



TECH LEAVERS STUDY

A first-of-its-kind analysis of why people
voluntarily left jobs in tech



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FOR SOCIAL IMPACT



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The Kapor Center for Social Impact (KCSI) aims to enhance diversity and inclusion in the technology and entrepreneurship ecosystem through increasing access to tech and STEM education programs, conducting research on access and opportunity in computing, investing in community organizations and gap-closing social ventures, and increasing access to capital among diverse entrepreneurs.

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TECH LEAVERS STUDY

Unfairness-based turnover in tech is a \$16B a year problem.

We have all heard the anecdotes: high profile stories of people leaving jobs in tech and detailing graphic accounts of toxic work environments characterized by bullying, stereotyping, sexual harassment, and racial bias. Although headline-worthy, how common are these accounts across the tech sector? Do these experiences affect retention? Does workplace culture create a revolving door for underrepresented groups? To date, there have been no representative studies of tech workplace cultures or what experiences drive employees out of the door.

The Tech Leavers Study is a first-of-its-kind national study examining why people voluntarily left their jobs in tech. The Kapor Center for Social Impact and Harris Poll surveyed a nationally-representative sample of U.S. adults who have left a job in a technology-related industry or function within the last three years.

While people leave their jobs for a variety of reasons, from the desire to seek career advancement or greater pay to a shorter commute or a change of careers, we found that **unfair treatment is the single largest driver of turnover affecting all groups, and most acutely affects underrepresented professionals.**

What's more, unfairness-based turnover in tech is a \$16B a year problem. There is a high cost to bad culture, and this is a self-inflicted wound.

What did we learn: 4 key takeaways

- ❶ **Unfairness drives turnover**
- ❷ **Experiences differ dramatically across groups**
- ❸ **Unfairness costs billions each year**
- ❹ **Diversity and inclusion initiatives can improve culture and reduce turnover—if they are done right.**

“The culture was toxic. The CEO clearly lacked respect for women. Inappropriate remarks were made about women interviewing for roles in the case that the founder found them attractive. Inappropriate / sexual remarks about women were made in front of his female employees during off sites. (There was) tons of micro-management and lack of trust in the abilities of the women who worked for his company. After I left, all of the other women quit too. It was not a female-friendly company.”

—LATINX, FEMALE, ENGINEER

- ❶ **Unfairness Drives Turnover.** Tech employees from all backgrounds cited unfairness more than any other factor as a key driver of their decision to leave.
 - Unfairness or mistreatment within the work environment was the most frequently cited reason for leaving, with 37% of the sample indicating that unfair treatment was a major factor in their decision to leave their company.
 - Unfair treatment was nearly twice as likely to be cited as a factor driving turnover than being recruited away by a better opportunity (38% versus 22%).
 - Underrepresented men of color were most likely to leave due to unfairness (40%).
 - Unfairness is most pronounced in the tech industry: employees in tech companies were significantly more likely to leave due to unfairness than technical employees in other industries (42% vs. 32%).
 - Women of all backgrounds experienced and observed significantly more unfair treatment overall than men ($p < .00$).
- ❷ **Experiences Differ Dramatically Across Groups.** While employees from all backgrounds left due to unfairness, workplace experiences differ dramatically by race, gender, and sexual orientation.
 - 78% of employees reported experiencing some form of unfair behavior or treatment, while 85% witnessed or observed unfair behavior or treatment in their previous company. Women experienced/observed significantly more unfairness than men; Employees within tech companies experienced significantly more unfairness than employees in non-tech companies.
 - Nearly one quarter of underrepresented men and women of color experienced stereotyping, twice the rate of White and Asian men and women. Almost one-third of underrepresented women of color were passed over for promotion—more than any other group.
 - 1 in 10 women in tech reported experiencing unwanted sexual attention.
 - LGBT employees were most likely to be bullied (20%) and experience public humiliation or embarrassment (24%), while White and Asian men and women were most likely to perceive unfairness in management **practices and leadership**.
 - Experiencing and observing unfairness is significantly related to turnover, with the experiences most strongly related to turnover (stereotyping and bullying) being those experienced most often by underrepresented groups.
 - Experiencing stereotyping and bullying/hostility was negatively related to length of employment; The more stereotyping and bullying experienced, the shorter the length of time that employees remained at their previous company.
- ❸ **Unfairness Costs Billions Each Year, And That's Just the Beginning.**
 - Using conservative estimates based on the percentage of tech employees leaving due to unfairness in this study, unfairness alone will cost tech companies \$16B per year in employee replacement costs.
 - There are also reputational costs to companies due to unfairness-related turnover. Thirty-five percent of former employees said their experiences would make them less likely to refer others to seek a job at their former employer, and 25% said they would be less likely to recommend others to buy or use products and services from their former employer.
- ❹ **Diversity and Inclusion Initiatives Can Improve Culture and Reduce Turnover—if they are done right.**
 - Employees indicate that improving workplace culture can improve retention. 62% of all employees would have stayed if their company had taken steps to create a more positive and respectful work environment. 57% would have stayed if their company had taken steps to make the company culture more fair and inclusive.
 - When 5 common diversity and inclusion initiatives are in place, unfair experiences are significantly lower, and employees are significantly less likely to leave due to feeling mistreated.
 - Having all 5 initiatives implemented (a comprehensive diversity and inclusion strategy) provided a larger reduction in unfair experiences than any single initiative alone, indicating that one-off initiatives cannot take the place of a comprehensive strategy.

What can companies do? 3 recommendations for addressing unfairness:

- 1. Implement Comprehensive D&I Strategies.** Develop and implement a diversity and inclusion strategy that starts with unequivocal leadership from the CEO and executive team, is comprehensive, and implements multiple initiatives, measures the effectiveness of strategies, and allows for course-correct when needed.
- 2. Create Inclusive Cultures.** Identify a set of core values, develop a code of conduct, and strive to create and continuously evaluate and improve the culture. Conduct employee surveys at regular intervals, examine data by each demographic group, provide transparency about culture issues and act upon the findings, addressing areas of concern (See: [Project Include](#)).
- 3. Develop Effective and Fair Management Processes.** Audit performance management and compensation practices for potential biases and implement management training and bias-mitigating strategies (including people operations technology tools) in all stages of the employment lifecycle.

