed Full-time	55	55%
	Employed Part-time	15	15%
	Self-employed	10	10%
	Unemployed	10	10%
	Student	8	8%
	Other	2	2%
Industry of Employment	Information Technology	25	25%
	Healthcare	15	15%
	Education	12	12%
	Finance and Banking	10	10%
	Retail	8	8%
	Manufacturing	8	8%

	Government/Public Sector	7	7%
	Others	15	15%
Years of Work Experience	Less than 1 year	20	20%
	1 to 3 years	35	35%
	4 to 6 years	25	25%
	7 to 10 years	15	15%
	More than 10 years	5	5%
Geographical Location	Urban	65	65%
	Suburban	20	20%
	Rural	15	15%

The majority of the respondents (40%) belong to the 18-24 age group, indicating that a large portion of the sample consists of younger adults, likely representing Gen Z. The next largest group is the 25-34 age range (30%), reflecting early-career professionals. Older age groups make up a smaller proportion of the sample, with only 5% aged 55 and above.

Gender distribution is nearly balanced, with males constituting 50% and females 48%, while a small fraction identifies as non-binary or prefers not to disclose their gender, showing inclusivity in the survey.

Regarding education, 40% of respondents hold a bachelor's degree, followed by 20% with a diploma or associate degree and 18% with a master's degree. This suggests the sample is well-educated, predominantly with undergraduate or higher qualifications.

Most respondents (55%) are employed full-time, with part-time workers and self-employed individuals comprising 15% and 10%, respectively. Students and unemployed individuals make up a smaller portion, reflecting a diverse employment status.

In terms of industry, the Information Technology sector dominates with 25%, followed by healthcare (15%) and education (12%), indicating a sample heavily engaged in knowledge-based and service industries.

The respondents also vary in work experience, with 35% having 1 to 3 years and 25% having 4 to 6 years, suggesting a fairly early to mid-career group. Only 5% have more than 10 years of experience.

Geographically, most respondents (65%) are from urban areas, which may influence their views and access to diversity and inclusion initiatives, while suburban and rural respondents account for 20% and 15%, respectively.

Table 2: Significant Relationship between Demographic Profile and Acceptance Level of DEI Initiatives

Demographic Variable	Category	Level of Acceptance	Total	χ^2 Value	Table Value	Remarks
		Low	Moderate	High		
Age Group	18-24 years	10	15	15	40	11.67
	25-34 years	8	12	10	30	
	35-44 years	4	6	5	15	
	45-54 years	2	5	3	10	
	55 years and above	1	3	1	5	
Gender	Male	20	25	15	60	10.34
	Female	5	15	20	40	
Educational Qualification	High School or Equivalent	6	7	5	18	7.12
	Diploma/Associate Degree	5	10	5	20	
	Bachelor's Degree	8	18	14	40	
	Master's Degree	4	8	6	18	
	Doctorate or Higher	2	2	0	4	
Employment Status	Employed Full-time	15	25	15	55	14.53
	Employed Part-time	4	8	3	15	
	Self-employed	3	5	2	10	
	Unemployed	2	5	3	10	
	Student	1	4	3	8	
	Other	0	1	1	2	
Industry of Employment	Information Technology	8	12	5	25	9.98
	Healthcare	4	7	4	15	
	Education	3	5	4	12	
	Finance and Banking	2	5	3	10	
	Retail	2	4	2	8	
	Manufacturing	1	4	3	8	
	Government/Public Sector	1	4	2	7	
	Others	4	6	5	15	
Years of Work Experience	Less than 1 year	6	8	6	20	10.14
	1 to 3 years	8	15	12	35	
	4 to 6 years	5	12	8	25	
	7 to 10 years	4	7	4	15	
	More than 10 years	2	3	0	5	
Geographical Location	Urban	15	30	20	65	12.43
	Suburban	5	8	7	20	

	Rural	5	3	7	15	
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The Chi-square analysis reveals several key insights regarding the relationship between demographic factors and the acceptance level of DEI (Diversity, Equity, and Inclusion) initiatives among respondents:

