

Diversity and exclusion in the startup ecosystem

“Why aren’t we diverse?” Amir Kabel, Director of Diversity and Inclusion at Burberry, asked during a webinar about the same topic.

“There’s a clear business case - profitability, retention of talent and higher innovation. We need to be comfortable with feeling uncomfortable when we talk about race. We need to be honest that inequalities exist in societies.”

In the past month, the murder of George Floyd by the police, and the surge of Black Lives Matter protests around the world, have shined a light on the topic of inclusivity and diversity in all forms, or lack thereof. Kabel continued to share stats to emphasize the scale of the problem. According to [research by the Guardian](#), 43% of ethnic-minorities are overlooked for promotions in a way they felt was unfair.

In [2018](#), ethnic minorities in London have earned 21.7% less than the rest of the population, and black people, in particular, had the highest unemployment rate. Along with this, the representation of people of colour in senior management continues to be a concern. “You can’t be what you can’t see,” Kabel asserted.

Attracting more of the same

The tech and startup industry is no exception when it comes to exclusion, and is well known for its gender disparities. According to a [study by PwC](#), only 5% of leadership positions in tech are held by women. With regards to race, [colorintech.org](#) surveyed 16 of the UK's top technology companies, and only four out of 152 board positions were filled by an ethnic minority person.

"Not having an HR department means that your early employees write the job descriptions, they organise the interview processes, they decide where they try to find employees," says Lee Chambers, an [Environmental Psychologist and Wellbeing Consultant](#). He goes on to explain that most people will have a fixed idea of the ideal employee in their mind, and end up attracting the same person over and over again if they are not careful. This is why the values need to be at the forefront of the founders' minds from the very beginning. "The bigger problem," Chambers continues, "is when diversity increases and inclusion doesn't. That's actually worse for people." In that situation, people of colour are kept from development opportunities, and the higher you go in the company, the less representation you see.

Chamber feels that his experience coming up in the startup world has provided him with a roadmap of the type of leader he wishes to be. In 2008, fresh out of university, he was looking to set up a wholesaling video game company, and he came to a business advisor for guidance. "He's a generally nice guy, in his 50's, white, with lots of experience," Chambers explains. "He effectively said 'someone can probably build a successful business with it, but you're going to struggle.'" The advisor was referring to Chambers being a young, black entrepreneur, and the industry having few women or people of colour.

"He said 'you're young, you're diverse, you come across with a little bit of an attitude problem and you're a bit disruptive.'" Fortunately, that didn't discourage Chambers from starting the business, which he sold many years later, to become a consultant. "The experience made me realise that when I wanted to expand, I would be the pivotal person to incorporate the culture in the company. It started with me, with my own experience of being told 'don't do it' and then doing it."

Setting the tone from the top

"As a leader, you need to confront your own reality and your own bias. People will pay attention to what you say and even more to what you do," Ann Herrmann-Nehdi agrees. The Chairwoman of [Herrmann International](#) specialises in cognitive diversity. "If there's any place you want to have a diverse team, it's a startup, because you don't have unlimited resources. You

need the breadth of thinking within the core team to get to the next level of growth.”

With her company, she helps startups to get over being uncomfortable when they discuss differences. “You start by administering an assessment, which allows everyone on the team to understand what their thinking preferences are,” Herrmann-Nehdi explains. “It gives you an instant language to describe how you prefer to think, and how other people do. You can then use that conversation when you’re solving problems.” With practising cognitive diversity, Herrmann-Nehdi clarifies, you’d eventually achieve racial and other types of diversity, as you won’t keep hiring people who are similar to you.

While cognitive diversity is her main line of work, Herrmann-Nehdi agrees that it’s not the only way to go. “We decided to have weekly, open-forum conversations in Herrmann, where everyone is invited to talk about what’s happening in the world, and how they’re feeling,” she shares. “As progressive as I am as a leader, I’ve learned about my own bias that I didn’t even realise was there. Constantly proactively pushing yourself to not follow your bias, is an important lesson for any entrepreneur.”

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Show, don’t tell

“What is really important is lasting action, which is why I wanted to write that manifesto,” says Tessa Clarke, Co-Founder of OLIO. Clarke is referring to a post on [Medium](#) titled “Black Tech (has always) Mattered”. She published the post in June, outlining how her company, a food sharing app, is planning to take action to ensure diversity and inclusion, especially for black people. “We have quarterly goals as a business, which we review and make sure we achieved, so I applied the same mechanism to this problem.”

One of the actions, for instance, was to circulate anti-racist reading materials to the team and ensure they have regular conversations. Another was to reach out to under-represented communities when recruiting. “I think the fear of getting it wrong is stopping people from doing the right thing,” the CEO adds.

When she looked to other tech leaders for advice, many remained silent, “I was a little bit disappointed and angry.”

As a startup that’s focused on the environment, Clarke finds an even greater need for diversity within tech. “For too long, the tech and the VC world have been solving the problems of the one per cent. As a result, we have failed to solve many of the problems facing humanity today, the biggest of all is the climate crisis.” She adds that the most diverse founders she knows are working on those issues, but are being stopped by the gatekeepers of the capital. “People talk about the climate crisis in the future tense, and that reflects their lack of empathy for people of colour and poor communities, for whom the crisis is already here.”

“Diversity and inclusion are important, but there’s something more important, which is belonging,” Chambers concludes. “When people feel like they belong, they feel appreciated and have a space to grow. So often, diversity and inclusion come in as a training course, but people don’t want something coming externally if it’s not there already. It shouldn’t just be an initiative, it should be a way of life for the company.”

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