



DIVERSITY IN TECH

A MANIFESTO FOR LONDON



TECH
LONDON
ADVOCATES



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Demand for digital skills is growing, but the supply is greater than we realise. Once we close the gap between talent and employers, we can create a sustainable ecosystem that will secure London's digital growth for years to come.

INTRODUCTION

Russ Shaw, Founder, Tech London Advocates

The technology sector is one of the great success stories of London's latest economic resurgence, combining the city's historic specialisms in finance and commerce with digital talent and entrepreneurial spirit. The result – tech companies driving growth, creating jobs and reaching billion-dollar valuations.

A business imperative to encourage greater diversity and inclusion to fill jobs, unlock creativity and fuel growth

In so many ways, technology reflects the great ideals on which London is built, the relentless pursuit of innovation, the courage to disrupt entrenched business practice and the firm belief that there are always new ways of doing things better, faster and easier.

However, technology is facing a growing crisis; a crisis exacerbated by an unfortunate secret. Vacancies remain unfilled despite the continued rise in demand for jobs. At the same time, huge swathes of the population remain uninspired to enter the tech industry – young people, women, members of the LGBT community, people with disabilities and overseas talent are consistently underrepresented – and, worse still, minority groups are being made to feel undervalued or uncomfortable in tech positions.

More than half of Tech London Advocates believe that technology companies do not reflect the diversity of the capital. For a city renowned worldwide for being culturally open and international, a truly global capital, this is not acceptable. There is a business imperative to encourage greater diversity and inclusion to fill jobs, unlock creativity and fuel growth.

But there is also a social imperative to inspire a new generation into a fast-growth industry, upskill an ageing population in a changing employment landscape and tackle the nation's long-term problems around youth unemployment.

Demand for digital skills is growing, but the supply is greater than we realise. Once we close the gap between talent and employers, we can create a sustainable ecosystem that will secure London's digital growth for years to come.

There is growing consensus amongst tech entrepreneurs, founders and CEOs that diverse workforces are the foundation on which better, more successful companies are built. However, good intention is too often undone by hidden bias, lack of access and the pressures of a fast-paced startup environment.

Tech London Advocates is campaigning to increase diversity in tech and to mobilise the private sector to encourage change. This is a global challenge and one organisation cannot do it alone. But, we hope to raise awareness about the scale of the problem and create an environment where tech jobs are more accessible and company cultures allow employees to be themselves and perform to the best of their ability. An environment where the opportunities within our industry are open to all Londoners.

Tech is facing a diversity crisis

We have divided this report into three clear chapters: exploring the business case for diversity, the importance of the international community and the need to cultivate home-grown talent. We have also included some clear recommendations to startups and scaleups and a Diversity Directory, highlighting the many outstanding initiatives and organisations already striving for this change.

I would like to thank all the Advocates who have contributed to this report and shared their experience and guidance in shaping our campaign.





CHAPTER

01

THE BUSINESS CASE FOR DIVERSITY

“London doesn’t thrive
in spite of its diversity,
but because of it.”

THE BUSINESS CASE FOR DIVERSITY

Diverse companies outperform non-diverse companies by 34%

Technology represents the future, with innovative companies rewriting the rules of business. However, when it comes to diversity and inclusion, the industry looks depressingly traditional. For a sector so proud of disruption, it hasn't yet been able to disrupt itself and create a business landscape open to all.

The great challenge lies in bridging the gap between intention and implementation. As McKinsey's comprehensive 2015 report articulated, "We know instinctively that diversity matters. It's also increasingly clear that it makes sense in purely business terms."

Diversity unlocks creativity. Indeed, 53% of Tech London Advocates observe a direct correlation between the diversity of a company's workforce and its rate of growth.

For the past 20 years there have been major initiatives to improve the diversity of staff. We've seen a renewed focus in the last five years, but not the shift that is needed. Despite the resource of Silicon Valley's multi-billion dollar organisations, the numbers are disappointing.

As of June 2016, Apple's US workforce was 56% white, 19% Asian, 12% Hispanic and 9% black. Their global workforce was 32% female. Google reports black and Hispanic people making up 2% and 3% of their workforce, whilst for Facebook it is 2% and 4% respectively. This comes after Facebook has even financially incentivised recruiters for so-called 'diversity hires'.

Efforts are being made to increase this percentage breakdown. However, what are they aiming for? Should a company's workforce reflect the breakdown of its local population? Or its customer base? And what about members of the LGBT community or people with disabilities? What is the percentage divide of the perfectly diverse company? These are big questions without clear answers.

