


Tech companies say they value diversity, but reports show they lie and are inherently racist Stanford frat-boy elitist scams

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Key Points

- Mega-cap tech companies began publishing annual diversity reports in 2014. But few have made much ground, especially in hiring Black employees.
- Facebook, for example, has gone from a workforce that's 3% Black to 3.8% in the past six years. Others also are in the low single digits.
- This week, tech CEOs pledged to do better and committed millions in grants. But critics say it "rings hollow" until it shows up in the data.

 Apple CEO Tim Cook (l) and Mark Zuckerberg, CEO and founder of Facebook.

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Prominent tech companies have made little progress in their stated goal of hiring more minorities.

Six years after their first diversity reports, [Alphabet](#), [Apple](#), [Facebook](#), [Microsoft](#) and [Twitter](#) have seen low single-digit increases in their percentage of Black employees, according to a CNBC analysis of the annual disclosures. [Amazon](#) shows a higher increase, but those numbers include warehouse and delivery workers.

“Every year they put out the same diversity report, check the box, then send out the same report the next year,” said Freeda Kapor Klein, founding partner at Kapor Capital. “We’re at a crucial crossroads — I don’t think what tech companies have done to date is anywhere near enough.”

In 2014, tech companies [acknowledged](#) the gap and made it a public goal to increase diversity in their workforces. In recent weeks, major tech CEOs renewed vows to tackle inequality after public outrage over the killing of George Floyd, an unarmed

Black man who died after a white Minneapolis police officer knelt on his neck for nine minutes. Protests have erupted in cities across the U.S. in the weeks since.

Facebook CEO Mark Zuckerberg wrote in a post that the company “needs to do more to support equality and safety for the Black community through our platforms,” pledging to donate \$10 million. Twitter’s Jack Dorsey pledged \$3 million to former NFL quarterback Colin Kaepernick’s Know Your Rights Camp, and Amazon promised \$10 million to support social justice and Black communities. Google pledged \$12 million to civil rights groups, Apple CEO Tim Cook promised the company would make donations to several groups such as the Equal Justice Initiative and match employee donations, while Microsoft CEO Satya Nadella pledged \$1.5 million to several social justice organizations, adding the company will be using its platform to “amplify” the voices of its Black workers.

Kapor Klein, also a founding team member at Project Include, pointed to prior levels of spending at tech companies for diversity and inclusion, and statements by executives. Those “ring hollow,” she said, until bigger changes show up in the diversity data.

‘Metrics, but no consequences’

In the past six years, these companies have made improvements but are nowhere near parity.

Women have moved up as a higher fraction of the workforce. Facebook’s technical workforce, for example, jumped from 15% female when the report began in 2014 to 23% at the beginning of 2019. Google has made similar progress.

But for Black employees, Facebook showed the smallest increase — going from 3% to 3.8% of workers in the past five years. Twitter moved from roughly 2% Black employees in its workforce in 2014, to 6% as of the start of 2019. Amazon reported an 11 percentage point jump, with a workforce that was 26.5% Black as of the start of 2019. However, the majority of its employees work in Amazon distribution centers, making it difficult to compare with its tech peers.



Bari Williams, head of legal at start-up Human Interest and former lead senior counsel at Facebook, said the annual reports are a key step in transparency. But tech giants' data-centric approach and competitiveness haven't been effective when it comes to diversity.

"These companies are data-driven, but if people are not hitting their diversity metrics, where's the downside?" Williams said. "You have metrics, but no consequences."

Among leadership and technical roles like coders and engineers, the diversity numbers are even lower. Apple's workforce is 9% Black — but that drops to 3% when looking at leadership roles. Its share of Black technical workers remained flat at 6% from the end of 2013 through the end of 2017, the last year Apple published diversity data.

"One flaw is not thinking about it from the outset of the company formation, that's having ripple effects that are now being seen several years later," said Richard Kerby, general partner at Equal Ventures. "You're not seeing movement because it's not being tracked or monitored — there's no incentive alignment for someone to improve on the numbers."

Employee retention

While hiring remains an area of focus for inclusion, Margaret Neale, Stanford University professor emerita in organizational behavior, said it's just as often an issue of retention. Finding a mentor or a sponsor within a company can be difficult. Without one, it can be nearly impossible to ascend to a leadership role.

"We see the same kind of diversity reports from a variety of different tech companies, what you see very clearly is that there's very little change," she said. "There continues to be hiring, but there's not stickiness to those hires. There's a substantial shedding of folks of color at much higher proportions given the total numbers that exist."

In response to CNBC's requests for comment, the tech companies pointed to incremental progress. Last year, Google showed its largest increase recorded in hiring Black tech employees in the U.S. At Apple, 53% of new hires in the U.S. are from historically underrepresented groups in tech.

Despite the single-digit improvements, critics still applaud effort to publish these reports out, pointing to industries like Wall Street that don't publish diversity data on an annual basis.

Kapor Klein said it continues to be an uphill battle to "retrofit diversity into a big company." Thanks to their growth in the past two decades, tech giants now have what she called a "denominator problem" of changing a 118,000 person workforce in the case of Alphabet.

“Moving the needle by 10% is a lot, that means a lot of employees have to be hired or a lot have to leave, and it still doesn’t change the culture,” she said. “Companies have a much harder task and it requires an absolute fundamental commitment to change.”

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