



Shaping the Future of Leadership for Black Tech Talent



Introduction

Over the course of the last year, Russell Reynolds Associates and Valence kicked off a partnership to better understand the most significant barriers contributing to the consistent dearth of Black professional and Black leadership representation in technology companies and technology functions at companies in other industries. The true figure of Black tech workers in the US is largely unknown because only a handful of companies track, monitor, and disclose employee diversity data. Among the large tech companies that do, Black professional representation is reported to be in the low single digits and has only increased by a few percentage points since these companies began making those disclosures in 2014.

Nearly 400 US based technology professionals from both the Valence and Russell Reynolds Associates networks participated in our research, providing us insight into their career histories, goals, successes, frustrations and overall experiences in tech. The sample was designed to focus on Black technology professionals while also providing a comparison group of non-Black tech professionals to enable us to examine trends in the tech industry overall, as well as highlight aspects of the experience that are felt differently by Black tech professionals. Overall, 307 respondents identified as Black, and 71 as non-Black (including 80 percent White or Caucasian, 13 percent East or South Asian, and 10 percent non-Black identifying Hispanics and Latinos). In addition to our survey based research we conducted focus groups and panel discussions with Black tech professionals that has helped add additional texture and real life stories to the data.

The study revealed that Black technology professionals consistently experience systemic barriers to growth that perpetuate shorter than average tenures in their roles compared to their non-Black peers. On average, **Black talent in tech move between companies every 3.5 years in order to advance, compared to 5.1 years on average for their non-Black peers.** The discrepancy between the time talent stays at companies is particularly pronounced for those earliest in their careers - on average Black tech talent stays at each company for 2 years, while their non-Black peers stay for 4.5 years.

We also found that Black tech talent are far more likely than others to feel the need to move from company to company to continue to grow their careers because of a gauntlet of systemic barriers to achievement that are introduced at every level and continue into their senior leadership years. **Nearly half (47 percent) of Black technology professionals strongly agree that they must frequently switch between companies to seek growth in their career, compared to 28 percent of non-Black respondents.**

According to research by The Kapor Center for Social Impact and The Ford Foundation, individuals in the tech industry experience and observe more unfairness in their working environments than those employed in non-tech industries. They found that unfair treatment is the single largest driver of turnover affecting all groups, with 34 percent of Black participants citing leaving a tech job or company due to unfairness that year. They quantify that at the average full replacement cost (lost productivity, recruiting costs, salary, etc.) of \$144,000 per tech employee, unfairness-based turnover in US tech companies among Black talent costs the industry around \$1.2 billion dollars a year.¹

The technology industry needs diverse leaders to continue to thrive. Yet, [based on the current rate of turnover, short tenures and “must-move” mindsets of Black American tech talent](#), our survey suggests it will continue to face challenges in developing and retaining such leaders. This is in line with the recent McKinsey & Company finding published in their report, *Race in the workplace: The Black Experience in the US private sector*, that at the current rate of hiring and promotion in the US private sector, it will take about 95 years for Black employees to reach talent parity (or 12 percent representation) across all levels in the private sector.²

One focus group participant summarized the dilemma in this way:

“We focus on getting Blacks into tech but we don’t focus on how you build a long-term career in tech. How do we move people from entry level into senior leadership if that’s where they want to go? And how do you manage your career, in terms of moving up, dealing with bad managers, finding mentors, or being in a toxic environment?”

In this report, we unpack the challenges these barriers present throughout the careers of Black tech professionals, contributing to tenures that are shorter than others, and often, stunted career growth:

- **Problem 1: Information Disadvantage.** In the early career years (10 or less years into a tech career), Black tech talent are generally not afforded the same level of insight into how the game is played; who they need to know and how to plan their paths for success. Our research suggests that while mentors can serve as great role models, young Black professionals seldom have access to great sponsors. The difference being that sponsors can materially move the needle on career progression, as opposed to mentors primarily providing support through career guidance.
- **Problem 2: Higher Standards, Lower Ceilings.** For mid-career professionals (11-20 years in tech), the primary barriers are bias-prone methods for performance evaluations and compensation decisions. Power in these critical areas often rests with a single manager without much oversight, opening the door to unconscious prejudice. Our research suggests that investing in more widespread training for managers around inclusive leadership, while actively investing in development of next generation Black talent, could improve retention rates among these future leaders.
- **Problem 3: Unequal Access to Essential Experiences.** Among senior Black tech talent and executives (21+ years in tech) a key issue is the realization that “the bar” moves subjectively, no matter what. Despite what they have achieved and contributed, they are often eliminated from opportunities based on what they haven’t accomplished. Overcoming this barrier will require hiring managers of senior talent to shift their mindset around who is qualified to lead; adopting more equitable search and succession practices to stem the loss of Black leaders at the executive level.