Bottom line: Diversity in tech matters—for innovation, for product development, for profits, for meeting future workforce demands, and for closing economic and wealth gaps. But unfairness, in the form of everyday behavior (stereotyping, harassment, bullying, etc.) is a real and destructive part of the tech work environment, particularly affecting underrepresented groups and driving talent out the door. With a concentrated focus on building inclusive workplace cultures, tech can save billions of dollars in financial and reputational costs, keep great talent, and finally make progress on its diversity numbers.

“I was treated as an other, excluded, and undervalued in my office. I was sat in the back of the office, I was ignored, and it was made apparent that I was a 'diversity hire.' I was told I was 'too sensitive.' I was told that other black and lesbian folks in the office didn't feel as I did, after mentioning homophobic and racist jokes being spewed in work-only chat channels. I left my employer because I was being treated unfairly as a black woman and human being.”

—BLACK, LGBTQ, FEMALE, DEVELOPER

**For more information about the
Tech Leavers Study:**

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tech leavers study: the intro

We already know that the technology sector lacks diversity.

Diversity in tech matters—for innovation, for product development, for revenue/profits, for meeting future workforce demands, and for closing economic and wealth gaps.¹ Yet, tech remains a notoriously homogeneous sector, despite billions of dollars spent in recent years to increase diversity. We know that the causes for disparities in tech are complex; biases and barriers exist throughout the tech pipeline from K-12 education through the tech workforce and venture capital. But to what extent does tech culture drive out talent, resulting in a revolving door for underrepresented groups? **The Tech Leavers Study is a first-of-its-kind analysis of why people voluntarily left their jobs in tech, using a nationally representative sample of 2,006 U.S. adults who have left a job in a technology-related industry or function within the last three years.**

In the last 3 years, based in part on the external pressure for data transparency and subsequent evidence that the diversity numbers in tech companies are indeed dismal, this issue has become more widely discussed, analyzed, and reported. The tech sector is now paying attention to diversity and inclusion.² Companies have spent hundreds of millions of dollars per year on efforts to enhance diversity (mostly focused on recruitment, hiring, and initiatives like “unconscious bias” training), without significantly changing the diversity of their workforce.³

- Women, Black, Latinx, and Native American professionals are vastly underrepresented in all occupations within the technology sector, in comparison to both the United States population and to the private sector as a whole.⁴
- Women make up 50% of the U.S. population and only 25% of the tech workforce; African American or Latinx adults combined make up 30% of the nation’s population, but just 15% of the tech workforce.⁵
- Among the top revenue-grossing technology companies (like Apple, Google, and Facebook), Black and Latinx employees combined represent only 3-5% of all employees.⁶
- The ongoing debates about whether the lack of diversity is due to a “pipeline problem” or a “tech culture problem” has failed to accurately frame the problem: that there are a complex set of biases and barriers that begin in pre-school and persist through the workplace.⁷ These cumulative biases and barriers prevent the tech ecosystem from being more diverse, inclusive, and representative of the United States population as a whole.

Despite the increased focus on workforce diversity, employee retention tends to be overlooked in the analyses of diversity within tech companies and the ecosystem as a whole. While there are numerous reasons why retention is overlooked—ranging from resistance to self-examine culture, to the multiple factors which can influence retention and create challenges in measuring retention (e.g., equity vesting)—the lack of data create challenges in understanding disparities and addressing them. Recent reports from several tech companies who have chosen to examine retention data have revealed both specific challenges with retaining diverse employees and high rates of turnover among specific subgroups, indicating that these challenges may in fact be contributing to the stagnant diversity data within tech companies.⁸ Put simply, the diversity numbers may not be changing at least in part because tech companies have become a revolving door for underrepresented groups. Without a nuanced and accurate analysis of the problem, and a comprehensive roadmap for solutions, these disparities will remain largely unchanged.

But who leaves tech, and why?

Turnover Rates. Companies report headcount data to the federal government, and they are increasingly releasing their EEO-1 reports to the public, but rarely do they report on their retention data.⁹ Aside from the anecdotal experiences of employees and demographic data from a few companies, we know very little about turnover across the tech sector by company or by demographic subgroups, and whether employee retention is a major contributing factor to tech's lack of diversity.

Experiences in Tech across Groups. A steady stream of blogposts, articles, and social media conversations in recent years have described a multitude of troubling and disturbing experiences within tech companies among individuals from underrepresented backgrounds. Several studies—with varying levels of rigor and sample sizes—have found that women and underrepresented people of color endure sexual harassment, stereotyping, micro-aggressions, and other forms of mistreatment at tech companies at rates higher than that of their colleagues.¹⁰ Yet, we have not had a representative picture of what tech workplace cultures look like, how workplace experiences differ across employee groups, and how experiences vary within the categories of race and gender.

Factors Driving Turnover by Group. Beyond data about rates of turnover in the technology industry, little is actually known about what factors drive turnover for all employees in tech and what factors drive talented employees from diverse backgrounds out the door. Turnover throughout all fields is typically tied to career and financial advancement,¹¹ and previous research from the Level Playing Field Institute has linked workplace unfairness and negative experiences to turnover,¹² but we don't yet know how the tech environment and culture is linked to turnover, and what factors or experiences drive individuals to leave tech jobs.

Improving Retention. To improve retention, we must first attempt to fully understand what experiences and factors cause turnover, and develop strategies to intervene. Without this specific information on tech workplace culture, the experiences of different groups, and the factors driving turnover, we have limited information about how to design and implement effective initiatives/strategies that will actually work to improve hiring and retention across all groups.

