



Coalition for Racial & Ethnic Equity in Development (CREED) Learning Hub: Component Four - Accountability

Introduction

CREED's Learning Hub is dedicated to sharing information and experiences related to implementing the five **Racial and Ethnic Equity** (REE) [pledge components](#) to enable our members to operationalize and advance REE in their organizations. Component Four of the pledge focuses on the implementation of REE commitments through the measurement of progress in concrete ways and regular reporting both internally and externally in organizations.

The information included in this report was gathered from various sources that touched on the Component's three main research questions:

1. What is the **theory of change** for increasing racial and ethnic diversity in our organizations?
2. What **structures/ resources/ systems/ tools/ processes** need to be in place to promote accountability for racial and ethnic equity (and DEIA more broadly)?
3. What **metrics** are we using now for accountability and what data are we collecting against those metrics?

Note that inclusion of resources within this report does not constitute endorsement by CREED.

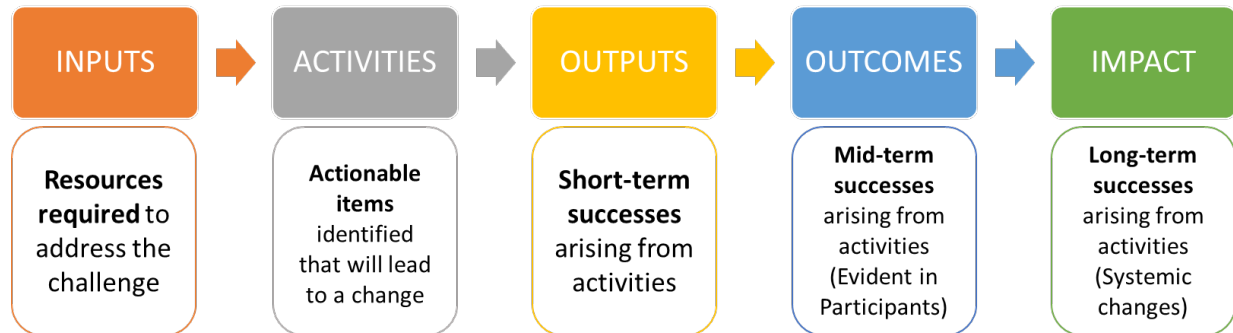
Why is Accountability Necessary?

In spite of the renewed and urgent call to address the systemic, structural, and personal impact of racism and neo-colonialism sparked by the murder of George Floyd in 2020 and the #BlackLivesMatter movement, there remain serious gaps in the *representation and participation* of different groups of individuals - including people of different ages, races, ethnicities, abilities, gender identities, sexual orientations, and religions as well as people with diverse backgrounds, life and professional experiences, skills, and expertise. The [2021 BRIDGE](#) (Benchmarking Race, Inclusion, and Diversity in Global Engagement) institutional survey demonstrates significant variations in the racial composition of the international development and humanitarian sector workforce. Though the distribution of US-based headquarter staff reflects the U.S. population, this observation does not hold at the leadership level.¹ The proportion of white individuals increases at the higher levels in the organizational hierarchy: 8 in 10 Chief Executive Officers are white and 73 percent of leadership team members are white. Organizations are making concerted efforts to rectify their lack of representation by instilling accountability measures in their [policies and systems](#). REE is vital to organizational success, and accountability at all levels of an organization can ensure the successful incorporation of REE so that the organization can reap the benefits of prioritizing Diversity, Equity, and Inclusion (DEI).

¹ Latinx individuals are severely underrepresented at all levels of the sector when compared to the U.S. population.

Theory of Change (TOC)

The Theory of Change is a comprehensive method that illustrates how a given intervention is expected to result in an expected change (or outcome). TOCs are typically developed by identifying the desired goal(s) to be achieved and the conditions necessary to ensure success. Step one in developing a TOC is [identifying the root of the problem](#). Once the problem is determined, an organization should identify *who* is being impacted and acknowledge the *challenge* by addressing and improving it. The steps in addressing the challenge are usually evidence-based since they begin with the end goal (impact) in mind. TOCs can also serve as tools for evaluating whether there is a logical connection between resources, activities, and impact for a specific intervention.



Return on Investment for Increasing REE

The [McKinsey & Co. report](#) series on diversity makes a “business case for diversity, equity, and inclusion (DE&I).” According to the companies surveyed in their research, companies in the top quartile for cultural and ethnic diversity outperformed those in the fourth one by 36 percent in profitability. Despite the impressive returns a more ethnically and racially diverse workforce brings, representation of ethnic minorities on executive teams stood at only 13 percent in 2019. There are economic advantages in hiring from a more diverse talent pool. For instance, tapping into a broader talent pool means that you have more qualified candidates to choose from, which increases the average quality of talent an organization hires. These companies will not be confronted with the “[pipeline problem](#)” (i.e., the difficulty of finding sufficient talent from diverse backgrounds) since they will have systems in place that will increase the number of racially and ethnically diverse applicants.

