built in | REPORT

2023 State of DEI in Tech.

An Annual Analysis of Diversity, Equity and Inclusion in the Tech Industry

#FINDYOURFORWARD

Introduction.

While the state of diversity, equity and inclusion (DEI) in tech may have seen some improvement year over year, there are still many companies that haven't made the level of investment necessary to retain and attract top talent. This report shows real-time insights from employees and companies alike on how they feel about the current state of DEI in the workplace. The proprietary research provided shines a light on not only where we are with DEI in the workplace but where we should be going and how companies plan to get there moving forward.

Discrimination is still very prevalent in tech, with 33 percent of employees stating they have experienced discrimination or unfair treatment at work and another 54 percent indicating they have witnessed discrimination or unfair treatment in the workplace because of someone's race, gender, sexual orientation, religion, disability or another demographic trait.

And while tech companies have started to realize the importance of DEI in the workplace, there is much room for improvement — especially when 30 percent of employers say that DEI is not at all vital to the overall success of their company. But the fact is that engaging employees and ensuring they have a successful work environment is vital to the overall success of a company. And engagement and a successful work environment aren't possible without emphasis on DEI. To put it simply, DEI is vital to every organization's success and employee's happiness in the workplace.

Our 2023 annual state of DEI in tech report offers companies the insights needed to make changes within their own organization.

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Contents.

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// **PUBLISHED:** FEBRUARY 2023

Report Methodology.

The following pages of this report contain proprietary information obtained by Built In in partnership with Brandata that provides an in-depth analysis of the current state of diversity, equity and inclusion in the technology industry, what employees expect and how companies can improve their efforts.

The information provided herein is based on an analysis of survey data on diversity, equity and inclusion in the technology industry collected by Built In in partnership with Brandata from October 3, 2022, to October 10, 2022.

We released two surveys: one geared toward tech professionals and the other geared toward tech employers. Both surveys used a combination of Likert scales and multiple-choice questions to gather information on tech professionals' attitudes and tech employers' efforts — as well as the gaps between them — concerning DEI in the workplace. The surveys were voluntary and anonymous, and a total of 1,112 survey responses were analyzed.

The Current State of the Industry.

Where does the tech industry stand today on DEI? Have companies made improvements since last year? Are employees and companies on the same page in terms of progress made? These questions are answered to give us a better understanding of where the industry is today and how far it still needs to go.

The consensus on tech companies improving DEI metrics since last year is split:

33% of leaders state their DEI metrics have greatly improved across all teams since last year

32% of leaders say there has been no improvement

Based on these statistics, it's no surprise that employees and leaders agree that their companies need to improve their DEI efforts. More than half (51 percent) of tech professionals feel their company needs to improve its DEI efforts and that the effort they are giving toward them is poor. While not quite as many companies agree with this statement, 37 percent of leaders do believe their company's DEI efforts are poor and need improvement.

It seems some tech companies are putting forth the effort needed to improve DEI across their organization, while others are giving no effort at all. Having companies at both ends of the spectrum provides a big challenge for the tech industry to improve as a whole moving forward.

51% of tech professionals feel their company needs to improve its DEI efforts and that the effort they are giving toward them is poor.
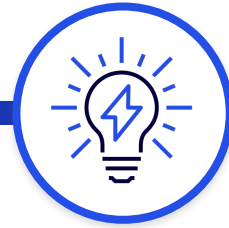
Why the Resistance?

To get the tech industry in a position for more widespread improvement, we dug into why some companies were resisting the work to improve DEI today.

First things first, how strong is the resistance? **Only 14 percent of tech professionals feel their employer's resistance to improving diversity efforts is very strong.** Companies, on the other hand, feel this impact more with 25 percent of company leaders feeling very strong resistance to improving DEI within their organization.

The suspected reasons for the resistance to implementing DEI based on an employees' perspectives is as follows:

47%

believe it's rooted in not seeing the value of diversity or that "Things were going just fine before, why change?" mentality.

40%

feel the biggest point of resistance is a matter of resources, time and energy being pulled from other parts of the business.

But the consensus from **31 percent of companies is that the resistance to improving diversity efforts is rooted in not seeing the value of diversity.** This mentality is dangerous and much more difficult to overcome than things like resources, time and energy. If the tech industry cannot open its eyes to the value diversity brings to a company and more importantly its employees well-being, the runway for widespread change is much further away than we thought.

Misalignment on Equal Opportunities.

In terms of providing equal opportunities in today's workplace, many company leaders and employees appear to have conflicting perspectives on how their organization is doing.

Company leaders strongly rated that they are doing well in ensuring people of all cultures and backgrounds are respected and valued at their company and that people from all backgrounds have equal opportunities to succeed. However, employees ranked the following statement as last based on their experience at their company: "I have just as many opportunities to secure promotions and better pay in their organization as others in their company."

Conflicting data seems to **highlight a disconnect** between companies believing **that all people at their company have equal opportunities to succeed** and employees feeling that sentiment to be true.

The companies who are truly making strides in improving their DEI efforts are the ones who don't make assumptions on how they are doing but actually have tactics to measure how their employees truly feel.

The Impact of DEI on Hiring & Retention.

At the root of all companies' success is their ability to hire and retain great talent. And our research in this next section of the report will show you the importance of DEI in both hiring and retention. We uncover what employees expect from current and future employers when it comes to DEI efforts and the tactics your peers are using to bring in diverse talent.

Tech Professionals' DEI Considerations.

DEI is a key factor for employees when they are assessing whether or not to stay with their current company and when they are looking for a new employer. So what exactly is most important to them in these considerations? Let's break it down.