“There was not enough diversity. The company had excellent benefits including free lunches, massages, and beer Friday’s, but I was 1 of only 5 black people at headquarters which felt odd and I felt people looked at us when we got together. Benefits were great but I'd have rather been somewhere diverse.”

—BLACK, MALE, DATA SCIENCE

the tech leavers study: the overview

Building upon on our two previous studies—the [Corporate Leavers Survey](#) in 2007 and the [Tilted Playing Field: Hidden Bias in IT](#) in 2011—and the research, reports, and personal narratives of numerous other thought leaders in tech, we embarked on the Tech Leavers Survey. Using a nationally representative sample of individuals who voluntarily left a position within tech, this study allowed us to look across companies and identify patterns in experiences and drivers of turnover across the technology ecosystem and by demographic groups. Based on prior research and understanding of complexities in career decision-making, we assumed that decisions to leave a company were not based on a single experience or factor, but rather on a series of cumulative experiences which both push and/or pull employees out of companies.

Therefore, we examined several factors contributing to turnover, the relationship between workplace environment and turnover, and how these factors differ by demographic groups. We wanted to examine diverse and underrepresented groups and look beyond just race and gender, to include intersectional analyses by race, gender, and LGBTQ-identification. We then examined the role that diversity and inclusion initiatives can play in reducing turnover—and whether evidence exists of their efficacy—to contribute data-informed recommendations for companies looking to improve their diversity and inclusion.

This study aimed to contribute to understanding about factors that affect workplace culture, job satisfaction, and decision-making related to retention and turnover across all demographic groups. Using information gained through this research, we aimed to establish the importance for all tech employees to have access to fair and inclusive work environments to both improve retention and reduce reputational and financial costs associated with turnover.

the sample

The Kapor Center for Social Impact and Harris Poll conducted an online survey of a nationally representative sample of 2,006 adults who have left a job in a technology-related industry or function within the last 3 years. The sample was weighted to reflect the composition of adults across the United States, including accounting for age, gender, geographic region, race/ethnicity, income, household size, marital status, employment and education. The demographic profile of study participants was:

- **Gender:** Male (63%), Female (36%), Other (1%)
- **Race/Ethnicity:** White (73%), Latinx (11%), Black (7%), South/East Asian/Pacific Islander (6%), Native American/Alaskan Native (1%)
- **LGBTQ-Identified:** Yes (8%), No (91%)
- **Age:** 18-35 (37%), 36-45 (19%), 46-65 (33%)
- **Previous Employer in Tech Industry:** 53% worked within the technology industry (47% worked within a tech position in a non-tech industry)
- **Previous Job in Technical Role:** 68% were in a technical role in their previous company (32% were in a non-technical role)

See Appendix for a full description of the sample and research methodology

research questions

- What factors contributed to turnover among tech employees?
- What were tech employees' workplace experiences, and how did those experiences relate to turnover?
- Do professionals from diverse backgrounds have unique experiences and/or factors contributing to turnover?
- What are the financial and reputational costs to employers due to voluntary turnover?
- What practices can reduce turnover and retain tech professionals from diverse backgrounds?

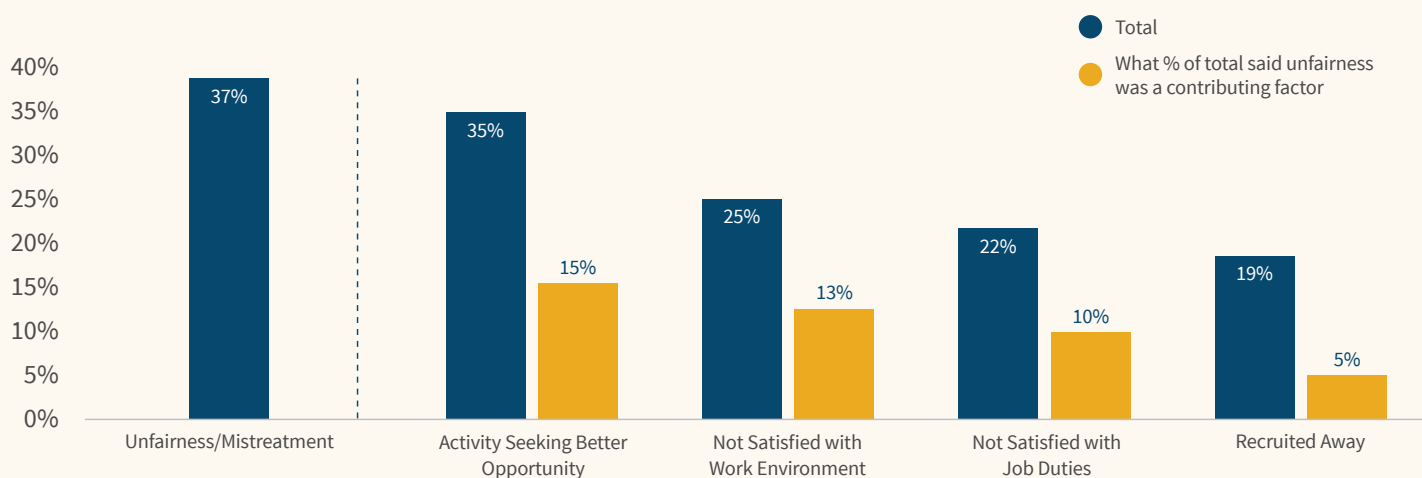
tech leavers study: the findings

Why People Left

To examine the reasons for voluntary turnover among tech leavers, we asked employees to describe their reason(s) for leaving their employer, from a list of factors that either “pushed” or “pulled” them out of their previous workplace.¹³ Here is what we found:

- Unfairness or mistreatment within the work environment was the most frequently cited reason for leaving, with 37% of the sample indicating that unfair treatment was a major factor in their decision to leave their company. (Figure 1).
- Unfair treatment was cited more frequently as a reason for leaving than actively seeking a better opportunity (35%), dissatisfaction with the work environment (25%), being recruited away (22%) or dissatisfaction with their job duties/responsibilities (19%). In fact, individuals were almost 2x as likely to leave due to unfair treatment than to be recruited away from an employer (Figure 1).
- Among the individuals who left their previous employer for other reasons, a portion also cited unfairness in their decision. 15% of the 35% of employees who left to seek a better opportunity indicated that unfairness contributed to the decision to leave. Roughly 25% of those who were recruited away indicated that unfair treatment played a role in their decision (Figure 1).

