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STATE AND USAID

Efforts to Advance Diversity, Equity, Inclusion, and Accessibility

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STATE AND USAID

Efforts to Advance Diversity, Equity, Inclusion, and Accessibility

Why GAO Did This Study

Since taking office in 2021, the President has issued several executive orders and a memorandum (executive directives) that expressed policy commitments to advancing diversity, equity, inclusion, and accessibility (DEIA) in the federal workforce, domestically, and in U.S. foreign assistance. In response, State and USAID have committed to incorporating DEIA into their strategies, policies, and practices.

This statement summarizes findings from GAO's (1) 2020 reports on State's and USAID's workforce demographics and efforts to identify barriers to diversity, (2) July 2022 report on State's efforts to improve workplace diversity and inclusion, and (3) July 2022 report on State and USAID actions to advance equity abroad. This statement also includes updates on State's and USAID's efforts to address the recommendations GAO made in its 2020 reports. Detailed information on GAO's objectives, scopes, and methodologies can be found in the issued reports.

What GAO Recommends

In its July 2022 report on State's efforts to improve workplace diversity and inclusion, GAO recommended that State establish performance measures, enhance accountability for workplace DEIA goals, create a plan to improve its barrier analysis process, and improve its statistical methodology for identifying potential barriers to workforce diversity. State agreed with these recommendations.

What GAO Found

In 2020, GAO found that the Department of State's and U.S. Agency for International Development's (USAID) workforces grew more diverse overall from fiscal year 2002 to fiscal year 2018. However, promotion outcomes were generally lower for historically disadvantaged racial or ethnic groups than for Whites. State also identified some indicators of potential barriers to diversity, such as underrepresentation of Hispanic employees. GAO recommended that State and USAID take additional steps to improve workforce diversity. State and USAID took some actions in response. For example, State launched four working groups to identify, investigate, and eliminate barriers to diversity.

In July 2022, GAO reported that State needs to take additional actions to improve workplace diversity and inclusion. For example, State has taken some steps to investigate and eliminate barriers, but GAO found that State's analyses vary in depth and have methodological weaknesses. State needs to create a plan to improve its barrier analysis process and improve its methodology for identifying potential barriers. Otherwise, it risks using resources on solutions that do not address the root causes of disparities and risks leaving barriers unaddressed. In addition, State's actions address or generally address five diversity and inclusion leading practices, but gaps remain in accountability and measurement. Without better ways to measure progress and enhance accountability, State may not achieve its goal of fostering a diverse and inclusive workplace.

GAO Assessment of Department of State Actions Compared to Leading Practices for Diversity and Inclusion Management

Leading Practice	GAO Rating
Employee Involvement	●
Diversity Training	●
Leadership Commitment	◑
Recruitment	◑
Succession Planning	◑
Measurement	◔
Accountability	◔

Legend: ●—Address. ◑—Generally address. ◔—Partially address. ○—Do not address.
Source: GAO analysis of Department of State and GAO leading practices for diversity and inclusion management. | GAO-22-106150

A separate GAO report found that, in response to executive directives, State and USAID have begun and are planning several actions to advance equity and support for marginalized groups abroad. For example, State and USAID are updating strategies to more directly advance equity and are developing frameworks that will guide their global efforts at the highest levels and begin to define success in promoting equity. State and USAID are working to mitigate challenges, such as obtaining data for marginalized groups unavailable due to privacy laws, cultural sensitivies, or difficulties with self-reporting, according to agency officials. If implemented effectively, these actions could help State and USAID expand and sustain efforts to achieve the objectives of the executive directives.

United States Government Accountability Office

Chairman Menendez, Ranking Member Risch, and Members of the Committee:

Thank you for the opportunity to comment on the Department of State's and the U.S. Agency for International Development's (USAID) efforts to advance diversity, equity, inclusion, and accessibility (DEIA). Since taking office in 2021, the President has issued several executive orders and a memorandum that expressed policy commitments to advancing DEIA in the federal workforce, domestically, and in U.S. foreign assistance. In response to these directives, State and USAID have committed to incorporating DEIA into their strategies, policies, and practices.