The startup mentality is widely admired within the business landscape, but efforts to encourage diversity can all too often be lost amidst the daily demands of running a business and the pursuit of growth.

The same is true for global corporations – a relentless focus on the bottom line can inspire conservatism, and the unconscious bias to work with and hire people who are similar to them.

Relating to this, there is a lack of awareness about the simple solutions that already exist within the market. 60% of Tech London Advocates confessed their company doesn't

work with any external organisations or initiatives to increase their diversity.

Ultimately, this is an issue relating to that most ephemeral and unquantifiable aspect of business – company culture. Asher Ismail, Chief Operating Officer at miDrive and founder of InterTech Diversity Forum, admits "There are few examples where a company has successfully turned a culture that lacks diversity around. To beat the odds, from day one, founders need to create a culture that is open."

A company's culture influences every element of the business, from recruitment strategies through to the day-to-day experience of employees. At its heart, culture is an endlessly complex network of personal interactions and an effective diversity strategy has to be tailored to individual needs accordingly.

A recent piece of research from Stanford University shockingly found that "66% [of women in Silicon Valley] reported feeling excluded from social and networking activities due to their gender." Stephen Frost, head of diversity and inclusion for the London Olympics and now KPMG, wrote in his book, *The Inclusion Imperative*, "when gay people remain in the closet, they are 10% less productive than when they feel able to be themselves."

This sentiment is echoed by David Mills, global technology sector leader at Russell Reynolds, one of the world's largest executive search firms, who told us "I strongly believe

that if your environment is inclusive then it allows you to bring your whole self to work. It is not just about gender and LGBT, it is about diversity of thought."

Creating a culture that gives people the freedom to express themselves and perform to the best of their ability is the empowering effect of diverse workforces. It speaks directly to all the biggest challenges facing tech companies at any stage of their growth trajectory – constantly innovating, attracting and retaining talent and understanding customer behaviour.

It is not just about gender and LGBT, it is about diversity of thought

So how do we, as individuals, employers and an industry, do it? Company culture comes from the top down, and senior leadership teams are responsible for self-consciously cultivating environments that are open and inclusive.

But each and every person working in the tech industry also has a responsibility – to share their unique perspective and experience with co-workers and new recruits. To offer and accept mentoring, and approach the myriad personal interactions that make up every working day with tolerance. Now that would be disruption.





RACHAEL WALLACH

FOUNDER, DISRUPT DISABILITY

My personal experience is that disability is under-represented in the London tech scene, but this is true in employment more generally.

One challenge is that there's an obligation on employers to make reasonable adjustments to accommodate disability and, while this is easier in larger businesses, especially those turning a profit, this can be a huge practical problem for startups.

If you're dependent on seed-funding, struggling to find resources to cover salaries and basic overheads, operating hand to mouth, or have cash flow problems, finding the resources provide basic accessibility like a wheelchair accessible bathroom or a lift in an existing workplace can be a huge practical challenge.

The government support for the additional costs associated with disabilities (a scheme called "Access to Work") has a role to play, but they don't cover the costs associated with providing "reasonable adjustments" and there is ambiguity over what counts as reasonable. Typically providing wheelchair access (e.g. a lift or accessible bathroom) is considered a "reasonable



"Everyone benefits when talent can excel."

adjustment" and would therefore not be eligible for government funding. But if the best person for the role your hiring for is a wheelchair user and your startup has minimal resources and office space that is not accessible, what can you do?

Everyone benefits when talent can excel. Yet we don't live in a perfectly accessible society and the government has a responsibility for addressing this. The solution, in my eyes, would be for the government to invest in more flexible support especially to startups and small businesses. The bottom line is that disability related costs are costs and they are real costs. So if we want to promote and support the best talent then someone has to invest.

BINDI KARIA

STARTUP EXPERT, CONNECTOR, ADVISOR
& TLA ADVISORY BOARD MEMBER

"Quotas are all well and good, but what is really needed is a shift in workplace culture."

I've been a contributor to the European tech ecosystem for a long time now, working for Microsoft Ventures, Silicon Valley Bank, Trayport (a FinTech Startup), PwC Consulting Incubator and others. More recently, I've branched out on my own and am advising a combination of Corporates, Startups, VCs and Government (EU's Startup Europe Initiative), in particular, women-founded businesses. These roles have given me an insider view of the issue of diversity in tech.