Metrics Used at the TOC Stages

Early (Inputs):

- TOCs work best if they [establish quantitative activities](#) and a **bottom-up approach** at the onset. These metrics can always be revised throughout the process.
- TOC as a tool for evaluating whether there are **logical connections** between resources, activities, and impact.
- Implementing strategies and tactics that **specifically target non-white** employees, potential job applicants, under-represented college students, etc.
 - [Mentoring programs](#): People from diverse backgrounds stand to gain a lot from mentorship. Research has found that it can [increase the confidence and satisfaction](#) women and non-white employees feel from their jobs. Moreover, about [75 percent of minorities](#) participate in mentorship programs when offered the opportunity—and they find these mentoring relationships as “[extremely important](#).”

- **Targeted recruitment:** Strengthening diversity in an organization starts before a candidate joins the workforce.
 - **AWARENESS:** If employers are only hiring in certain environments (e.g., ivy league schools) then large segments of the population are being neglected and are unaware that certain opportunities exist.
 - **PERCEPTION:** job applicants consider whether they will be good fits for organizations prior to applying based on the organizations' website, employee demographics, mission, etc.
 - **REPUTATION:** Current employees share their experiences (e.g., Glassdoor) and potential candidates make decisions based on these reviews.
 - **UNCONSCIOUS BIAS:** Implementing mindful hiring practices (e.g., blind resume reviews, more diverse hiring teams) will help minimize [unconscious] bias in the hiring process.
 - **PATTERN MATCHING:** Actively avoid affinity biases—people have a natural tendency to gravitate to and express preference for candidates who are similar to themselves.
 - **COMPENSATION:** Ensure adequate compensation for diverse employees: Gender biases and racial biases can influence starting salaries which contributes to the wage gap.
- **Hiring diversity managers/ implementing diversity task forces:** On average, companies that put in diversity task forces see [9 percent to 30 percent increases](#) in the representation of white women and of each minority group in management over the next five years.

Mid-term (Activities, Outputs, & Outcomes):

1. **More equitable hiring and promotion** within organizations by encouraging collaboration among diverse employees (to break down stereotypes).
2. **Decrease in the gap in raises** by publicizing performance ratings and pay raises by gender and race have noted since employees, peers, and superiors would know which parts of the company favor white employees.

Long-term (Impact):

- [78 percent](#) of employees value working for organizations that prioritize diversity and inclusion. When REE is prioritized by organizations, their employees will experience working for a more sustainable and inclusive environment, resulting in **higher retention rates**.
- When employees work in increasingly diverse environments and feel included, they're more likely to perform better: [Employee well-being](#) creates a ripple effect on team morale and individual physical and mental health.

Challenges in Advancing the Theory of Change

There are a number of [challenges and traps](#) that may arise when implementing REE initiatives and accountability measures.

- Most diversity programs aren't increasing diversity: Organizations may lose sight of "inclusion" when implementing REE. Focusing only on [hiring for diversity](#) without considering inclusion can lead to negative experiences for employees. Their "diverse yet not inclusive" environment may

result in high employee turnover, which will make it harder for organizations to attract and retain diverse talent. Diversity without inclusion may be perceived as “tokenism,” which could lead to feelings of isolation in non-white employees.

- The positive effects of diversity training programs are not always long-lasting: Organizations rely on diversity training programs to reduce unconscious biases and ensure accountability in hiring practices, work culture, leadership, etc. However, these programs can often [activate bias](#) rather than eliminate it since people averse to REE may rebel against the programs goals to assert their autonomy. Mandatory diversity trainings may elicit anger and resistance among these participants, resulting in a hostile environment for BIPOC employees. When people feel pressure to agree with the teachings from diversity trainings, their bias against people of color increases. In fact, the share of [black women in management](#) often decreases as a result of diversity trainings that are not effective.
- Lack of [responsibility and awareness](#) in REE efforts: Grievance reporting systems don't always ward off bad behavior, and employee surveys show that most people don't report discrimination. Managers who receive few complaints conclude that their organizations don't have a problem.
- [Limited budget](#): REE should be monitored and executed across the organization, but often times, this role falls on one person (often Human Resources) given financial constraints and inexperienced staff. The pitfall for REE m

Structures, Resources, Systems, Tools, & Processes

Relationship Between Accountability, Trust, and Power

[Trust and accountability](#) seem to be correlated with organization improvement and equity. The inverse is also evident: a lack of trust and accountability leads to inequity within organizations.

- **Capacity as a precursor for trust and accountability:** poor coordination and organizational capacity is a hindrance to progress.
- **Accountability without support violates the integrity of organizations:** Where accountability is deemed meaningless for lack of follow-up or support, organizations will experience a vicious cycle of increasing control [from leadership] and decreasing capacity [overall].
- **Structural and cultural constraints:** a level of trust is also required to reach consensus on accountability measures and how to hold [leaders]to account.

Metrics for Accountability

Internal and External Accountability

- Data for **internal accountability** emphasize employee-relevant information:
 - Publicizing performance ratings and pay raises:
 - Actively decreases gender and race pay gaps,
 - Decreases the possibility of white employees being favored.
 - Zero-tolerance policies:
 - Micro-aggressions trainings
 - Fostering a culture of accountability (leadership level)
- Data for **external accountability** emphasize organization-wide DEI growth:
 - DEI Index score

- Philanthropic and community efforts
- Recruiting metrics and sourcing channel

Users with a Gartner subscription can access a compilation of metrics collected by organizations to demonstrate DEI outcomes and progress at <https://www.gartner.com/en/documents/4019583>.