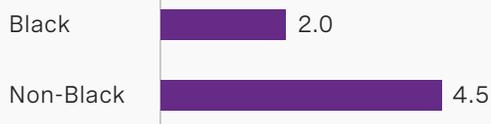
Tenures are shorter among Black tech professionals at every level compared to their non-Black peers

Average years per company

All Respondents



10 years or less of tech experience



11 to 20 years of tech experience



21 years or more of tech experience



Black tech talent move between companies more often than non-Black

Average number of companies worked for



Base: n=307 Black technology professionals, n=71 non-Black technology professionals



At the conclusion of this report, we expand on the following guidance to the industry on how to meaningfully improve the experience, retention, and progression of Black tech professionals. These recommendations were developed based on the factors that contributed to the success of Black tech leaders we spoke to, and in collaboration with DE&I experts and tech industry insiders.

Diversity Oversight

- Ensure that Black voices participate in decision making
- Track, measure, and disclose data on diversity representation by group and by level
- Collaborate with partners to develop Black talent pipelines and strengthen DE&I practices

Talent Management

- Launch structured executive sponsorship programs with measurable outcomes
- Evaluate performance based on clear criteria and the perspectives of multiple stakeholders
- Include the organization's DE&I goals and plans in leadership onboarding

Equitable Opportunities

- Redesign application processes for roles and projects to evaluate skills over past experiences
- Information about all vacant roles and special projects should be made to available to all employees
- Hiring managers need to adopt a mindset to focus on the additive value of applicants, rather than strictly following a process of elimination

Leadership Development

- Actively invest in the leadership development of Black emerging leaders
- Inclusive leadership development should be mandatory for all people managers
- Candidates for leadership positions should be evaluated, in part, for their efforts made to contribute to DE&I during their career

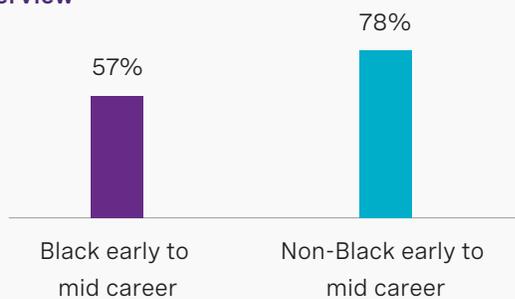
Problem 1: Information Disadvantage

Early career growth for Black tech talent is hindered by limited insight into career planning, including how to seek and land new roles and opportunities, and which networks of influence are essential for growth.

In the early years, Black tech professionals often suffer because they do not get good insight or advice on the practical considerations of moving from one level to another. Blind spots around the importance of building a network are particularly common at this stage. We looked at differences in perspectives on this among Black and non-Black tech talent with 20 years of experience or less. **While 78 percent of non-Black tech professionals told us that they know that you must know the people with the roles/opportunities to get an interview, just 56 percent of the Black tech talent told us the same.** Similarly, 57 percent of non-Black talent agrees that they find out about roles through their network rather than the organization, but just 39 percent of Black talent say the same. In short, more non-Black tech professionals have been let-in on the knowledge that building a network matters. The relative lack of awareness amongst their Black peers is a problem. As one tech start-up CEO put it, **"your network is your net worth"** in the technology industry, while another Black senior leader we spoke to said **"We need to make the next generation more aware. There is a game to be played and the field is not level. Like me, I wasn't aware of some of those steps I could take or have anyone sharing those roadmaps with me. We can do a better job to unearth our knowledge and socialize that down to recent grads"**.