When deciding whether or not to continue working for their current employer, our research shows:

45%
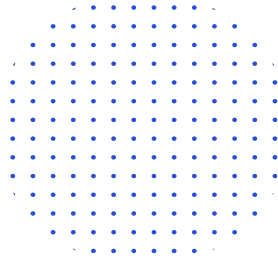of employees would remain if they invested in flexible work opportunities.

40%
indicate wage transparency and equitable pay would keep them around.

28%
say paid parental leave was an important factor.

28%
note celebrating diversity-driven holidays in meaningful ways *(e.g., giving employees the day off, donations, etc.)* was notable in their decision-making.

Employees also indicated that they want to work at companies:

77%

where they will feel respected and valued by their peers and managers.

75%

that offer flexible work opportunities.

73%

with clear anti-discrimination/ anti-harassment policies.

73%

where they can feel an overwhelming sense of belonging.

When considering employment opportunities and looking for a new job, our research shows:

- **40 percent** of tech professionals prioritize companies that offer flexible work opportunities.

- **38 percent** look for companies with wage transparency and equitable pay.

- **25 percent** look for companies that celebrate diversity-driven holidays in meaningful ways (e.g., giving employees the day off, donations, etc.).

- **24 percent** look for companies offering paid parental leave.

Tactics For Attracting Diverse Talent.

In terms of attracting diverse talent, employers utilize the following resources and approaches:

- **44 percent** recruit from HBCUs or other institutions with a large population of underrepresented groups.

- **44 percent** invest in diverse job boards.

- **43 percent** diversify their employer branding efforts.

- **43 percent** partner with external DEI-driven organizations.

Though it's true that attracting diverse talent to apply for your open positions is important, it's not just about getting them to apply — you also need them to want to work for your company. However, companies tend to forget about these efforts post-application.

Statistics from our survey reveal that 36 percent of employers' interview panels are not at all diverse, which can be a turnoff for talent where DEI is an important aspect of the position. Having a diverse interview panel is just one example of how companies can make diverse talent feel more welcome before they join the organization, from the minute they apply to the interview and onboarding stages.

36%

of employers' interview panels are not at all diverse, which can be a turnoff for talent where DEI is an important aspect of the position.

How to Build a Successful DEI Investment Plan.

In this section, we outline research results on where companies currently invest in DEI, factors behind the successes and setbacks of companies, who should be involved in DEI decisions and where companies plan to invest in DEI over the next 12 months.

The DEI Decision-Makers.

To be successful in implementing anything new in your organization, a clear decision making process is key. And rolling out new DEI initiatives is no exception. While every company is different, we asked companies who in their organization are most involved in their DEI initiatives. Here's the results:

1. Leadership Team
2. Employee Resource Groups (ERGs)
3. The overall employee base

These results are great to see. **Change starts from the top down** so having leaders set the example for new DEI programs will bode well for making them a success in your organization.

Also, having representation from the employees who will be most affected by these changes is also key. And no initiative can be successful without the adoption of it by your entire workforce. Companies who are looking to make smart decisions on their DEI efforts should take note of this standard set of decision-makers.

The Factors Behind DEI Successes and Setbacks.

You're likely not going to knock it out of the park on your first attempt of improving DEI efforts within your organization, and that's okay. The key is to learn from your mistakes and keep trying. To help you do this, we asked companies what factors made their DEI initiatives a success and what caused them to not be so successful.

For organizations where DEI initiative implementation was successful, the following reasons were given as contributing to that success:

44% More budget

43% Increased Employee buy-in

42% Increased relevance in specific goals

38% Increased buy-in from ERGs or committees

For organizations where DEI initiative implementation was considered unsuccessful, the following reasons were given as contributing factors to the lack of success:

39% Lack of budget

35% Lack of time

34% Lack of employee buy-in

33% Lack of dedicated DEI staff

Looking at this data, we see some common themes: budget and employee buy-in are noted as critical factors into whether your DEI initiatives will succeed or fail. Focusing on getting these factors right in the planning stage can help get your initiative off on the right foot. Use these learnings from your peers to get a step ahead in implementing your new DEI efforts successfully.

An Analysis: Current vs. Future DEI Investments.

Now that you understand your peers' best process for implementing new DEI initiatives, it's time to decide what efforts will be best for your organization. Keep in mind all organizations are different and listening to what your employees want is most important when making these decisions. However, to give you a baseline of where to start, we asked companies what current investments they are making in DEI. Use this as a baseline to see if you are up to par with your peers.

Companies currently invest in the following DEI initiatives:

44%
Robust DEI training programs

43%
Flexible work opportunities

43%
Intentionally sourcing diverse candidates

39%
Wage transparency and equitable pay

SECTION 3

Do your offerings match up? Now it's time to look ahead. We asked companies what DEI initiatives they planned to invest in over the next year. The results will give you a sense of what you should prioritize in your future DEI investments.

Over the next 12 months, companies plan to invest in the following DEI initiatives:

48% Increased budget for current DEI initiatives like ERGs, reporting, mentorship, etc.

47% Implement new DEI efforts like ERGs, reporting, mentorship, etc.

38% Implement more DEI training for leaders.

46% Hire more dedicated DEI staff.

Conclusion.

From the research provided here, it's evident that many organizations are making strides and appreciate the importance of DEI in the workplace to support overall employee engagement, success, and the bottom line. The research also suggests there is still plenty of room for improvement. Taking steps to assess your current DEI initiatives, polling your current workforce to gather their thoughts regarding your DEI focus, implementing necessary changes to support DEI hiring and retention strategies, and sponsoring DEI activities, like ERGs, are great steps to begin.

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Built In helps tech professionals stay on top of trends and news, expand their networks and carve out futures at companies they believe in.

Let's work together.

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