This statement summarizes findings from our (1) January 2020 and June 2020 reports on State's and USAID's workforce demographics and efforts to identify barriers to diversity, (2) July 2022 report on State's efforts to improve workplace diversity and inclusion, and (3) July 2022 report on State and USAID actions to advance equity abroad.[1] This statement also includes updates on State's and USAID's efforts to address the recommendations we made in our 2020 reports. Detailed information on our objectives, scopes, and methodologies can be found in the issued reports. Our work was performed in accordance with generally accepted government auditing standards.

Background

Several management and executive directives instruct State and USAID to advance DEIA within their workforces and in their foreign assistance. For example,

- **Equal Employment Opportunity Commission's (EEOC) Management Directive 715 (MD-715)** guidance tasks agencies with eliminating barriers that impede free and open competition in the workplace and prevent members of any equal employment opportunity group (applicants and employees) from realizing their full

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[1]See GAO, *State Department: Additional Steps Are Needed to Identify Potential Barriers to Diversity,* GAO-20-237 (Washington, D.C.: Jan. 27, 2020); GAO, *USAID: Mixed Progress in Increasing Diversity, and Actions Needed to Consistently Meet EEO Requirements*, GAO-20-477 (Washington, D.C.: June 23, 2020); GAO, *State Department: Additional Actions Needed to Improve Workplace Diversity and Inclusion*, GAO-22-105182 (Washington, D.C.: July 21, 2022); and GAO, *Foreign Assistance: State and USAID Are Taking Actions to Advance Equity Abroad and Mitigate Challenges*, GAO-22-105112 (Washington, D.C.: July 19, 2022).

potential.[2] EEOC's guidance outlines a four-step process for federal agencies to identify and eliminate barriers to their workforce diversity, which is commonly referred to as the barrier analysis process.

- **Executive Order (E.O.) 13985,** *Advancing Racial Equity and Support for Underserved Communities through the Federal Government* **(2021),** states that it is the policy of the administration that the federal government should pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.[3]

- **The Presidential Memorandum on Advancing the Human Rights of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex [LGBTQI+]** Persons Around the World (2021) requires all Federal agencies involved with foreign aid, assistance, and development programs to expand their ongoing efforts to ensure regular Federal Government engagement with governments, citizens, civil society, and the private sector to promote respect for the human rights of LGBTQI+ persons and combat discrimination.[4]

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[2]EEOC, *Equal Employment Opportunity Management Directive 715*, MD-715 (2003); and EEOC, *Instructions to Federal Agencies for EEO MD-715, Section II, Barrier Identification and Elimination*.

[3]Exec. Order No. 13985, *Advancing Racial Equity and Support for Underserved Communities through the Federal Government*, 86 Fed. Reg. 7009 (Jan. 20, 2021). According to the Department of State and the U.S. Agency for International Development, they often use the term "marginalized groups" in the international context in place of "underserved communities." For purposes of this statement, we will use the term "marginalized groups" to include underserved communities. Many groups of people can be included in definitions of marginalized groups and underserved communities and thus definitions can vary for each country based on their unique circumstances.

[4]Presidential Memorandum, *Advancing the Human Rights of Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex Persons Around the World* (Feb. 4, 2021).

State and USAID Took Steps to Identify Barriers to Workforce Diversity to Address GAO's Recommendations

State's and USAID's Demographic Data Indicated Potential Barriers to Workforce Diversity

In January 2020, we found that State's workforce had grown more diverse in several ways between 2002 and 2018.[5] Among State's full-time, permanent, career employees, the proportion of historically disadvantaged racial or ethnic groups grew from 28 percent in fiscal year 2002 to 32 percent in fiscal year 2018.[6] However, the direction of change for specific groups varied, as shown in figure 1.