Black tech talent starting out in the industry have less insight into the way roles and opportunities are sought and rewarded than their non-Black peers

% agree that "you must be in the network of those with the opportunity/role in order to be invited to interview"



Base: n=307 Black technology professionals, n=71 non-Black technology professionals

This lack of insight contributes to a self-limiting mindset for what the best pathways in tech could be. Those we spoke to who were earlier in their careers often talked about their ultimate goal being just one to two rungs up the ladder ahead of where they sit today. When speaking to more tenured professionals, we learned that this was common for them in the early days of their careers as well. It was not until they reached mid-level management positions that they realized there were much bigger opportunities that they had the skills and potential to work towards in the tech world. As one focus group member commented, **"I had built my career around being the best in the department, the best on the team."** Over time, he realized he was limiting his own prospects beyond his current role, and progressing slower than others. **"I was underselling my value."**

In the guidance, we expand upon the sponsorship that is required from tech leaders to Black talent to close the gap on access to needed insight, networks and opportunities.



Problem 2: Higher Standards, Lower Ceilings

For mid-career Black tech professionals, broken performance evaluation processes that lack transparency and oversight can lead to fewer promotions, pushing them to seek out alternative options.

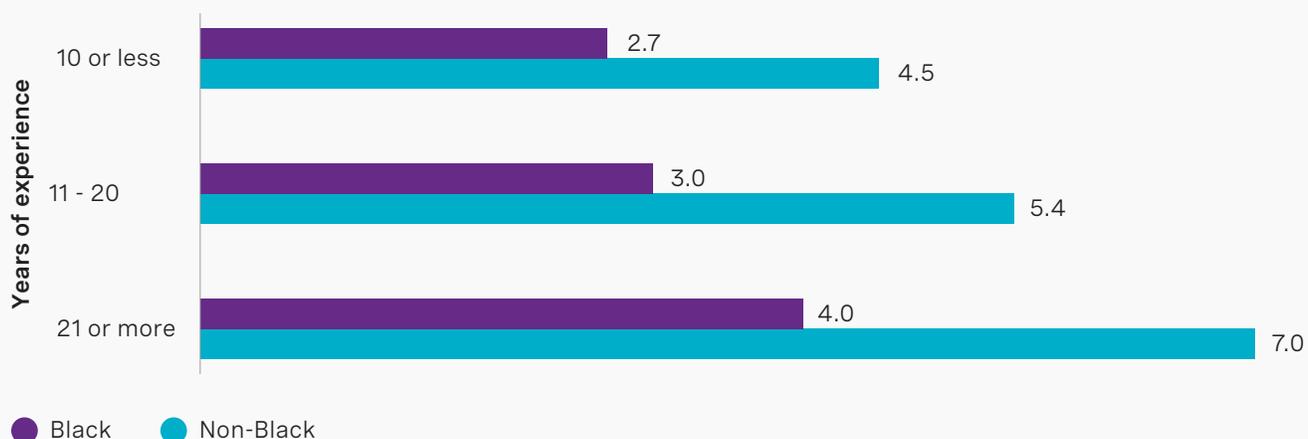
In the mid-career years, Black tech talent have typically found their stride, figured out how to “play the game” and code-switched just enough to be accepted as a “culture fit.” However, even the best social gymnastics are unhelpful when the managers involved lack inclusive leadership skills and an awareness of the biases they may bring to promotion and compensation decisions.

For Black tech professionals, dissatisfaction with the performance evaluation process peaks at the mid-career level. These challenges with performance evaluation processes in tech are not unique to the Black experience. While 71 percent of Black tech professionals are not satisfied with the methods their leaders have used or currently use to evaluate their performance. 64 percent of their non-Black peers are also dissatisfied. However, the lack of consistency, transparency, and structure in the performance evaluation process is associated with a more negative experience for Black professionals. They expressed less satisfaction with pay and saw fewer opportunities for promotion. **Our data shows that only 29 percent of Black tech talent with 10 to 20 years of tech work experience are satisfied with the equality of their level of recognition and of the equality of their pay, compared to 47 percent of non-Black professionals.**

This sentiment is well founded: **this same group of Black tech talent have been promoted almost half as often as their non-Black counterparts with the same years of experience, receiving 3 promotions on average over 10-20 years, while their non-Black peers have received over 5 promotions on average in the same career span.** One focus group participant explained her experience by saying **“I have struggled to have great managers. Some are actually blockers or tried to be blockers to my career. I can count on one hand the managers I’ve had in my tech career who have been helpful to my career. Managers have often not been very clear about the goals and expectations. And then focus performance evaluations on the mistakes rather than many successes and use that to justify promoting others instead of me - then I have find a new role again.”**