Figure 1. Which of the following describes the reason(s) you left your previous employer?



“I was uncomfortable with several aspects of the work environment...There was a 'boys club' mentality and lots of discrimination against women. I liked my team a lot, but another company reached out with an ideal position that seemed like a better work environment and had better career opportunities.”

—WHITE, FEMALE, DIRECTOR OF PRODUCT

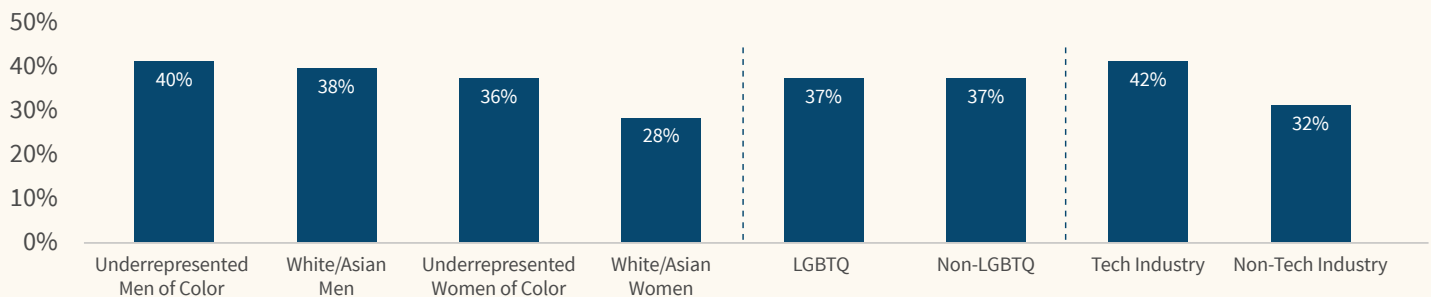
Unfairness by Subgroups

When examined by subgroups, differences were noted in which employees left due to unfairness (Figure 2).

- Underrepresented men of color were most likely to leave due to unfairness (40%) at a rate slightly higher than White/Asian men (39%). Women of color were more likely to cite unfairness as a major reason for leaving than White and Asian women (36% vs. 28%).
- Unfairness was more pronounced in the tech industry: Employees in the tech industry were significantly more likely to leave due to unfairness than technical employees in the non-tech industry (42% v 32%, $p < .00$)
- Within tech, technical employees were significantly more likely to leave due to unfairness than those in non-technical positions (40% vs. 32%, $p < .00$).

Unfair treatment plays a critical role in the decision for tech employees to leave their jobs and search for a new employer. While the hot job market is typically blamed for high rates of turnover in tech, this data suggests it is a bit more complicated: experiences with unfairness are actually driving many employees to leave, particularly employees within tech companies.

Figure 2. Who left due to unfairness?



“There was a multi-year pattern of young affluent white males who lacked skills and experience being unfairly sponsored, fast-tracked through promotions, and handed top choice of high profile projects. I was forced to compete on an uneven playing field where opportunities for growth and advancement were unlikely. I left the company for a more diverse and inclusive organization.”

—CHINESE, FEMALE, ENGINEER

Same Workplaces, Different Experiences

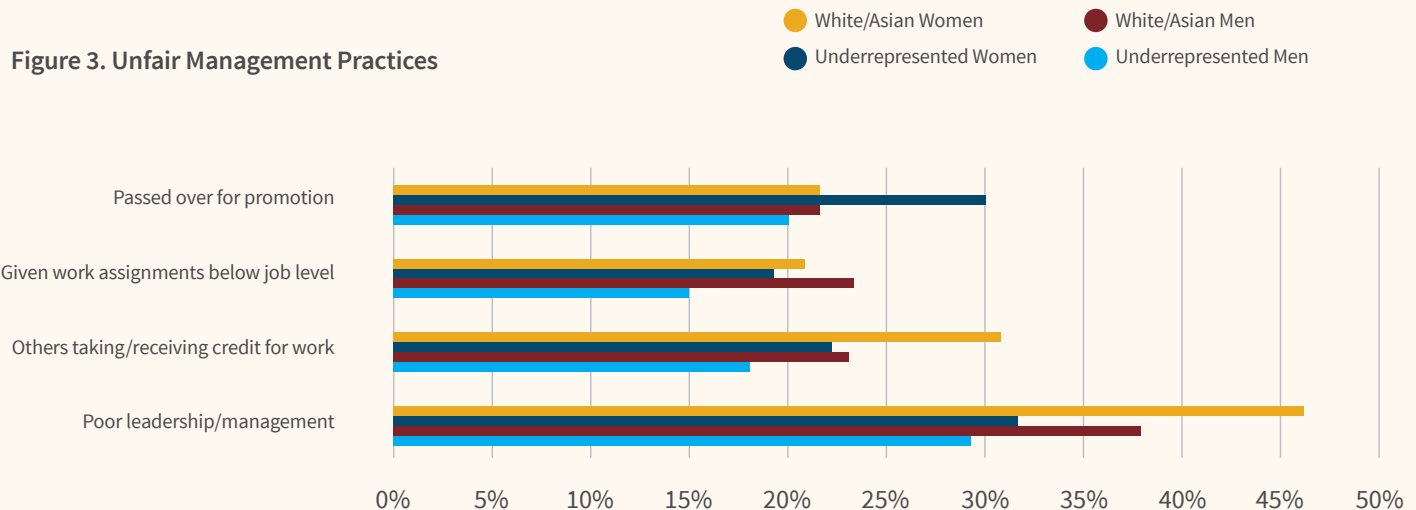
Given that 37% of employees cited unfairness as a major factor in their decision to leave, we wanted to further explore a set of experiences related to unfair treatment in the work environment to understand which were most frequent and which groups of employees were most impacted by these experiences. Four categories of unfair treatment, behaviors, and experiences were explored: (1) Unfair people management practices, (2) Stereotyping, (3) Sexual Harassment, and (4) Bullying/Hostility (Appendix, Table 3).¹⁴