Figure 1: Diversity in State Department Workforce in Fiscal Years 2002 and 2018
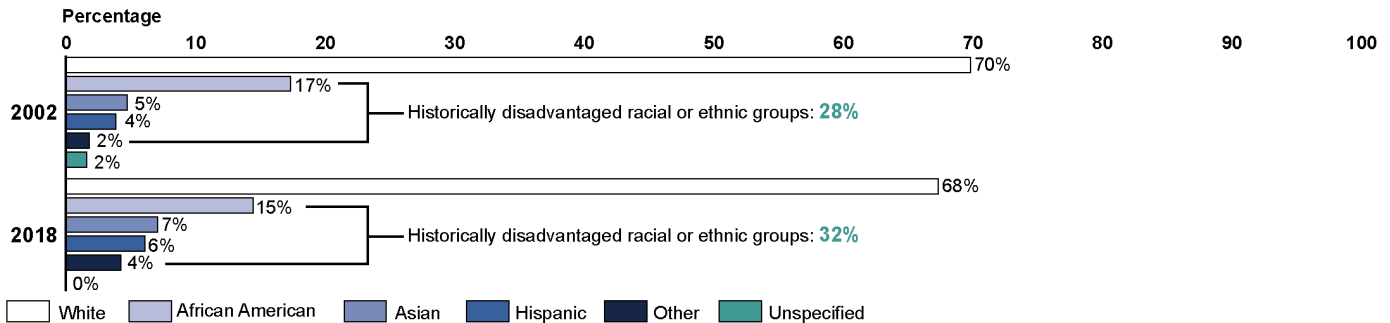
Source: GAO analysis of Department of State data. | GAO-22-106150

In addition, our analyses of State data for fiscal years 2002 through 2018 found that promotion outcomes were generally lower for historically disadvantaged racial or ethnic groups than for Whites and differed for women relative to men. We found these differences in both descriptive analyses (calculating simple averages) and adjusted analyses (controlling for certain individual and occupational factors that could influence
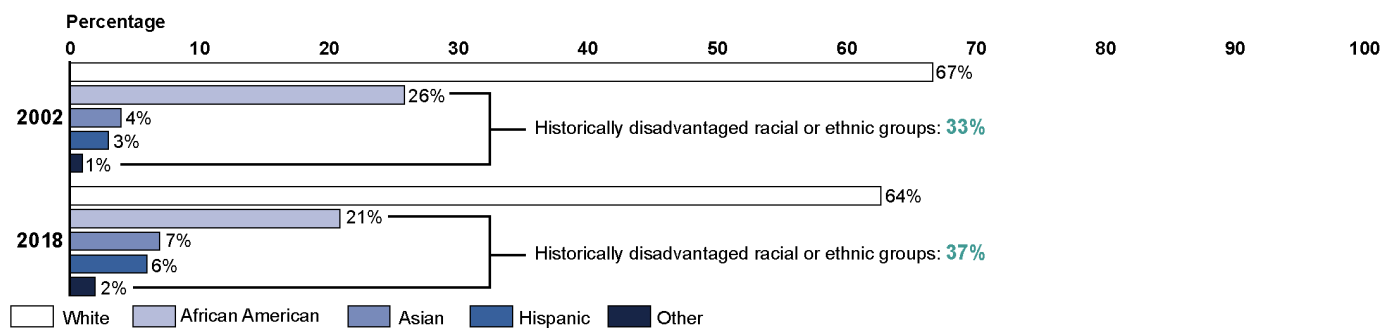
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[5]GAO-20-237.

[6]Historically disadvantaged racial or ethnic groups included employees whose race was not recorded as non-Hispanic white or unspecified. We counted multiracial individuals—those who self-identified two or more races—in the "other" group and did not include those individuals in the identified racial groups.

promotion). For example, after controlling for certain factors, our adjusted analysis of State's Civil Service data found that promotion for historically disadvantaged racial or ethnic groups was 4 to 29 percent less likely than for Whites.