Promotions over their careers are fewer among Black tech professionals at every level compared to their non-Black peers

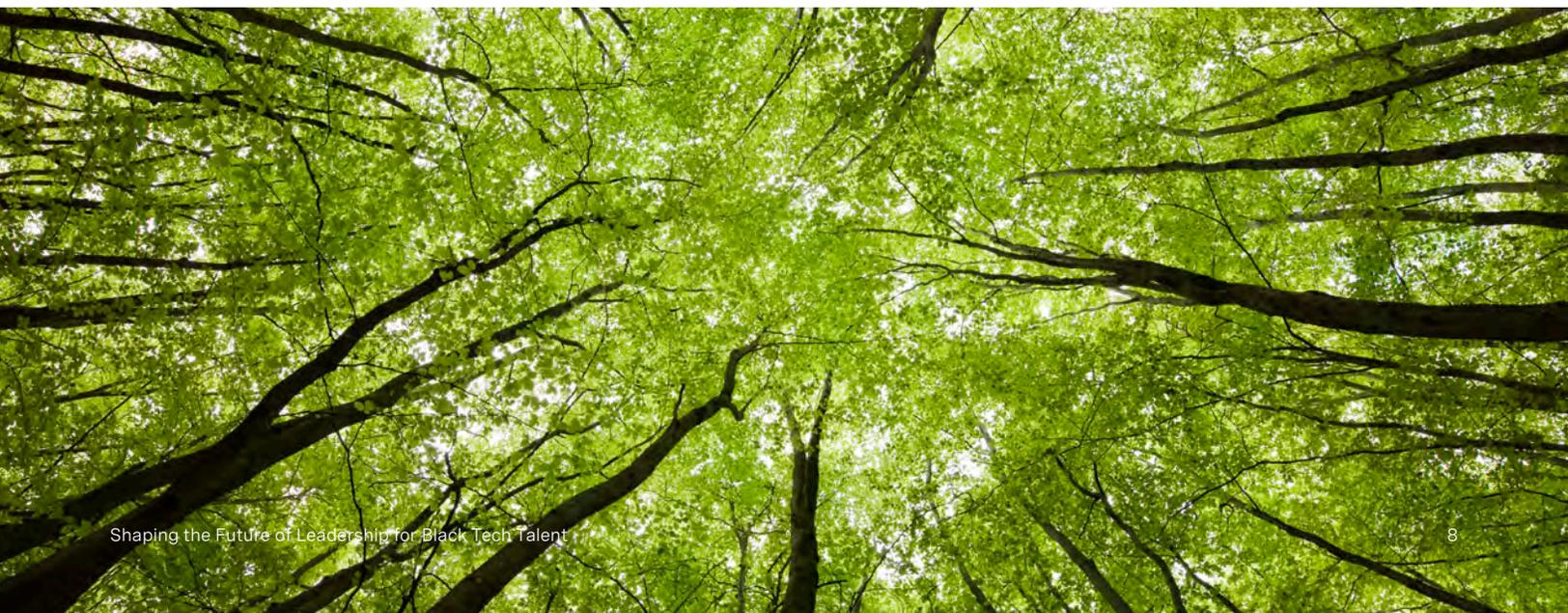
Average number of times promoted in career



Base: n=307 Black technology professionals, n=71 non-Black technology professionals

Recent Russell Reynolds Associates research, [Divides and Dividends: Leadership Actions for a More Sustainable Future](#), found that C-suite leaders themselves are aware that there is a problem with bias and favouritism in particular around promotions: 63 percent agree that leaders in their company show a bias or favoritism towards employees who are like themselves, and 62 percent agree that it is easier for individuals of certain ethnicities or backgrounds to get promoted than others, regardless of their capability and performance. Among members of the Black tech community that we spoke to, not being a “cultural fit” in tech, particularly in small companies and start up environments, meant that you wouldn’t have a job in those organizations at all.