Fundamentally, I believe it is a cultural issue. Quotas are all well and good, but what is really needed is a shift in workplace culture. We need people from all backgrounds to feel comfortable in their working environment – after all you can only perform to your best when you feel at ease.



This has to come right from the top – the senior management team must be instilling a welcoming and open workplace culture from the beginning. It's this sort of thing that no quota or government decree can alter, the private sector must take it upon itself to change.

Ultimately this cultural shift is required to help companies make the most of their existing workforce, and attract the best talent, no matter where it might come from. Only when workplaces take it upon themselves to change and become more open and welcoming to people of all backgrounds will we be able to tackle diversity head on.



SARAH LUXFORD

TLA WOMEN IN TECH &
DIRECTOR, NEXEC LEADERS

London doesn't thrive in spite of its diversity but because of it. However, there's still a way to go. As a head hunter in the tech scene I found it irritating seeing fewer women being put forward for shortlists. I wanted to understand why this was - despite countless reports proving diversity had positive returns on the bottom line, enhances product innovation, raises workers happiness and drives less attrition. I went to Silicon Valley and met the leading women in tech. What I heard shocked me, maybe naively so. Little had changed for the past 20 years, galvanising us to create the TLA WiT working group.

From the schoolroom to the boardroom, the stats speak for themselves. Nearly 13,000 men started engineering apprenticeships in 2013 compared to only 400 women. In the boardroom we are still struggling to improve on 30% female representation in the FTSE 250, with 9% of female representation at Executive Level. In terms of investment, a recent study of 75 UK Investment Teams showed only 2 had more female venture professionals than men. Hardly surprising that only 9% of VC funding goes to female-led companies, even though they're 34% more profitable than their male counterparts. If that's not a clear indicator for stakeholders, I don't know what is.



“A diverse workforce attracts a diverse workforce.”

We in London can make our own playbook of what a truly international, eclectic, diverse and enigmatic tech cluster can look like.

It starts with you. It's understanding, and being aware of your own biases. It goes back to your own network (have you looked at your own LinkedIn connections recently?). It's having diversity as part of your strategic plan at Board level. To simplify we promote within TLA Women in Tech the 3 A's - Awareness (of your diversity stats), Adoption (of best practices) and most importantly Advocacy (stand up and be accountable). If there's anything for individuals to take away, it's to connect themselves with diverse groups. A diverse workforce attracts a diverse workforce.

GHISLAINE BODDINGTON

FOUNDER & CREATIVE DIRECTOR,
BODY>DATA>SPACE

It is time now to ensure that the digital technology sectors become female friendly. I strongly believe that diversity of people involved in a company, startup or project is key to innovation and is reflected directly onwards into the customer base. Enabling the equal involvement of women in digital creative industries is a pressing issue and one that we can no longer ignore.

The first step is to demystify the industry. Being a 'woman in tech' does not mean you need to know how to code. Of course that is a great skill for people to know, but programming and hardware are not the only realms of tech. We need to enable young women in school and university to see ahead and gain confidence on what they can add to the digital industries.

To be honest I do get exasperated by women who say 'I haven't experienced sexism'. Just because you may not have been held back personally does not mean it doesn't exist. The facts show this; there's only 7% of women starting up new tech businesses and only 4% in venture capital.



“Being a ‘woman in tech’ does not mean you need to know how to code.”

This reality can often alter women's attitudes. Research suggests that one in five women believe they need to act ruthlessly to be respected at work and that you have to use your elbows to progress in the tech world. This can be off putting for many women who are keen to work collaboratively for the whole, rather than just for personal gain. We need to totally redesign the way we work, as continuing to push old methods in this new world is counterproductive. We need a drastic refashioning of workplace culture.



DAVID MILLS

GLOBAL TECHNOLOGY SECTOR LEADER,
RUSSELL REYNOLDS ASSOCIATES

“There is a need to establish the conclusion that inclusion is the most important factor.”

Rapid change requires companies to focus on reinvention in order to be future relevant, those companies which are most effectively driving transformation are those businesses which have open, inclusive and nimble cultures which embrace diversity in all its forms – Diversity of thought, capability, culture, interest etc.

From past experience, we are acutely aware that the success or failure of Diversity & Inclusion initiatives relies on more than simply hiring a more diverse workforce. There needs to be genuine dedication to creating an environment and a pathway to success throughout a business.



In our experience, in order for real change to be enabled strong sponsorship from the Board and/or the ExCo is essential. Inclusive cultures have to be fostered at the very top of companies.