Overall Experiences

- 78% of employees reported *experiencing* some form of unfair behavior or treatment, while 85% *witnessed or observed* unfair behavior or treatment in their previous workplace.
- Women of all backgrounds experienced and observed significantly more unfair treatment overall than men ($p < .00$, Appendix, Table 2)
- Individuals in the tech industry experienced and observed more unfairness than those employed in non-tech industries ($p < .043$; Appendix, Table 2). This suggests that tech companies may have significantly more challenges in both culture and employee treatment.
- Unfair experiences were perpetrated by senior-level employees, significantly more often than junior, mid, or executive level employees. ($p < .00$)

Unfair People Management Practices

- White and Asian women had the highest rates of dissatisfaction with their company's leadership and management (47%)—significantly higher than underrepresented women of color (32%) and White and Asian men (38%).
- White and Asian men experienced significantly higher rates of unfair management practices than underrepresented men of color, particularly in experiencing poor leadership, being given work assignments below their job level ($p < .01$), and having others take and receive credit for their work. ($p < .05$, $p < .001$)
- 30% of underrepresented women of color reported being passed over for promotion, a percentage significantly higher than White or Asian women ($p < .05$), White and Asian men ($p < .05$) and underrepresented men of color ($p < .01$, Figure 3)



Stereotyping

- Nearly 25% of underrepresented people of color (both men and women) experienced stereotyping in their previous job (Figure 4).
- Underrepresented men and women experienced stereotyping at rates almost twice as high as White/Asian men (14%) and White/Asian women (12%, $p < .01$).

Sexual Harassment

- 1 in 10 women in tech reported experiencing unwanted sexual attention in the job they most recently left (Figure 5).
- Women of all backgrounds were significantly more likely to experience unwanted sexual attention than their male counterparts (10% vs. 8%, $p < .005$).
- Unwanted sexual attention is reported at rates almost twice as high among employees in the tech industry vs. tech employees in other industries (10% vs. 6%, $p < .001$).

Figure 4. Stereotyping

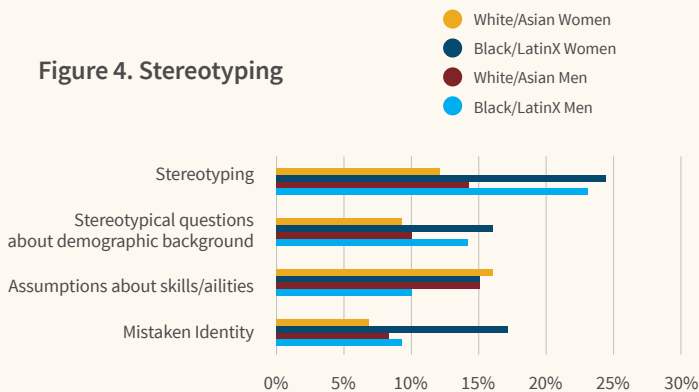
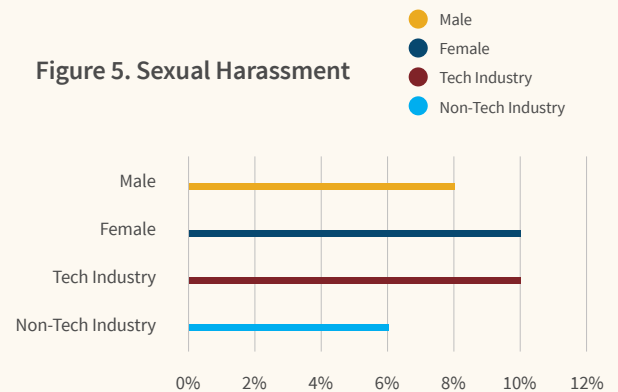


Figure 5. Sexual Harassment



“My employer assumed I knew Ebonics because I was Black. She also assumed I would be okay with coded language around affirmative action and implying that people of color get in to schools more easily than white people. I shared this feedback with her during my exit interview.”

—BLACK, FEMALE, ENGINEER

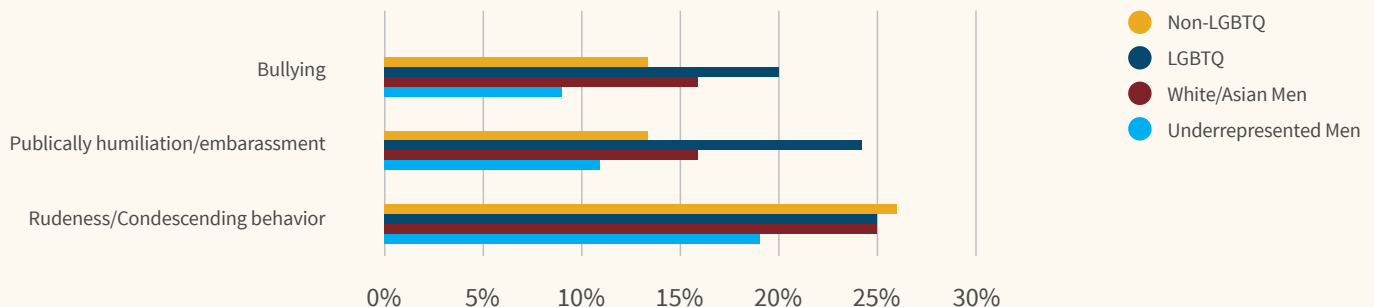
Bullying/Hostility

- LGBTQ employees were most likely to be bullied (20%) and experience public humiliation or embarrassment (24%), both at significantly higher rates than non-LGBTQ employees (13%, $p < .01$).
- White and Asian males experienced bullying (16%), public humiliation (16%), and rudeness (25%) more frequently than underrepresented men (9%, 11% and 19%, Figure 6).
- Bullying and hostility were most often perpetrated by senior-level employees (53%)