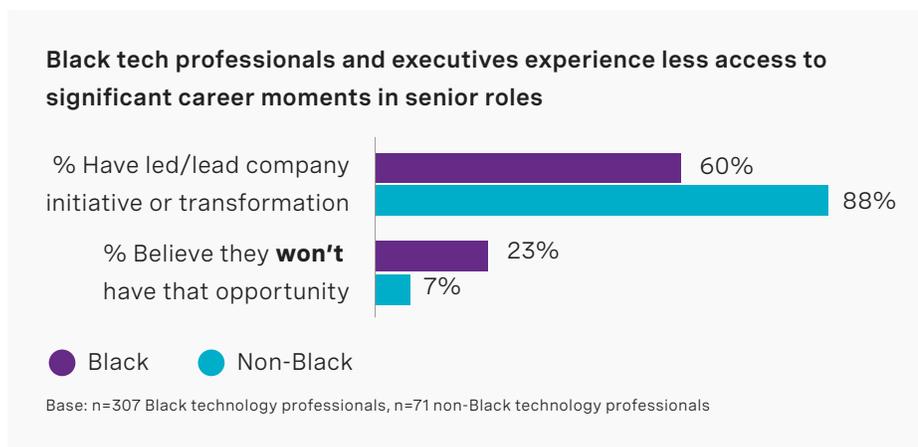
Across the tech industry, both Black and non-Black professionals believe that their leaders regularly exhibit inclusive leadership behaviors in some way, however, only 25 percent (of both groups) say that their leaders in the industry always lead with fairness, objectivity and transparency. In the guidance, we expand on how more widespread inclusive leadership development is needed to curb this evaluation and compensation bias among tech managers - leaving less up to “fit” and putting more on concrete measurements of performance and impact.



Problem 3: Unequal Access to Essential Experiences

After over two decades in tech, Black tech professionals and executives experience less access to critical development experiences. At some point, many pivot from focusing on difficult-to-attain top team positions to finding alternative ways to build legacy, wealth and pay it forward.

Over 20 years into their careers, many of Black tech pioneers have achieved a number of successes to be celebrated. However, compared against their non-Black peers, we see a less-than-equal story about the progress made to date about the opportunities granted to Black tech veterans in the industry. **A robust 88 percent of non-Black tech professionals with over 20 years of experience have led major company initiatives, whereas 61 percent of Black tech professionals with the same years of experience say the same- that is a gap of 27 percentage points.** Critically, nearly one in four (23 percent) Black tech professionals with long careers in tech do not believe they will have the opportunity to lead major company initiatives (compared to less than 1 in 10 (only 7 percent) of their non-Black counterparts).



Black technology leaders that we spoke to (many of whom are founders, executives, and on corporate boards) believe that no matter how much they achieve, it will never be enough. In their view, the bar keeps moving, keeping them distracted by chasing unattainable goals. **Just 29 percent of these professionals say that they are satisfied with the career opportunities that they have had to date (compared to 52 percent of the non-Black cohort).** "There are things built into the systems in how people interact with me or other Black people in the workplace that make you think you can't aspire to things; they make you feel you should just be grateful to have this position," one focus group participant shared. "And then the further you go, the further they move the goal posts. What had once been going above and beyond is now the bare minimum."

While the great efforts put into bringing more Black talent into tech at the early stages are admirable and important, it is clear that organizations must also focus on taking action at the senior and executive level to develop and promote Black senior leaders. On average, just 2.7 percent of executives in senior roles at 10 major tech companies are Black, according to the most recent data from the U.S. Equal Employment Opportunity Commission. The precise number varies from 1 percent or less at some companies up to a maximum representation of 6 percent at others.³ This lack of access to fair opportunities perpetuates this lack of growth in Blacks in senior leadership roles in tech.

Our data suggests that Black senior leaders are the most likely in the community to be willing to change employers today, said another way, they are the least engaged with their organizations (72 percent willing to change employers today vs. 64 percent of Black tech talent overall). These leaders explained to us that they have had to move beyond the expected paths to achieve their goals of leaving their own legacies. A senior private equity leader told us about his approach to reframing his path late in his career: **"Yes, traditionally there is a path, and this is how people do things. You don't always have to wait in line, but the only way to shortcut that path is to know where you want to go. For me, one of the pitfalls was that I wanted to be CEO, I want to have money, and be more philanthropic. The "CEO" title became a gate and I could never get to it. It stopped me from reaching my goals sooner. I kept hitting the ceiling, when I could have gone around it a different way to get to the same purpose I wanted to get to."**