There is a need to establish that an inclusive culture is directly aligned to improved commercial performance and is an enabler of positive change. I strongly believe that if your environment is inclusive then it allows you to bring your whole self to work, which in turn allows you to perform to the best of your ability. For all companies large and small it is crucial to create and nurture inclusive environments that allow all forms of diversity to flourish and succeed.

ASHER ISMAIL

CHIEF OPERATING OFFICER, MIDRIVE.COM

“We spend so much time trying to disrupt other industries we’ve forgotten to disrupt our own.”

The diversity of London is a major differentiator compared to other global tech hubs. There are many positives to celebrate, such as initiatives like Free Formers, Code First Girls and InterTech LGBT. But there is obviously still opportunity to do more, especially in such a famously innovative industry. In fact, we spend so much time trying to disrupt other industries we’ve forgotten to disrupt our own.

Take the recruitment process, too often we default to traditional hiring processes that bias us to picking people like ourselves. It is the same with investment – at the early stage, investors are often investing in the people behind the business more than the business itself – and it is all too easy to invest in someone similar to yourself. But this breeds homogeneity. We need to be more open and start thinking differently about the people we work with.



The problem is also one of culture. There are few examples where a company has successfully turned a culture that lacks diversity around. To beat the odds, from day one, founders need to create a culture that is open. And where people feel free to be themselves is where they will do their best work, this is particularly true in a creative industry such as tech.

The bottom line is that to succeed in tech, it’s never too early to start thinking about diversity.



CHAPTER

02

SAFEGUARDING LONDON'S INTERNATIONAL FUTURE

“The ability for so many diverse individuals to co-exist and collaborate is the reason London maintains its appeal.”

SAFEGUARDING LONDON'S INTERNATIONAL FUTURE



For centuries, London has prospered as an international city; a place where people, commerce and ideas from across the world have converged and thrived.

London is attractive to international talent and investors precisely because of the cultural diversity on offer, as CEO of FINTECH Circle Susanne Chishti says, "London is a global city and its diversity is one of its main strengths when competing with international hubs."

The presence of different nationalities provides London with more than just multicultural wallpaper

The significant presence of different nationalities provides London with more than just multicultural wallpaper. Research from the Centre for Entrepreneurs and DueDil found that migrant entrepreneurs are behind 1 in 7 of all UK companies, with London benefitting disproportionately from migrant entrepreneurs – it has 20 times the number of migrant-led businesses (188,000) than the second most popular location, Birmingham.

The tech industry has only benefitted from this migrant enterprise. Out of the ashes of a financial recession,

rose an industry that sought to create products and services that would change the world. London's tech industry has become an undoubted world-leader; powered by diversity, innovation and internationalism.

So, when Britain went to the polls to decide whether to remain in the European Union, it came as little surprise that 87% of Tech London Advocates opposed Brexit. Everything risked being lost, and the tech community knew it. When it was announced that the UK had decided to leave the EU, the tech community moved to assure foreign workers that they were welcome, with many putting their names behind a pledge to make sure they knew their rights had not changed.

The unequivocal response from the London Mayor's office, which TLA fully supported, came as huge comfort to the wider digital community. #LondonIsOpen was the perfect act of defiance in the face of a sentiment that clamoured for the drawbridge to be raised and a historical strength of London put at risk.

Now, dealing with a storm it neither predicted nor produced, London's future as a global tech hub rests on the digital community's ability to establish relationships with international markets and continue to attract the best of European and global talent.

When it comes to EU negotiations, there are very specific issues that need to be enshrined to secure the continued growth of tech sector: passporting and access to the single market. However, in light of the referendum result, the Home Office needs to go further and conduct a comprehensive review of its visa regulation. Many within the tech sector have long called for a Tier 2 visa for startups and the extension of the Tech Nation Visa, for high-skilled tech professionals.

The tech community must ensure that immigration rules can address the tech talent gap so that the UK remains a hub of global tech excellence. But, this must be achieved in conjunction with nurturing home-grown talent, as detailed in chapter 3.

Brexit has also forced the hand of many tech businesses to look further afield for their next market, consumer or coder. From the co-working spaces blooming across east Africa to the economically empowered consumer in the Far East, Britain's European departure could make London a more globally inclusive place to do business.

CEO-Founder of Interruptiv.com and Founding Partner of Novus Ordo Capital, Mali Marafini points out how "In the wake of Brexit we must go even wider. We need to come together more cohesively and

collaboratively, leave the politics behind and move on."

Brexit has to be transformed into a springboard for change, growth and evolution. Entrepreneurs are nothing if not resourceful, and the tech community needs to do all it can to face down this challenge and turn it to their advantage.