In June 2020, we reported that USAID's workforce had also grown more diverse in several ways between 2002 and 2018.[7] Among USAID's full-time, permanent, career employees, the proportion of historically disadvantaged racial or ethnic groups grew from 33 percent in fiscal year 2002 to 37 percent in fiscal year 2018. However, the direction of change for specific groups varied, as shown in figure 2.

Figure 2: Diversity in U.S. Agency for International Development's Workforce in Fiscal Years 2002 and 2018

Percentage

2002
- White: 67%
- African American: 26%
- Asian: 4%
- Hispanic: 3%
- Other: 1%
- Historically disadvantaged racial or ethnic groups: **33%**

2018
- White: 64%
- African American: 21%
- Asian: 7%
- Hispanic: 6%
- Other: 2%
- Historically disadvantaged racial or ethnic groups: **37%**

White | African American | Asian | Hispanic | Other

Source: GAO analysis of U.S. Agency for International Development (USAID) data. | GAO-22-106150

In addition, our analyses of USAID data for fiscal years 2002 through 2018 found that promotion outcomes were generally lower for historically disadvantaged racial or ethnic groups than for Whites in early to mid-career stages. For example, after controlling for factors such as occupation, we found statistically significant odds of promotion in the Civil Service were 31 to 41 percent lower for historically disadvantaged racial or ethnic groups than for Whites in early and mid-career stages.

State and USAID Have Taken Steps to Identify Potential Barriers to Workforce Diversity

Our January 2020 report found that State had identified some indicators of potential barriers to diversity, such as underrepresentation of Hispanic employees and of historically disadvantaged racial or ethnic groups in the senior ranks, and that State should consider other issues that could indicate potential barriers to diversity in its workforce. We recommended that the Secretary of State take additional steps to identify diversity issues that could indicate potential barriers to equal opportunity. The department

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[7]GAO-20-477.

concurred with this recommendation, and implemented it by launching four barrier analysis working groups in August 2020 to identify, investigate, and eliminate barriers to diversity in the Civil and Foreign Services, among other efforts. As a result, State has taken some actions to investigate and eliminate potential barriers, which we evaluated in our July 2022 report.

Our June 2020 report found that USAID had previously identified underrepresentation of specific groups in its workforce, but staffing gaps, partly due to a lack of senior leadership attention, prevented the agency from consistently performing required Equal Employment Opportunity (EEO) activities. We made four recommendations to USAID, including three to perform required EEO activities and one to demonstrate senior leadership attention to diversity efforts. The agency concurred with these recommendations and implemented them by increasing the allocation of staff responsible for EEO duties, such as analyzing workforce demographic data for trends and potential barriers to diversity, among other efforts.

State Needs to Take Additional Actions to Improve Workplace Diversity and Inclusion

State Has Taken Steps to Improve Diversity, but Its Analyses of Potential Barriers Vary in Depth and Have Methodological Weaknesses

In July 2022, we found that State's barrier analysis working groups formed in response to our 2020 recommendation identified four indicators of potential barriers to workforce diversity described in table 1.[8]

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[8]GAO-22-105182.

Table 1: Indicators of Potential Barriers the Department of State Identified Since January 2020

Steps to identify indicators of potential barriers	Indicators of potential barriers identified
State analyzed Foreign Service Officer test pass rates by gender, race, and ethnicity.	African American Foreign Service Officer test takers had significantly lower pass rates than members of other racial or ethnic groups.
State analyzed Foreign Service Officer test takers by gender.	Fewer women took the Foreign Service Officer test.
State analyzed the distribution of Whites versus other racial or ethnic groups by grade level for Civil Service mission critical occupations.	Whites were selected for promotion more frequently than members of other racial or ethnic groups above the GS-13 level, despite comparable application and referral rates.
State analyzed GAO's 2020 report on the demographic composition of the Foreign and Civil Services by gender, race, and ethnicity.	Women and members of historically disadvantaged racial or ethnic groups were underrepresented in the senior ranks of the Foreign Service.