Summary of unfair experiences

While employees from all backgrounds experienced unfair treatment in their previous workplace, it is clear that employees from underrepresented and diverse backgrounds faced unique challenges. While White and Asian men and women were most likely to experience unfair management practices which had to deal with day-to-day employment experiences like work assignments, underrepresented groups experienced much more negative treatment specific to their racial/gender backgrounds (stereotyping and sexual harassment). Bullying and hostility affected all groups, which suggests these behaviors are more indicative of a toxic workplace culture, but LGBTQ employees were affected most acutely. These data demonstrate that workplace experiences differ dramatically by race, gender, and sexual orientation. Understanding the relationship between these experiences and employee turnover and retention is the next step in understanding the underrepresentation of diverse groups in the tech ecosystem.

Figure 6. Bullying and Hostility



“There were a lot of rude and condescending employees that treated me like I was less competent. The general culture there also wasn't diverse, so I struggled fitting in and making friends... I felt very isolated... Especially working in a company where the majority of employees considered themselves to be politically liberal and inclusive, yet minorities represented a small fraction of the workforce. I felt resentful.”

— LATINX, FEMALE, UX DEVELOPER

How Unfairness Contributed to Turnover and Retention

Next, we explored the relationship between personally experiencing and/or observing unfair treatment within the work environment and the decision to leave that company.

Unfairness and turnover

Experiencing unfairness significantly increased the likelihood of citing unfairness as the reason for leaving, with stereotyping and bullying/hostility being the experiences that were the strongest predictors of leaving due to unfairness ($p < .00$). The more stereotyping and bullying employees experienced, the higher the rates of employees' leaving due to unfairness. *Observing* unfair treatment in the form of stereotyping, bullying, and sexual harassment was also significantly related to leaving due to unfairness, suggesting that the impact of negative treatment and workplace culture extends beyond those with personal experiences of unfair treatment and also affects turnover decisions among one's colleagues ($p < .00$; Appendix Table 4).

For LGBTQ employees, being bullied was the strongest predictor of leaving due to unfairness ($p < .0$), and 64% of LGBTQ employees who were bullied said the experience contributed to their decision to leave. For underrepresented men and women of color, being stereotyped was the most significant driver of leaving due to unfairness ($p < .0$), and 35% who experienced being stereotyped said it contributed to their decision to leave. Fifty-seven percent (57%) of those who experienced unwanted sexual attention said that these experiences contributed to their decision to leave their previous company.

Unfairness and retention

Stereotyping and bullying/hostility were the only two categories of behaviors that were strongly correlated to length of employment, indicating that the more stereotyping and bullying experienced, the shorter the length of time that employees remained at their previous company. Experiencing unfair management and observing unfair treatment both had the opposite effect, with more experiences of unfair management being correlated with staying longer, suggesting that these experiences are associated with being employed with a company for longer periods of time or that these experiences are not major drivers of decisions to leave (Appendix, Table 5).

The relationships between negative and unfair experiences and turnover and retention are clear: the more frequent the experiences that employees have with unfair treatment, the more likely they are to leave. While all employees in this sample were “tech leavers,” what differentiates those leaving due to unfairness are the specific reasons for their departure.

“I was treated as an other, excluded, and undervalued in my office. I was sat in the back of the office, I was ignored, and it was made apparent that I was a 'diversity hire.' I was told I was 'too sensitive.' I was told that other black and lesbian folks in the office didn't feel as I did, after mentioning homophobic and racist jokes being spewed in work-only chat channels. I left my employer because I was being treated unfairly as a black woman and human being.”

—BLACK, LGBT, FEMALE, DEVELOPER

tech
leavers
study:
the
costs

The Astounding Costs of Unfairness

Unfairness costs companies an estimated \$16B per year.

The costs of turnover due to unfairness in workplace culture are staggering. Based on current estimates of average costs for replacing professional employees, each person who leaves a tech job will cost companies an average of \$144,000 per employee for full replacement costs (lost productivity, recruiting costs, salary, etc.). Nearly 40% of this sample of tech employees reported leaving their jobs due to unfairness. Based on this data, the annual yearly estimated cost to tech employers for turnover due to unfairness totals over **\$16 billion per year**. What would the cost look like for an individual company? If we assume a large tech company pays engineers an average salary of \$100,000 and it employs 10,000 engineers, even with a lower turnover rate (5%) and turnover rate due to unfairness of 37%, that company alone would lose **\$27 million** per year by allowing their workplace culture to drive talent out the door.

Beyond the financial costs, there are additional reputational costs to companies due to unfairness-related turnover. Within this study, 35% of former employees said their experiences would make them *less likely* to refer others to seek a job at their former employer, and 25% said they would be *less likely* to recommend others to buy or use products from former employer. This adds significantly to the \$16 billion annual price tag for replacing employees.

Financial Costs of Turnover Due to Unfairness/Mistreatment

Race/Ethnicity	% of 2016 Computing Workforce	# of 2016 Computing Workforce	# Leaving Due to Voluntary Turnover (6.15%)	Turnover Rate Due to Unfairness	# Leaving Due to Unfairness	Cost for Making an Engineering Hire (\$17,000)	Full Replacement Costs at 1.5x Average Salary (\$144,834.24)
White	70%	3,483,900	214,260	35%	74,991		
Asian	18%	895,860	55,095	44%	24,242		
Black	8%	398,160	24,487	34%	8,326		
Other	4%	199,080	12,243	34%	4,163		
Latinx (of any race)	7%						
Total		4,977,000	306,085	37%	111,722	\$1,899,274,000	\$16,181,170,961

See Appendix 2 for a full description of methodology

What Can Companies Do?

