

URL: <https://stvp.stanford.edu/clips/success-through-diversity>

Delivering great financial performance and products isn't enough, argues PagerDuty CEO Jennifer Tejada. She describes how she has transformed PagerDuty into a significantly more diverse company over the past three years, and urges entrepreneurs to "set the tone from the top" when it comes to diversity and other core values. Creating a culture that is bold and outspoken about its values, she observes, is one of the most rewarding aspects of leading a company.



## Transcript

So, one of the great milestones in my career has been the process of taking PagerDuty public.. We were not excited about that because it's the be all end all.. We were excited about it because we were able to demonstrate that we could perform with the best of the best in software as a service.. And our financials and our outcomes are benchmarked in the top 5% to 10% of all SaaS companies on the planet.. And so, we set a very high standard and we wanted to demonstrate to the market that we could deliver on that standard.. But it's also a big highlight for me because we did it with one of the most diverse, inclusive teams in the tech industry.. So, my leadership team is gender balanced, over 60% of my team was born outside the U.S., we're balanced in terms of where management roles go in the company, and it's very different than it was when I arrived at PagerDuty.. My team used to joke that when, before I got to PagerDuty, the way you would describe the culture was, dudes from Waterloo, 'cause it was largely males that had gone to school at Waterloo University with our founders.. And so, to drive that kind of change, to build an inclusive culture where people have an equal opportunity to kill it in their career at PagerDuty is very much about being intentional, about setting the tone from the top.. So again, as an entrepreneur, you have an opportunity to set the tone from the top and change the way companies are built and run..

So, just delivering great performance, great financial performance, or great product is not enough.. It's how you do it.. It's the values with which you participate in a market.. It's the values with which you treat your people everyday.. And culture is defined by the lowest level of behavior you accept.. Not by the highest standard you set.. So it means, that you're gonna have to be gritty and perseverant and resilient when people say, "Oh, we've got to hire "this rock star person and we don't need "to see any other candidates." Well, wait a minute.. I'm not gonna approve a final hire unless you can show me that the candidate, the final candidate's slate was balanced.. And that the interview panel that met these people was balanced.. Because if you have a panel of four final candidates and one is an underrepresented person, they have a 2% chance of getting that job..

If you have a panel of four people and two of them are underrepresented, those underrepresented candidates have a 51% chance of getting the job, providing the interview panel is diverse.. So, if you have an underrepresented candidate, but everybody on the interview panel's in the majority, they're very unlikely to get that job, so setting the tone from the top, living our values everyday at work, being unapologetic and outspoken in the market about what we think is important, in terms of not just what you do, but how you do it is a big part of who PagerDuty is and a big part of why I like being a CEO..