CONTINUE TO INVEST IN AND PRIORITIZE DIVERSITY, EQUITY, AND INCLUSION

An increasing body of research, including that from McKinsey & Co. and Boston Consulting Group, shows that diversity in teams is correlated with increased innovation and increased financial returns.[17,18] For many social impact organizations, creating equity and diversity internally is not only about the business case (e.g., better range of ideas, amplifying the stakeholder voice), but also about modeling and contributing to the "just world" these organizations are striving to create. Yet many organizations do not fully understand what diversity, equity, and inclusion means for them—uniquely, or in action—nor how it relates to an organization's ability to drive impact at scale.

Everett Harper, CEO of Truss and Board member of CARE, emphasized the importance of this work starting as soon as possible, saying that "organizations must think about diversity early on. The further along you get, diversity becomes harder and harder to address as your networks, policies, and culture become ingrained." The examples below draw mostly on the experience of U.S.-based organizations focused primarily on gender and race but from which lessons can be drawn for those looking at other diversity factors, such as country of origin, age, and industry background.

ADVICE FROM THE FIELD

Articulate & prioritize your "DEI Why."

Health Leads knows that a racial equity lens is critical to its work in breaking down systemic barriers in healthcare in the U.S., as many of these systems significantly disadvantage people of color. Health Leads therefore understands that it must focus on racial equity within its own organization in order for its solutions and approaches to be informed by the voice and experience of those communities—and thus have the greatest impact. Other organizations may recognize that their ability to be innovative will be bolstered by a more diverse set of backgrounds and lived experiences on staff (at all levels—including leadership), that they want to model and contribute to the "just world" they are striving to achieve, or that the customer voice needs to be represented and empowered at all levels to drive the most sustainable and impactful solutions. It's important for organizations to have a clear "why" behind their DEI efforts, both to drive strategies to achieve it and to ensure it does not become siloed or forgotten as other challenges demand attention. Cultivating a culture that is inclusive and empowering to a diverse mix of talent and bringing in and developing that talent takes time and effort. Prioritizing that time and sustaining that effort requires organizations to commit for the long haul, have conviction about DEI as a key part of their strategy, and communicate that conviction with funders and other stakeholders.

KEY QUESTION

How can you build and sustain diverse and equitable teams to align with mission and bolster your ability to drive impact at scale?

"...'companies in the top quartile for racial/ethnic diversity were 35 percent more likely to have financial returns above their national industry median'"[19]– McKinsey, Why Diversity Matters

What do we mean by Diversity, Equity, and Inclusion?

While many definitions of these three terms exist, for the purposes of this paper, we are focusing on the following aspects of the terms:

Diversity: the numeric representation of individuals with a range of identities, perspectives, and lived experience (e.g., gender, race, country of origin).

Equity: "the fair treatment, access, opportunity, and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups."[20]

Inclusion: an environment (primarily workplace, in this context) which supports, serves, and values all individuals such that they can fully participate.

CASE in Point: Diversity, Equity, and Inclusion Prioritization in Action, with Health Leads

"We cannot do our external work without a racial equity lens—cannot do it. And we must do it internally as well." Health Leads' CEO Alexandra Quinn shares a few ways the organization is prioritizing DEI within its own structures and systems, noting that this work is never a "one-off" and requires continuous learning, iteration, honest dialogues, failures, and more learning. A few of its many actions over the past two years include the following:

- **Mission statement**. Changed the organization's mission statement to include addressing systemic inequity, reflecting its centrality to Health Leads' work.
- **Strategy**. Made the work of addressing racial and institutional inequity an explicit part of the organization's strategy.
- **Values**. Updated the organization's values to incorporate inclusion, justice, and DEI work.
- **Formalized and dedicated capacity**.
  - **Created a Diversity, Equity, and Inclusion Department within the organization, led at the VP level**. The new department reports to a newly created Chief of People and Equity position on the executive team. This structure enables Health Leads to formalize and capacitate its internal equity efforts and to connect those working within the greater DEI efforts of Health Leads' external work.
  - **Formalized an internal DEI Advisory Council** (which had come together three years prior) and designated the members as formal advisors to the VP of DEI.
  - **Launched racial affinity groups within the organization**.
  - **Focused on racial diversity at all levels**, with a special focus on executive-level management.
  - **Updated HR and compensation processes with a DEI lens**.
- **Training & Dialogue**.
  - Provide **racial equity training** for the whole organization.
  - Provide **implicit bias training** for managers.
  - Facilitate regular **organization-wide racial equity conversations**.
  - **Internally and externally, highlight and promote** (through Health Leads' formal network, social media, and internal communication channels) the health equity work and best practices of partners and organizations.

> "Our desire to embrace Diversity, Equity and Inclusion in our values and strategy has allowed us to accept that there is not a one size fits all approach. The challenging experiences of Black team members on average have been vocalized more so than other racial ethnic groups in our organization. Our goal however is to consider solutions to lift up all of our subgroups. We do this by exercising our internal muscle of embracing racial equity, through dialogue with one another."
>
> - Tené Hamilton Franklin, VP of Diversity, Equity and Inclusion, Health Leads

Jennifer Valenzuela, Health Leads' Chief of People and Equity, reflects on equity in a start-up environment: "**In the early stages, when organizations are in "build-mode" and laser-focused on growth, it's easy to miss the opportunity to be intentional about equity in both staff recruitment/retention and operational processes. As a result, staff does not reflect the people impacted by the vision, mission, and work, and we don't slow down to consider all perspectives around key strategic moves**. In one particular initiative, our lack of diversity and prioritization of speed over patient experience led us to move too quickly, miss key inputs, and put long-standing relationships at risk. We're now working to build a more diverse staff, management team, and board that better represents our work and will hold us accountable. This intentionality of diversity, equity and inclusion takes time, requires cultural and operational shifts (e.g. changes in sourcing and hiring practices, examining and training around implicit bias, ongoing and open staff dialogue, etc.), and demands leadership participation, not just direction. While we have made a lot of progress, we're still very much on this journey."

Evaluate your culture for inclusiveness.

Evaluating your organization's culture for true inclusiveness is a critical step in the process of developing and recruiting a diverse team that reflects your mission. Jay Coen Gilbert, co-Founder of nonprofit B Lab, which certifies B Corporations, wrote in a Forbes article about his realization that his organization had systems and structures in place that were greatly favoring the white, middle-to-upper class members of its staff—and were acting as obstacles to all others. As one example, the organization's expense reimbursement policy assumed that staff had credit cards and did not take into account that staff members without credit cards may struggle to pay monthly bills before they are reimbursed.

Coen Gilbert also recognized that, while there was some diversity within the team, there was a dearth of diversity at the leadership levels. This imbalance can signal that only certain types of people can actually succeed and hold power within an organization. Addressing issues that create an unwelcoming environment for people of different socioeconomic status, racial, and ethnic backgrounds became a priority for B Lab.[21] Harambee Youth Employment Accelerator helps enterprises in South Africa and Rwanda create more inclusive workplaces by breaking down barriers for unemployed youth. One approach Harambee shared is for enterprises to provide an advance on the first paycheck, so a young person who has no income can afford transport for the first month of work until the first paycheck. (See pages 13-14 in the Local Talent strategy memo for more on Harambee's work with employers.)

Building a culture of inclusiveness can also make you more attractive to diverse talent, thereby growing your pipeline and increasing retention rates—both of which are critical to executing your work as you scale and pivot. Organizations can use data to continually evaluate their cultures for potential biases that may create barriers to inclusiveness—examining pay, promotion, and retention data disaggregated by the factors key to your DEI Why (e.g., race, country of origin, gender, lived experience). Read more about organizational culture in the Strategy Memo on page 44.