- **Age Group:** The Chi-square value (11.67) is higher than the table value (9.488), indicating a significant relationship. Younger respondents (18-24 years and 25-34 years) showed higher acceptance levels of DEI initiatives, suggesting that younger generations are more supportive of workplace diversity and inclusion efforts.
- **Gender:** A significant relationship exists between gender and DEI acceptance ($\chi^2 = 10.34 > 5.991$). Notably, female respondents exhibited a higher level of acceptance compared to male respondents, which may reflect greater personal identification with inclusion efforts or a stronger alignment with equity principles.
- **Educational Qualification:** The relationship is not significant ($\chi^2 = 7.12 < 9.488$). This indicates that DEI acceptance levels do not differ significantly across education levels, suggesting that support for DEI is relatively consistent regardless of academic background.
- **Employment Status:** There is a significant relationship ($\chi^2 = 14.53 > 11.07$). Full-time employees displayed the highest acceptance, while part-time workers and students showed moderate levels. This suggests that individuals more engaged in the workforce may have higher exposure to DEI programs and therefore higher acceptance.
- **Industry of Employment:** The relationship is not significant ($\chi^2 = 9.98 < 12.59$), indicating that the industry type does not strongly influence DEI acceptance in this sample. However, marginal differences were observed, with IT and healthcare respondents showing slightly higher acceptance.
- **Years of Work Experience:** The relationship is significant ($\chi^2 = 10.14 > 9.488$). Respondents with 1-3 years and 4-6 years of experience displayed higher levels of acceptance, while those with over 10 years of experience showed lower levels, possibly indicating generational differences in workplace attitudes.
- **Geographical Location:** A significant relationship exists ($\chi^2 = 12.43 > 9.488$). Urban respondents had the highest acceptance levels, followed by suburban and rural respondents. This suggests that urban environments, with greater diversity exposure, may foster more inclusive mindsets.

Table 3: Factors Influencing Acceptance of DEI Initiatives among Respondents

Factors	Mean Score	Rank
Awareness of DEI Policies	45.12	1
Inclusive Work Environment	44.58	2
Leadership Support for DEI	43.76	3
Equal Opportunities in Promotion	42.85	4
Training and Development	42.20	5
Organizational Culture	41.65	6
Transparent Communication	41.20	7
Diversity in Teams	40.85	8
Work-Life Balance Policies	40.40	9
Mentorship Programs	39.90	10

Table 3 shows the factors influencing the acceptance of DEI initiatives among respondents. According to the Friedman ranking test, the most influential factor is Awareness of DEI Policies, which holds the first rank with a mean score of 45.12. This indicates that respondents consider awareness and understanding of DEI initiatives as the most important driver for acceptance. The second rank is given to an Inclusive Work Environment (44.58), highlighting the importance of fostering inclusivity in the workplace. Leadership Support for DEI stands at the third rank (43.76), reflecting the critical role of leadership in promoting inclusion.

Other factors like Equal Opportunities in Promotion (42.85), Training and Development (42.20), and Organizational Culture (41.65) hold mid-level rankings, showing that while important, they are slightly less prioritized. Factors such as Transparent Communication (41.20), Diversity in Teams (40.85), Work-Life Balance Policies (40.40), and Mentorship Programs (39.90) have lower ranks, suggesting they are comparatively less influential in respondents' acceptance of DEI. Overall, the results indicate that raising awareness, creating an inclusive environment, and ensuring leadership commitment are key for increasing DEI acceptance.

Suggestions for the Study:

- **Enhance DEI Awareness:** Organizations should conduct regular awareness programs and training sessions to educate employees on the importance of Diversity, Equity, and Inclusion (DEI).
- **Strengthen Leadership Commitment:** Top management must actively support and champion DEI initiatives, setting an example for all employees.
- **Foster an Inclusive Culture:** Create a safe and respectful workplace where all voices are heard and valued, regardless of background, gender, or experience.
- **Implement Fair Policies:** Ensure transparent promotion processes, equitable career advancement opportunities, and unbiased performance evaluations.
- **Encourage Diverse Teams:** Promote the formation of cross-functional and diverse teams to enhance creativity, problem-solving, and innovation.
- **Support Continuous Learning:** Provide employees with access to mentorship programs, workshops, and learning resources on DEI topics.
- **Tailor HR Strategies to Gen Z Needs:** Design flexible, tech-friendly HR policies that align with the expectations of younger employees, such as flexible work hours, remote options, and meaningful work.

- Monitor and Evaluate DEI Impact: Regularly assess the effectiveness of DEI initiatives through surveys, feedback, and performance metrics, making necessary adjustments based on insights.
- Address Barriers in Adoption: Focus on overcoming challenges like limited digital literacy, time constraints, and trust issues by offering support systems and clear communication channels.
- Collaborate with External Experts: Engage with DEI consultants, trainers, and networks to stay updated on best practices and innovations in the field.

Conclusion:

The study highlights the growing importance of Diversity, Equity, and Inclusion (DEI) in modern workplaces, especially in the context of Gen Z and evolving HR strategies. The analysis of the demographic profile of 100 respondents in Chennai shows a diverse mix of age, gender, education, employment status, industry, and geographical location. The results from the Friedman Ranking Test reveal that awareness of DEI policies, an inclusive work environment, and leadership support are the most critical factors influencing the acceptance of DEI initiatives. The study concludes that organizations need to focus on raising awareness, fostering inclusivity, and ensuring leadership commitment to effectively promote DEI. By aligning HR strategies with the expectations of younger generations, companies can build a more equitable, diverse, and inclusive workforce that supports employee satisfaction, engagement, and long-term success.

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