Source: GAO analysis of State Department documents. | GAO-22-106150

State has also taken some steps to investigate and eliminate barriers, but we found that State's analyses vary in depth, and the department has not documented a plan for improving its barrier analysis process to ensure all steps of the process are followed. In some instances, State followed the steps of the barrier analysis process, in accordance with EEOC guidance. However, in other instances, we found that State did not consistently investigate the causes of potential barriers before implementing steps to eliminate them. Specifically, State did not assess why fewer women take the Foreign Service Officer test before implementing measures designed to improve recruitment of women. Having not investigated why there was a disparity, State cannot be sure the steps it took address the underlying barrier. In addition, State does not have a plan for assessing the success of steps to eliminate barriers, so it cannot be reasonably assured that its efforts were successful.

We also found several weaknesses in State's statistical methodology for analyzing Foreign Service promotion outcomes that may have prevented the department from identifying disparities. Using this methodology, State concluded that there was not a clear and consistent disparity in promotions from Foreign Service class 4 to 3 for specialists or officers, contrary to our 2020 findings. However, we found weaknesses in this methodology. For example, State's analysis only allowed it to identify extreme disparities as indicators of potential barriers in Foreign Service promotions. State is using a similar statistical methodology to analyze demographic data on Civil Service job applicants to determine whether there is any potential bias in how State qualifies and selects job candidates. If State does not improve its methodology for identifying potential barriers, it risks leaving barriers unaddressed.

We recommended that the Secretary of State (1) create a plan to improve State's barrier analysis process that ensures all steps of the process are followed and (2) improve the agency's statistical methodology to ensure it is appropriate for identifying potential barriers to diversity. State concurred with these recommendations.

State's Actions Address or Generally Address Five Diversity and Inclusion Leading Practices, but Gaps Remain in Accountability and Measurement

In July 2022, we also reported on the extent to which State's actions address seven leading practices for diversity and inclusion management in the workplace we previously identified.[9] We found that State's actions address or generally address five leading practices, with gaps in accountability and measurement, as shown in table 2.

Table 2: GAO's Assessment of Department of State Actions Compared to Leading Practices for Diversity and Inclusion Management

Leading practice	Definition	GAO overall rating
Employee involvement	The contribution of employees in driving diversity throughout an organization	●
Diversity training	Organizational efforts to inform and educate management and staff about diversity	●
Leadership commitment	A vision of diversity demonstrated and communicated throughout an organization by top-level management	◑
Recruitment	The process of attracting a supply of qualified, diverse applicants	◑
Succession planning	An ongoing, strategic process for identifying and developing a diverse pool of future leaders	◑
Accountability	The means to ensure that leaders are responsible for diversity by linking their performance assessment to the progress of diversity initiatives	◔
Measurement	A set of quantitative and qualitative measures that assess the effect of various aspects of an overall diversity program	◔

Legend: ●—Address: all steps addressed. ◑—Generally address: half or more of the steps addressed. ◔—Partially address: fewer than half of the steps addressed. ○—Do not address: all steps not addressed.

Source: GAO analysis of Department of State and GAO leading practices for diversity and inclusion management. | GAO-22-106150

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[9]GAO, *Diversity Management: Expert-Identified Practices and Agency Examples*, GAO-05-90 (Washington, D.C.: Jan. 14, 2005).