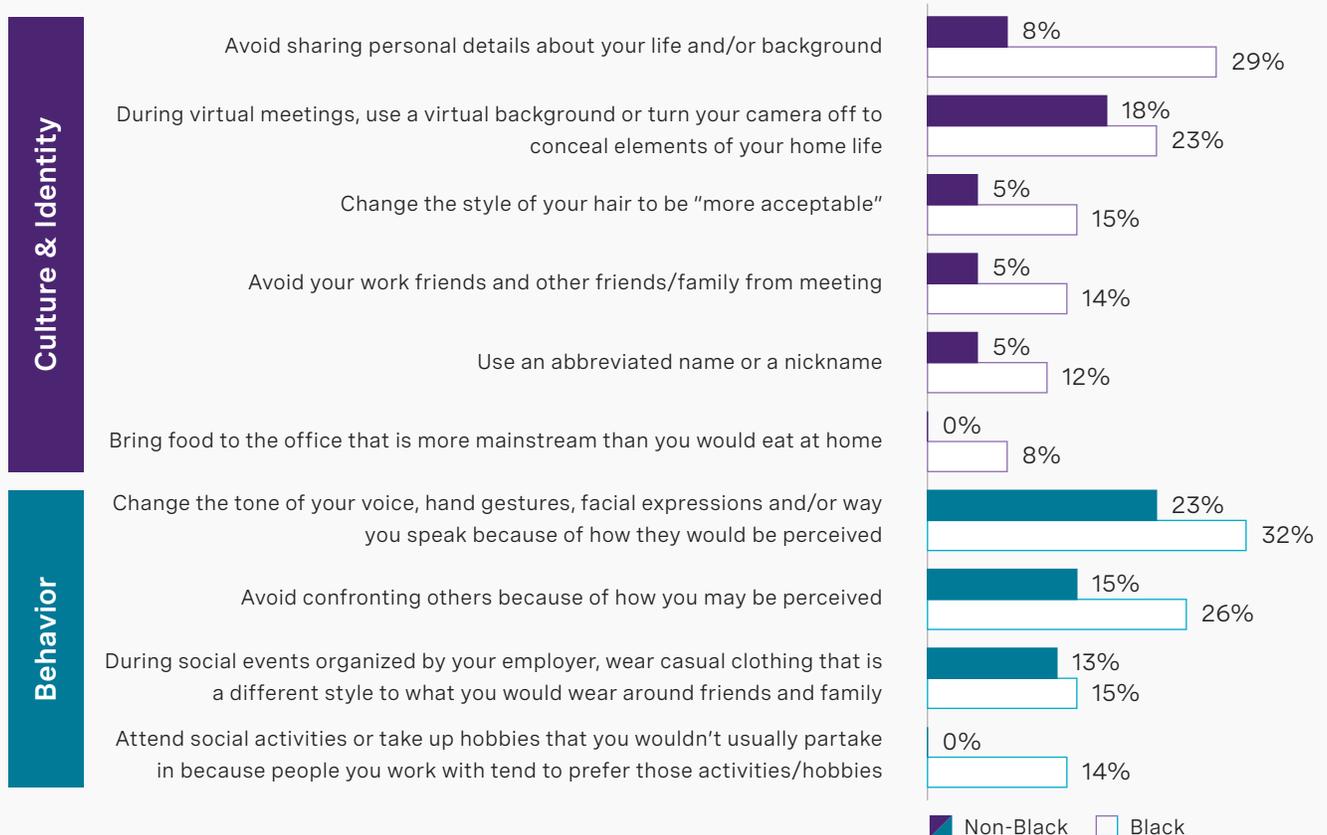
In the guidance, we expand on how organizations can shift from a model that reinforces homogeneity to one that actively seeks out diversity in leadership opportunities and succession practices. Tech leaders need to shift their mindset from eliminating potential leaders based on what they haven't done yet, to focusing on what additive value and difference in perspective can that person bring to the initiative and to the company's leadership. For Black leaders, we share how peers advise on how to stay ahead of the curve to stay in demand.