> ### A word of caution: **Concept of "Culture Fit"**
>
> **The concept of "culture fit" has proven to be a risky concept for diversity, equity, and inclusion.** According to Lauren Rivera, Associate Professor of Management at Northwestern University's Kellogg School of Management, too often, culture fit "has shifted from systematic analysis of who will thrive in a given workplace to snap judgments by managers about who they'd rather hang out with." [22] Creating formal processes and tools—such as VisionSpring's interview guide and scorecard— and having multiple interviewers are important in mitigating this risk. Health Leads has taken the step of hiring a consultant to assess all the organization's HR processes for equity and inclusion because of its commitment to ensuring that its values of DEI are reinforced by policies and procedures.

Don't be limited in your thinking and articulation of who is right for the role.

Harambee fundamentally believes that "talent takes many shapes, and people have the potential to do things they haven't necessarily been trained for or done before." As mentioned above, Harambee helps potential employers make shifts in their assumptions and operations to effectively engage unemployed but high-potential youth. As organizations make such shifts, they must consider how their job descriptions and interview processes/requirements convey unintentional bias. Does a particular job really require a college degree, or is that what we are using as a proxy for types of skills that we could articulate another way?

Abe Taleb of Koya Leadership Partners, an executive search firm supporting mission-driven organizations, suggests in an article that organizations should "**define the job; not the person.**" He shares initial ideas for breaking down the job—focusing on academic success, project management, financial or analytical skills, ability to conform and get along, and access to a network—which can serve as a more equitable basis for evaluating skills as opposed to stating "Required Qualification: MBA degree."[23] Beyond the job description, investigate how bias shows up in your interview processes and how you can mitigate it. Perhaps you assess learning potential, observe candidates simulating the actual work, and create a more favorable interview environment with pairs of non-homogenous interviewers and an opportunity to interview with multiple team members. Seek out a diversity of opinions to ensure you are addressing the most significant barriers.

Create a clear strategy and intentional processes to bolster equity in hiring.

It can feel easiest to draw from your own personal networks—and those of your staff—when pursuing new hires. However, your personal networks are likely to closely resemble you and thus contribute to continued homogeny. Jay Coen Gilbert, Co-Founder of B Lab, admits that the perceived urgency around hiring often leads to casting a more narrow net, meaning "**we too often have valued a speedy hiring decision over a strategic hiring decision.**"[24] For Teach for America, its efforts to bolster diversity in hiring included the following:

1. **Specialized training** for the recruitment team and shared responsibility across that team for reaching diversity goals. The training helps team members to effectively connect with potential applicants from a variety of backgrounds.

2. **Hands-on recruitment** to reach diverse prospective candidates where they are, thus targeting outreach to historically black colleges and universities and college campuses with large black and Latino student populations. The recruitment team also works to proactively build relationships with potential candidates to individualize the recruitment and application process.

3. **A holistic approach to selection**, taking into account a variety of applicant characteristics that go beyond test scores and which TFA's research has shown are shared by its most effective teachers.[25]

Don't forget your board, volunteers, contractors, and partners.

While the advice and examples above refer often to hired talent, it is also important to use similar processes to ensure that your greater team also reflects your mission. Boardsource, a global network helping to strengthen nonprofit governance, articulates the reasons it is committed to DEI on boards: "Whether in the hiring of the executive, the determination of strategy, the allocation of resources, or the goal of serving the community with authenticity, the board's leadership on diversity, inclusion, and equity matters." Boardsource also provides resources to help organizations and boards use such a DEI lens.[26] Organizations should also consider how their DEI Why plays into selection of contractors, volunteers, and key collaborative partners.

DO...	DON'T...
... **clearly articulate your "DEI Why"**—why the elements of DEI are important to your mission and ability to achieve impact at scale.	... **be limited in your thinking of who is right for a particular job**; focus on critical skills and potential instead of proxies such as specific degrees.
... **evaluate your organizational systems and culture for inclusiveness**, so diverse voices will be attracted to, and empowered within, your organization.	... **rely only on your personal networks for hiring**, as those individuals are likely to contribute to continued homogeny
... **create intentional processes to increase equity in hiring**, such as new methods of outreach and practices for interviews.	... **forget that your DEI Why should extend** to your board, contractors, volunteers, and other partners.

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