State's actions address or generally address employee involvement, diversity training, leadership commitment, recruitment, and succession planning. For example, State offers a range of specialized diversity and inclusion training, supports employee organizations that represent staff's DEIA interests, and maintains recruiting partnerships with diverse academic institutions and professional organizations. State also named the first standalone Chief Diversity and Inclusion Officer (CDIO) in April 2021 to oversee the department's workplace DEIA efforts. The CDIO heads the Office of Diversity and Inclusion, which leads the implementation of the State's 5-year DEIA Strategic Plan that outlines the department's goals and actions to advance DEIA in the workplace. Our survey of State employee organizations revealed that the majority of respondents have favorable views of senior leadership commitment to DEIA. However, the perceptions of DEIA commitment declined substantially for bureau leadership and managers and supervisors.[10]

The CDIO, our survey respondents, and other State officials discussed the lack of accountability for managers and supervisors as a challenge for State's workplace DEIA efforts. To help improve accountability, State has revised its performance evaluations to include specific DEIA objectives for staff, including for managers and supervisors. The objectives went into effect for the Foreign Service beginning in April 2022 and will go into effect for the Civil Service workforce in January 2023, so it is too early to determine how State will evaluate managers and supervisors department-wide based on these objectives. In addition, while the revised objectives are an important step, they may not fully address State's significant accountability gaps. For example, the CDIO, employee organization survey respondents, and union officials we spoke to highlighted concerns that managers and supervisors do not face consequences when they fail to uphold DEIA values or violate equal employment opportunity principles. State officials acknowledged that State could do more to ensure that its actions in the new DEIA Strategic Plan will make accountability mechanisms more effective, such as analyzing the effectiveness of accountability mechanisms or changing policies to ensure effectiveness. Additional actions to enhance accountability, including for managers and supervisors, may help State achieve its vision of fostering a diverse and inclusive workplace.

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[10]Specifically, 85 percent of respondents (17 of 20 employee organizations) stated that senior-level leadership demonstrates a great or very great commitment to diversity. In contrast, 26 percent (5 of 19) perceived the same level of commitment from managers and supervisors.

In addition, State does not have performance measures for its DEIA goals and objectives in the workplace, and thus does not have the information needed to assess progress toward these goals. Officials told us in May 2022 that State did not have performance measures that track the outcomes of or progress toward its DEIA goals in the new DEIA Strategic Plan, as they did not have the time to develop them.[11] Officials stated that they plan to develop performance measures through a DEIA implementation team for the new strategic plan, led by the Office of Diversity and Inclusion. Developing performance measures and a process to evaluate progress against those measures can help give State the information necessary to assess its DEIA programs, plans, and policies.

To address these gaps, we recommended that the Secretary of State (1) develop and implement additional actions to enhance accountability for workplace DEIA goals, including for managers and supervisors, such as analyzing the effectiveness of accountability mechanisms; and (2) establish performance measures for DEIA-related goals and objectives in the workplace and develop a process to evaluate progress. State concurred with these recommendations.

State and USAID Are Taking Actions to Advance Equity Abroad and Mitigate Challenges

State and USAID Are Taking Actions to Advance Equity Abroad

In July 2022, we found that State and USAID have taken, or plan to take, joint and individual actions in response to recent executive directives to advance equity and support for marginalized groups abroad.[12] These actions include updating strategies to more directly advance equity, developing measures to track progress, and developing equity-related frameworks to guide agency actions.

State and USAID are taking steps to more directly incorporate equity and support for marginalized groups into their strategic planning. For example, State and USAID released their updated 2022-2026 Joint Strategic Plan

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[11]As of June 2022, the plan was undergoing review for final clearance from the White House Domestic Policy Council, according to officials.

[12]GAO-22-105112.

in March 2022, and the strategy includes a strategic objective to "advance equity, accessibility, and rights for all." The Joint Strategic Plan also reports that State and USAID will further equity, inclusion, accessibility, support for human rights, and resilience of marginalized peoples, including individuals from racial, ethnic, Indigenous, and religious communities, persons with disabilities, LGBTQI+ persons, women, and older persons. Updated joint regional strategies, also released in 2022, incorporate support for marginalized groups in a more comprehensive way than previous versions, to include a more detailed discussion of how the agencies will support these groups, recognizing their differing needs. State and USAID also issued guidance in 2021 to their embassies and missions on how to incorporate the policy of E.O. 13985 into their country strategies. This guidance highlights ways to ensure the embassies and missions incorporate diversity, equity, and inclusion priorities into all country level assistance planning.

