

URL: <https://stvp.stanford.edu/clips/diversity-talent-retention>

Social scientist and Kapor Capital partner Freada Kapor Klein presents the key findings from a "tech leavers" study undertaken by the nonprofit Kapor Center. She demonstrates that a perception of unfairness is a powerful reason that employees (especially from historically underrepresented groups) leave tech companies. But she also shares diversity and inclusion strategies that can help firms reduce both unfair treatment and turnover. The winners: explicit diversity goals and under-represented employee referral bonuses.



Transcript

- So, the Tech Leavers study that I mentioned, and you can just Google it, it's on the web for free, a couple thousand engineers, who leaves tech and why.. It was done two years ago.. Four findings.. Unfairness drives turnover, costs billions a year, experiences differ dramatically between groups, but specific initiatives can and do make a difference if they're formulated accurately.. 37% said that unfair treatment was the most frequently cited reason for leaving.. Twice as many left because they felt treated unfairly in their workplace as were recruited away.. That's across all groups, and the unfairness differs.. 40%, men of color, were most likely to leave due to unfair treatment.. Experiences differed dramatically across those groups.. This includes things that are not about race or about gender..

These include things like bullying.. One in 10 women experienced unwanted sexual attention, which has, as we talked about, been getting more attention.. 30%, women of color, passed over for promotion, single greatest reason.. Turnover, \$16 billion for unfair treatment in employee replacement costs annually, and that's just the turnover costs.. It's apparently standardly and conservatively accepted what is the cost to replace a person.. It'd be cheaper to fix it.. We also asked the leavers, what would have made you stay? And we asked them how their experience impacts their willingness to refer a friend, a family member, someone else to that company.. 35%, slightly more than 1/3, said, no, based on my experience, I can't recommend that company as a place to work, nor can I recommend its products and services.. You wanna try to calculate that cost.. That is one that is not in the 16 billion..

Economists don't agree on how to calculate that kind of reputational hit.. But the good news, a comprehensive approach can and does make a difference both in reducing unfair treatment and in increasing retention, or reducing turnover.. The majority, if you ask people what would have kept you, they have an answer.. The majority would've stayed if they felt like there was a place to go to get their problem fixed.. We're not talking about a formal complaint, we're not talking about a lawsuit.. We're talking about practical problem-solving mechanisms where they feel like who they can go to is impartial.. An impartial third party, for instance.. There were five specific measures we tested for.. Having a head of diversity and inclusion doesn't make a statistically significant difference either in the amount of unfairness or in the amount of turnover.. Second thing we, here are all the ones we tested for, setting explicit diversity goals and underrepresented employee referral bonuses, actually, those two independently make a statistically significant difference..

Conducting unconscious bias training does not.. How many of you have gone through unconscious bias training? Didn't make a difference, right? Wasted some time.. Might've been fun, might've been interesting.. Doesn't make a statistically significant difference in reducing unfairness or increasing retention.. Employee resource groups.. Many companies, virtually all tech companies, including young startups, have employee resource groups.. And indeed, those can be great ways to meet colleagues, compare notes on who's a good manager, how do you get promoted around here, but again, doesn't make a statistically significant difference.. What does make a difference, actually, besides these two individual kinds of initiatives, is all five together.. All five make more of a difference than just those two independently...