Tech leavers indicate improving fairness can improve retention for all groups.

Employees in this sample were asked to indicate the likelihood that they would have stayed at their previous company if the company addressed various reasons for leaving. Findings demonstrate that improving the fairness, inclusion, and positive culture of their workplace environment could have also influenced them to stay:

- **62%** of all employees would have stayed if their company had taken steps to create a more positive and respectful work environment.
- More than half of the sample said they would have been likely to stay had their company taken steps to make the company culture more fair and inclusive (**57%**). Underrepresented people of color were significantly more likely to stay if the culture became more fair and inclusive when compared to White/Asian employees (64% compared with 54%), $p < .001$.
- **73%** of all employees indicate they would have stayed at their previous company if they were offered greater compensation, a promotion or increased responsibility (67%), or witnessed an improvement in the effectiveness of management and leadership (69%), suggesting the importance of improving management practices.

Each of these findings have a consistent theme of fair treatment—from being given a title and responsibilities consistent with one's abilities, and a promotion when deserved, to being able to work in a respectful and inclusive environment and not treated unfairly based on demographic characteristics. So how can companies ensure fair treatment of all employees, particularly those from underrepresented backgrounds?

Examining the impact of diversity and inclusion initiatives

In the last several years, tech companies have begun to implement initiatives to improve their diversity numbers, while inclusion strategies—to ensure employees feel, included, and satisfied—have been adopted by fewer companies and received less overall attention. Given the earlier findings, which demonstrate that unfair treatment and a culture of disrespect drive employees out the door, we examined whether having diversity and inclusion initiatives in place made any substantive difference in employee experience. We explored five common diversity and inclusion initiatives: (1) Having a Diversity and Inclusion director, (2) Setting explicit diversity goals, (3) Paying bonuses for employee referrals of candidates from underrepresented backgrounds, (4) Conducting unconscious bias training, (5) Establishing Employee Resource Groups (ERGs).¹⁵

tech leavers study: D&I initiatives

Having a comprehensive diversity and inclusion strategy in place—one which implements all 5 of the above practices—demonstrated promising findings for reducing unfairness (Appendix, Table 6). When all 5 diversity and inclusion initiatives are in place:

- Overall **experiences of unfairness** and mistreatment were significantly lower, demonstrating that diversity and inclusion initiatives can improve the work environment for all employees. ($p < .000$)
- **Sexual harassment, bullying, and stereotyping were significantly lower**, which were some of the behaviors most closely linked to turnover and retention for underrepresented groups. ($p < .000$)
- Employees were significantly **less likely to leave** due to unfairness or mistreatment.
- Diversity and inclusion initiatives did not decrease unfair people management practices, in the form of promotions, job assignments, and related day-to-day work, suggesting that alternative interventions to specifically address management training and practices are needed. ($p < .06$)

Most importantly, having all 5 initiatives implemented (a comprehensive diversity and inclusion strategy) provided a larger reduction in unfair experiences than any single initiative alone.

(Appendix, Table 7)

We wanted to further understand whether individual diversity and inclusion initiatives impact specific forms of unfairness, or whether there are greater benefits to having a comprehensive set of interventions. There were mixed findings, indicating some strategies were effective in reducing certain types of behaviors, and others were not (Appendix, Table 8):

- **Unfair People Management Practices:** None of the diversity and inclusion initiatives significantly reduced experiences of unfair people management practices.
- **Bullying/Hostility:** Unconscious bias training was the only initiative that did not significantly reduce bullying and hostility.
- **Stereotyping:** All of the diversity and inclusion initiatives were significantly associated with fewer experiences of stereotyping, although none had as strong of an effect as having all 5 together.
- **Sexual Harassment:** All of the individual diversity and inclusion initiatives significantly decreased experiences of sexual harassment, although having all 5 implemented together had a stronger impact than any one alone.

“Actually increase the number of underrepresented minorities. Altering the company culture so that those people were equally supported in their roles and given equal opportunities to succeed. This includes addressing discrimination and harassment in the workplace and penalizing people who are engaging in discrimination and harassment no matter their level in the company. This also includes fair and equal pay. Pay and promote people according to contribution instead of incentivizing them to comparison shop for other offers to continue earning market rates.”

—CHINESE, FEMALE, ENGINEER

tech leavers: the summary

This nationally representative data provides a unique lens into the technology culture and ecosystem. The findings are clear: unfair treatment is a significant driver of turnover across all employees, and underrepresented employees face different forms and larger cumulative amounts of unfair treatment, indicating that tech workplace culture indeed appears to be exacerbating the challenges to tech workforce diversity and pushing talent out of the door. The findings have revealed four key takeaways:

1 Unfairness Drives Turnover in Tech

Unfair treatment was employees most frequently cited reason for leaving their previous company, with 37% leaving for this reason. Unfair treatment was cited more than 2x more frequently than being recruited away by a better opportunity. Experiencing and observing unfairness, in the forms of unfair people management practices, stereotyping, sexual harassment, and bullying/hostility, was directly tied to turnover and negatively related to retention. And yet, 57% of tech leavers said that they would have stayed if their prior employer had addressed the workplace environment and created a more fair and inclusive culture. This finding suggests that workplace culture drives turnover and therefore should be closely tied to retention solutions.

2 Experiences Differ Dramatically Across Groups

While employees from all backgrounds left due to unfairness, their actual experiences within tech workplaces differed substantially. Underrepresented people of color experienced stereotyping roughly 2x more than White employees. LGBTQ employees were more likely to experience bullying than any other group. 1 in 10 women experienced unwanted sexual attention, and were significantly more likely to endure these experiences than men. Underrepresented women of color were most likely to be passed over for promotions. White and Asian men and women were most likely to perceive unfairness in management practices and leadership. While all groups experienced various forms of unfairness, the experiences which were most strongly related to turnover (stereotyping and bullying) were most often experienced by underrepresented groups. Also, the greater the cumulative number of experiences, the more likely employees were to leave due to unfairness, and women experienced significantly more unfairness than men.