State and USAID also developed equity related Agency Priority Goals and established the Advancing Racial Equity and Supporting Marginalized Communities Key Issue. According to State, the addition of an Agency Priority Goal enables the agencies to ensure racial equity and support for underserved communities is part of all strategic planning to guide foreign policy development and execution. According to State, key issues are essential tools used to track and report on high-priority issues that cut across many, if not all, foreign assistance sectors. Agency officials told us they will use data collected from the Advancing Racial Equity and Supporting Marginalized Communities Key Issue to understand how the agencies are investing in activities supporting marginalized groups so they can allocate resources equitably and support local organizations. State and USAID have existing key issues related to the following marginalized groups: religious and ethnic minorities, Indigenous Peoples, persons with disabilities, women, LGBTQI+ persons, children in adversity, and youth.

State and USAID are also planning to develop frameworks that will guide their global efforts at the highest levels and begin to define success in promoting equity. State has called for the development of a three-part equity strategic impact framework to evaluate global progress toward reducing barriers to equity by September 2023. Similarly, USAID is developing a new policy framework for release in summer or fall 2022 that will reflect the emphasis on integrating racial equity and support for marginalized communities.

State and USAID Are Taking Steps to Mitigate Challenges to Advancing Equity Abroad

State and USAID have also taken steps to identify, and in some cases, mitigate challenges to integrating equity throughout their work. For example, USAID stated that their missions often lack the local expertise and resources required to develop programs that meet the challenges faced by local marginalized groups. To help alleviate this challenge, USAID aims for all overseas missions to have Inclusive Development Advisors.[13] In addition, having sufficient resources to implement the desired changes and metrics to track progress are areas that both agencies have identified as challenges that they are working to address. For example, both agencies identified challenges with collecting the data needed to effectively measure progress and with increasing the capacity of local organizations that are serving marginalized and underrepresented groups. Both agencies also identified some challenges that may take longer to address or are intended to be addressed in future actions. While it is too early to tell how effective their efforts to mitigate these challenges will be, the outcome will play an important role in whether State and USAID are successful in their plans to expand and sustain the implementation of a comprehensive approach to achieve the objectives of the executive directives.

State and USAID also face longstanding challenges in collecting information on marginalized groups, for reasons including intersectionality, data disaggregation, and differing definitions. For example, a person may be marginalized based on ethnicity, gender, and LGBTQI+ identity, which can lead to double counting in data systems. Further, agencies sometimes cannot disaggregate data because it is not available due to privacy laws, cultural sensitivities, or difficulties with self-reporting, according to agency officials. State and USAID are working to collect better information in several ways, such as using Agency Priority Goal data to develop a system for reporting equity issues agency-wide, and issuing guidance to staff and implementing partners.

Chairman Menendez, Ranking Member Risch, and Members of the Committee, this concludes our statement for the record.

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[13]Inclusive Development Advisors serve as subject-matter experts on USAID's inclusive development framework. They launch Inclusive Development Analyses and other relevant approaches to gathering data and understanding local contexts, guide staff in developing programming designed to integrate the needs of marginalized and underrepresented groups, and spearhead the integration of inclusive development considerations in relevant policies, among other things, according to USAID.

GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this statement, please contact Jason Bair at (202) 512-6881 or bairj@gao.gov, or Latesha Love at (202) 512-4409 or lovel@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this statement include Cheryl Goodman (Assistant Director), Bridgette Savino, Michael Maslowski, Rianna Jansen, Andrew Kincare, Michelle Bird, Larissa Barrett, Neil Doherty, Alex Welsh, Moon Parks, Terry Richardson, and Clifton G. Douglas, Jr.