Code-switching, or changing behaviors to match what is expected in any given environment, is a common (and often automatic) way of adjusting our behaviors to fit in with the people around us. Our research found that code-switching in the tech world is nearly universal, 89 percent of non-Black tech professionals and 97 percent of Black tech professionals said they code-switched at least sometimes in their career. However, **our research identified that Black tech talent are more frequently code-switching in aspects deeply related to their identity, which elicits many questions about the way authentic "blackness" is received in the industry.** In particular, Black tech professionals are more than three times as likely as their non-Black peers to frequently avoid sharing personal details about their life and/or background, frequently keep work and personal friends separate, frequently change their hairstyles to be more "acceptable", frequently bring food to the office that is more mainstream, and frequently use an abbreviated name or nickname as a result of their race and ethnicity.

Incidence of frequent code-switching in ways that conceal culture and identity significantly higher among Blacks in tech

% of tech professionals code-switching in the stated way "frequently"



Base : n=307 Black technology professionals, n=71 non-Black technology professionals

Guidance for the industry



Our research led to the development of a four-pronged framework for tech companies and leaders who wish to meaningfully contribute to closing the gap on the consistent tenure and representation lag of Black professionals in technology companies and technology functions across all companies. Of course, every organization must incorporate this guidance into their practices in a way that is tailored to their particular company's context.

1. Diversity Oversight

- Make sure that the perspective of Black employees is represented in the room when evaluating major company decisions – particularly decisions relevant to human capital management and employee experience.
- Track, measure, and disclose data about the representation of individual diverse groups, including Black employees, at every level- and be honest about the shortcomings. Set targets for improvements and hold leaders accountable in their performance evaluations for not achieving diversity retention and growth goals.
- Partner with organizations who help authentically develop pipelines for Black talent while also seeking support and partnership on the customized development of your organization's DE&I goals and practices.

2. Talent Management

- Launch structured executive sponsorship programs with guidance and resources for leaders who participate about how to navigate the process of making strategic instructions and supporting career planning, in addition to an evaluation system and holding them accountable and rewarding their impact on elevating Black talent in the company.
- Reduce reliance on people managers as the single source of feedback on evaluations and compensation decisions to improve the relationships between managers and Black employees, while also providing more structure and transparency about the expectations going into performance evaluations.
- Create a structured onboarding program that prepares all people managers to understand the company's DE&I goals in the same way they would be briefed on the financial and strategy plans, along with ongoing training to enable them to effectively engage with DE&I.

3. Equitable Opportunities

- Application intake should focus on skills needed to perform the job rather than disproportionately emphasizing experiences held to date - and would benefit from being a blinded and nameless process.
- Ensure that information and application processes for available roles and special projects are made publicly available for everyone in the company. Project marketplaces where leaders can post open roles and project opportunities to applicants with the skills of knowledge to meet the mark are a win-win for talent and leaders. While they broaden the knowledge of opportunities to everyone, they can also contribute to connecting relevant skills and expertise from elsewhere in the business to better address the challenge at hand.
- Hiring managers need to adopt a mindset that focuses on the value that non-traditional candidates might add to their team or to solving a problem, rather than using processes of elimination based on experiences and titles which may eliminate great talent.

4. Leadership Development

- Actively invest in the leadership development of your Black emerging leaders which involves budgeting and planning for programming that will increase their network, ability to advocate for themselves, and build other leadership skills that will translate into talent feeling rewarded, supported and invested in. These investments will lead to longer tenures and Black professionals who are more prepared for leadership opportunities and promotions as they arise.
- Leaders with inclusive leadership skills are better equipped to drive good diversity outcomes, which can be assessed based on their current and past behaviors. Interview leaders about their experiences navigating different scenarios, probing for details around specific instances of demonstrating innovative collaboration, empowering others, courageous accountability, and awareness and clarity.
- Include experience with and contributions to DE&I in the evaluation criteria for candidates of leadership roles. The best judges of a leader's capabilities and leadership style are the people they lead, their peers, and the people they report to. Using a safe and confidential referencing process, gather structured feedback about the aspects of leadership tied to inclusion.



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3. Job Patterns For Minorities And Women In Private Industry (EEO-1): <https://www.eeoc.gov/statistics/employment/jobpatterns/eeo1>



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Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 47 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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About Valence



Valence's mission is to create new paths to success for Black professionals. The Valence platform connects, showcases and empowers the Black professional community through professional development and career opportunities, with an eye toward a future where there are generations of Black professionals who are skilled in the art of business. Valence also partners with companies to help them recruit, retain and promote Black talent.

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