3 Unfairness in Tech Costs Billions Each Year

Based on the percentage of tech employees leaving due to unfairness in this study, unfairness alone will cost tech companies \$16B per year in employee replacement costs. This does not include reputational costs associated with employees less likely to refer colleagues for open positions or to recommend the use of their products or services from their former employer. And given that unfair treatment is far more prevalent in tech companies than in non-tech companies, talented employees who have had negative experiences and choose to leave the sector altogether, can add to the loss of talent and innovation.

4 Comprehensive Diversity and Inclusion Initiatives Can Improve Culture and Reduce Turnover

When diversity and inclusion initiatives are in place, unfair experiences are significantly lower, and employees are significantly less likely to leave due to feeling mistreated. Having a comprehensive diversity and inclusion strategy in place has a much greater impact than having single efforts/initiatives. A comprehensive approach with all 5 of these efforts tightly linked and supported with strong commitment decreases experiences of unfair treatment and ultimately decreases turnover due to unfairness. Individual initiatives have some impact on certain areas, and not on others, indicating that single initiatives cannot take the place of a comprehensive diversity and inclusion strategy.

tech leavers study: the recommendations

Understanding the complexity of what drives turnover for different groups in tech is only half of the battle; the hard work involves addressing the challenges head-on and implementing comprehensive and rigorous solutions. It will take strong commitments from leadership, buy-in at all levels, and consistent monitoring of the effectiveness of solutions to shift cultures, enhance diversity and inclusion, and create fair environments for all employees to thrive. Addressing underrepresentation in tech must start first with these hard cultural changes within companies. Here are our recommendations for where to start:

1. Implement Comprehensive D&I Strategies

- Develop and implement a comprehensive diversity and inclusion strategy that starts with unequivocal leadership from the top and is customized and aligned to your company's values, culture, and business model. Leadership from the CEO and executive team on diversity and inclusion is critical to the success of any initiatives.
- Ensure the strategy is comprehensive and implements multiple, interrelated initiatives rather than taking a one-off approach. Don't take the easy road: the potentially controversial, and less widely implemented strategies (e.g., establishing specific diversity goals and offering employee referral bonuses for underrepresented talent) require a much more sophisticated explanation and implementation plan, and therefore tend to signal a genuine commitment from the top.
- Treat diversity and inclusion as a business strategy: Try innovative approaches, measure the effectiveness of the strategies you implement, and course-correct when needed.

2. Create Inclusive Cultures

- Strive to create a welcoming culture where differences are valued, empathy is practiced, and respect is fundamental. Identify core values, describe the boundary between appropriate and inappropriate behaviors in the workplace (and all work-related settings), and articulate the expectation of each employee in respecting the boundaries set by their colleagues and company.
- To find out which employees feel excluded and mistreated, and why, conduct customized, methodologically rigorous surveys at regular intervals, examine the data by each demographic group, with a focus on intersectionality, and provide transparency about culture issues and related challenges facing employees.
- Collecting data is only the first step; companies must be willing to address the problems that are revealed by surveys and be prepared to discipline people who violate company values and drive talent away—regardless of their ability or seniority.
- Develop and maintain open and confidential communication and complaint channels for employees should also be a critical part of the strategy. Formal and informal complaint channels can allow issues of bias, unfair treatment and exclusion to be expressed and handled quickly before they escalate and to remedy problematic behavior.

3. Develop Effective and Fair Management Processes

- Audit current compensation and performance management practices for potential biases. Since underrepresented women of color in this study were most likely to report being passed over for promotion—and then leaving—it is critical to audit current promotion practices at regular intervals, and act on the findings.
- Establish a rigorous and customized performance management system and compensation structure and practices, to fairly determine compensation, work assignments, performance reviews, and promotions, while removing biases and barriers affecting different groups of employees.
- Develop and implement customized management training which addresses biases and bias-reduction strategies. Consider the use of people operations technology tools to remove bias in all stages of the employment lifecycle, particularly for mid- and senior-level management.

Check out [Project Include](#) for a set of recommendations for defining and implementing inclusive cultures, and [People Ops Technology](#) companies which aim to mitigate bias from interviews and performance evaluations and develop inclusive talent management using tech tools.

APPENDIX 5: References

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- ^{xiii}Unfairness as a contributing factor to turnover was examined as one question, which read, "On a scale of 1 to 10, with 1 being not at all a factor and 10 being the only factor, to what extent did unfairness or mistreatment factor into your decision to leave?" Leaving due to Unfairness was calculated by summing responses from 8-10. An additional set of individual questions were asked about their reasons for leaving their previous company. Individuals were allowed to choose "all that apply" and many selected more than one contributing factor, thus the percentages are not intended to be summed across factors.
- ^{xiv}To examine experiences with "unfairness," questions about 17 types of experiences were asked across 4 categories of behavior. Respondents were asked to indicate whether they had witnessed or personally experienced each of the 17 items. The questions have been used in previous research by LPFI and were developed from experiences of professionals within corporate America. See: [Corporate Leavers Study](#).
- ^{xv}Diversity and Inclusion Initiatives Scale included 5 commonly-adopted strategies: (1) Having a D&I Director or Manager, (2) Having Explicit Diversity Goals, (3) Having Employee Resource Groups [ERG], (4) Offering Bonuses for Recruiting/Referring Diverse Candidates, (5) Implementing Unconscious Bias Training. We have no information about the type or quality of the D&I initiatives, only whether or not the company had these initiatives in place. These strategies are only a sampling of the numerous D&I initiatives being implemented and not an exhaustive list.