Whilst ensuring continued international investment, the digital community has a chance to push for increased local and regional investment into startups and scale ups. Building on #LondonIsOpen, the community should speak loud and proud about the industry's principal belief in the benefits of diversity, inclusion and tolerance.

For all Londoners, whether born in Bromley or Bangalore, this city has provided them with the opportunity to love where they live and love what they do. London's tech sector must remain vigilant to attacks that threaten its international credentials. If an isolationist mentality is allowed to creep in, then the entire sector risks forfeiting its global crown.

Brexit has to be transformed into a springboard for change, growth and evolution



MALI MARAFINI

CEO-FOUNDER, INTERRUPTIV.COM
& FOUNDING PARTNER, NOVUS ORDO CAPITAL



London is a significantly important tech and venture hub, world leading and cutting edge in both its operational effectiveness and its global presence. The wealth of scaleable talent incubated here is astounding. Active promotion of our USP should be accelerated worldwide.

Irrespective of Brexit, London remains a global market leader through its history and the collaborative maturity of ecosystems and networks of every major global industrial vertical. We compare favourably to other continental European centres with other hubs at earlier stages of maturity in the collaborative ecosystem model.

On a global scale the phenomenal pace of China and the US in advancing technology led business models is inspirational and aspirational. London's strength is the concentration and interaction of complex structured business models. Businesses want to come here to get access to a plethora of funding access and collaborate with global talent, benefit from our infrastructure, accelerate and scale.

**“Irrespective of Brexit,
London remains a
global market leader.”**

In the light of Brexit it presents an opportunity for London to scale with greater strategic partnering alliances worldwide facilitated also through the vibrant technology venture ecosystem between London and with partners in Europe, USA, Canada, MENA, Apac, Africa, Russia/CIS and Latam. London has the opportunity with the benefit of its geolocal positioning and its historical relationships to drive open platforms, open and shared economies and strategic scaleable partnerships.

When I'm abroad speaking at tech events I'm often the only Brit, there is a phenomenal opportunity for London to be represented with a robust presence and as a dynamic protagonist on the international stage.

SUSANNE CHISHTI

CEO, FINTECH CIRCLE, CHAIRMAN,
FINTECH CIRCLE INNOVATE
& CO-EDITOR, THE FINTECH BOOK



**“Talent is the number
one consideration for
everyone in tech.”**

Talent is the number one consideration for everyone in tech, and fintech in particular. If a lack of diversity reduces the overall talent pool then everyone is worse off. London is a global city and its diversity is one of its main strengths when competing with international hubs like Silicon Valley. But there is still more we can do.

One area where we can create more value is to give greater recognition to female-founded startups, particularly in the early stages of a startup's seed investment. Most investment at this stage is being done by men for men, and this risks creating unconscious biases if left unaddressed. We should make more of an effort to help women build networks and access decision-makers at a very early stage to stop founders from giving up before they have started. If we don't do this then we are leaving money on the table as a range of potential female founders are left out.

Women also need to take responsibility for changing culture by modifying their own behaviour. This means training yourself to negotiate, and not being afraid to see the first offer as a starting point rather than a binary decision. Women have enormous strength and power inside themselves to get things done and normally have a strong vision and opinion on what can be improved. Invaluable for any organisation.

I am a strong believer in quotas. We have been discussing diversity for decades; I bought my first book about “Breaking the glass ceiling” when I studied in Berkeley, CA in 1994. In reality not much has changed for women from mid to top-management in the UK. The only countries who have achieved more diversity are the Nordic countries, who introduced quotas. Even the best voluntary measures have failed sadly, and to guarantee success on the diversity agenda we need quotas to ensure that women have a fair representation at all levels of management going forward.



EFE CAKAREL

FOUNDER, MUBI

“London is recognised as a global centre for business and it often feels like the whole world is here.”

The success of MUBI is an international story. Our film streaming service is available in 100 countries worldwide and we have been able to negotiate licensing agreements and investment rounds with organisations from the US to China all from our Canarby Street office. London is recognised as a global centre for business and it often feels like the whole world is here, ready to arrange meetings, hear pitches and drive innovation.



At the same time, my personal story is also international and London has been a welcome home for me and my business. I grew up in Turkey before moving to the US to study computing and business at MIT and Stanford respectively. When it came to founding a company I could think of nowhere better than London. It is a wonderful city to live and the ecosystem is geared towards the growth of startups. Of course there are challenges around talent that will be exacerbated by Brexit but London is, and remains, the only home I can imagine for me and MUBI.

