

Education bias is one of the few diversity issues that goes mostly unchallenged in venture capital

Eleanor Kaye, Executive Director of the Newton Venture Program explores how VCs overvalue university degrees and how to challenge education bias.

Temps de lecture : minute

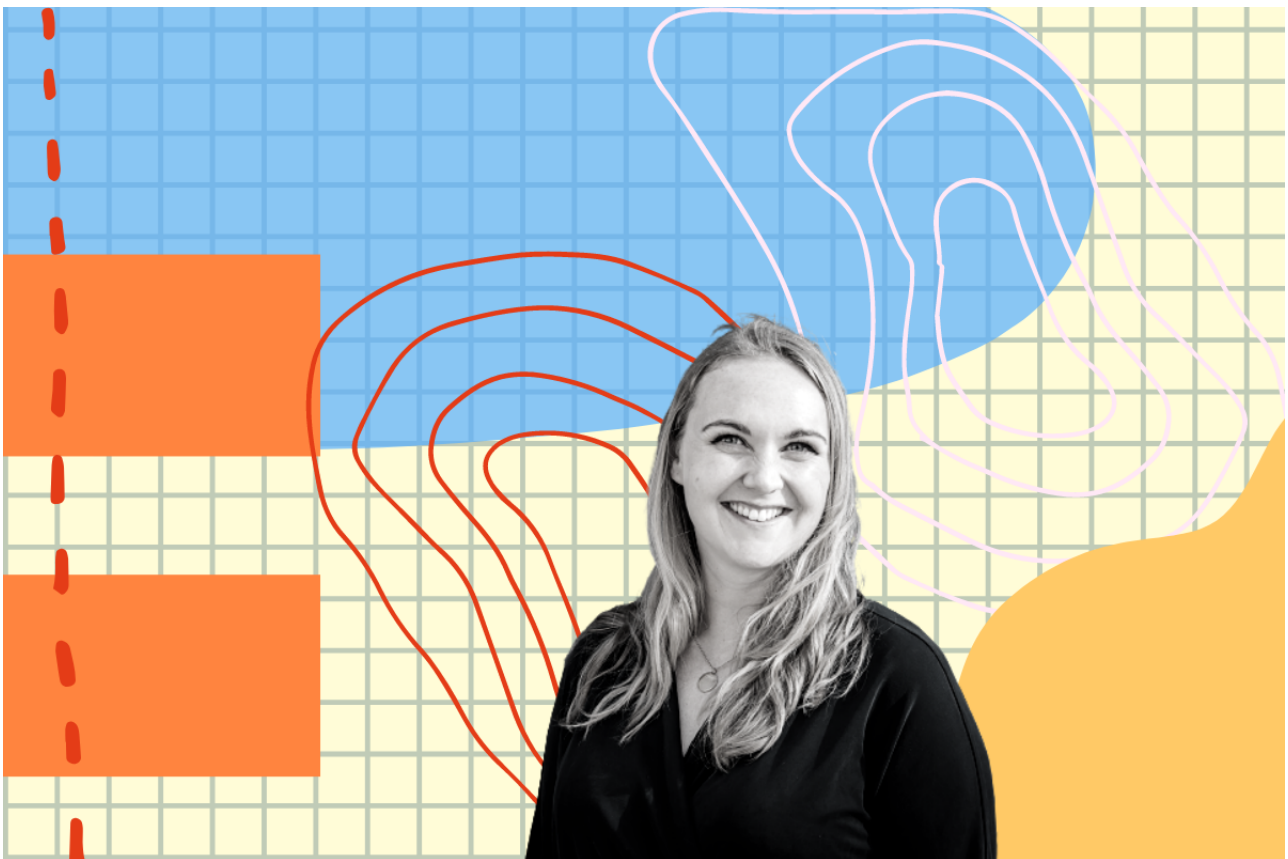
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Venture capital has a diversity problem but there's certainly been momentum with initiatives to improve access and opportunities for those who are typically overlooked and underestimated. But somehow, it's still acceptable and indeed common for VCs to discriminate on the basis of where - or indeed whether - a job candidate went to university. This behaviour seems to be driven by the assumption that a prestigious university degree really is the best indicator of whether someone will be successful in venture capital.

And the stats back up this sentiment: one in five UK VCs have a degree from Oxbridge, Harvard or Stanford, and an even greater proportion (23%) went to business school.

This assumption that studying at a top university in some way endows people with the right skills to work in VC is visible in the recruitment process. Job adverts almost always specify that a Bachelor's degree is required and an MBA or postgraduate degree is 'valuable'. Anecdotally, I know that VCs are usually looking for candidates not just with a degree but with one from a 'top' university.

But a top university degree doesn't necessarily cultivate or indicate the person in question has the right skills to work in VC. Well-reasoned decision making, business and financial understanding and spotting opportunities are not exclusively developed or tested at university. Not only does this mean that we are excluding talented, skilled people from tech investing, but it also creates an echo chamber where - without the diversity of educational background and life experience - investors may overlook the issues, trends, products and startups which have an impact on groups beyond the 'highly educated' demographic.



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Research shows people are more likely to invest in people who look like them - and people typically solve problems that affect them. Education discrimination in VC is directly impacting which startups and founders get

funded.

When questioned why a specific degree is on a job description, the response is often that this is the only or the best way to filter huge numbers of applications for entry-level jobs or positions where direct experience in that role is not required.

Through my work at the *Newton Venture Program*, helping those from typically overlooked and underestimated backgrounds looking to work in venture capital, I know that using 'prestigious university degree' as a filter for 'best candidates' is neither appropriate nor effective.

So how do we tackle education bias and find alternative ways to evaluate someone's potential for success in venture capital?

To start with, we need wider recognition that - in spite of what it looks like - there is no fundamental connection between attending a top university and succeeding in venture capital.

With that acknowledged, we need to develop and adopt better filtering solutions for job candidates. For example, we should be encouraging the use of tools that can identify common indicators that someone takes initiative, spots opportunities, builds relationships, stands out among their peers, has excellent analytical skills and understands the business of tech and investment. When selecting candidates for our programmes, for example, we use Applied's de-biased hiring software to eliminate human bias from our decision making and ensuring skills rather than names or institutions are what count.

To ensure a more ethical approach to hiring is truly effective, we must also make sure their job roles have a diverse pool of candidates to start with. One way to achieve this is to proactively promote job adverts to

professional networks and communities which are set up to support and encourage diversity in venture capital and tech. Examples include *Colorintech*, *Included VC*, *Diversity VC* and through Newton's active alumni network.

By challenging the assumptions around how important and relevant a top university degree is to work in VC, combined with proactive efforts to change how we attract and identify potential talent, we can ensure that venture capital - and the companies they invest in - truly represent the society in which we live.

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