PAULINA SYGULSKA

CO-FOUNDER, GRANTTREE

“We try to have a 50/50 gender split because I find that more conducive to a great working environment.”

Born and raised in Poland, I came to study in London to give myself the best access to opportunity and talent. It didn't disappoint. I started my first business two years after I arrived (originally to study at UCL), and my second, GrantTree, two years later.

I co-founded GrantTree in 2010 to help UK tech companies raise money from the government in an accessible way. We are an open culture company, pioneering concepts such as full financial transparency, non-hierarchical self-organisation, and open, self-determined salary. I believe open culture goes hand with increased diversity.



Even though we operate in the tech industry, we do our best to have close to a 50/50 gender split as this is more conducive to a great working environment. Recently I heard Alastair Lukies (Monitise) talk about how he believes women leaders will change the world. We need more men like him sharing that key message particularly in the tech industry. There are quite a few women on my team that excel at what they do and we are always keen to interview women for any open position.

Our purpose is to help people and businesses achieve their potential. That has an impact on how we behave every day and on important business decisions. True leadership is a service that aims to create an environment where people feel empowered to be fully themselves, take responsibility and grow as human beings through commercial challenges.

It is culture of respect, trust and growth more than anything that will promote diversity in the workplace.



GAVIN POOLE

CEO, HERE EAST



London is recognised as a global city, home to ideas, people and businesses from around the world. The ability for so many diverse individuals to co-exist and collaborate is the reason London maintains its appeal and dominance.

However, diversity needs the right environments to thrive. Cities offer that environment, but cities need to constantly innovate to stay relevant to the people they serve. At a time when the UK perhaps appears more closed to the rest of the world than ever before this has never been more important.

What fascinates and motivates me about the Here East project is the ambition to turn that great moment of tolerance and inclusion, the London Olympics, into an emblem of the city's ability to evolve and offer Londoners space to live, create and grow.

And that is why I support Tech London Advocates and its diversity in tech campaign – it perfectly mirrors what we are trying to achieve at Here East – a fundamental belief in the power of diverse voices and specialisms coming together and speaking as one.

“The ability for so many diverse individuals to co-exist and collaborate is the reason London maintains its appeal.”

RAFAEL DOS SANTOS

FOUNDER, MI-HUB



I initially approached the diversity debate from the perspective of an employer. I was relentlessly focused on the growth of my business and financial results informed every decision I made. In this context the pressure to encourage a diverse workforce seemed at odds to the very real pressures already facing startup entrepreneurs. There is no guidance for employers about the right balance companies need to reach before they can truly claim ‘diversity.’ Equally, startups don’t have the resources to start adapting recruitment strategies to prioritise diversity. They have to employ the best professionals they can find and employ them fast. I simply didn’t have time to look elsewhere if the first candidate could do the job no matter how much I would have welcomed a woman, member of the LGBT community or migrant.

“Tolerance and multiculturalism are at the heart of London and the startup community must reflect that.”

I welcome the mission of Tech London Advocates to start disseminating practical advice to the technology community. Tolerance and multiculturalism are at the heart of London and the startup community must reflect that. That is why I have recently founded mi-Hub, a co-working space in East London for migrant entrepreneurs such as myself.



CHAPTER

03

HOME-GROWN TALENT TO FIX A HOME-GROWN PROBLEM

“Nothing is more damaging
than the idea that coding
isn’t a ‘girly’ activity.”

HOME-GROWN TALENT TO FIX A HOME-GROWN PROBLEM

If embracing international communities is one historic strength of London, an area which has never been appropriately funded, considered or prioritised is home-grown talent.

A talent shortage is consistently cited as the industry's greatest threat

The success of any industry is dependent on the talent that fuels it. For London's tech industry to unlock its potential, and achieve goals like a \$10bn float within the next five years, it has to provide an environment that is capable of nurturing world-beating talent.

Yet, a talent shortage is consistently cited as the industry's greatest threat, its 'silver bullet'. The introduction of the computing curriculum was a major step forward by the UK government, but it is now incumbent on the private sector to take it further. There are clear ways this can be achieved: raising awareness of the diverse jobs available in tech; improving training so that it's fit for a modern digital career, and breaking down the borders that block millions from taking advantage of technology. The community needs to work together to fix the leaks and ensure

London has a sustainable talent pipeline for years to come.

It is estimated that there are 600,000 tech vacancies in the UK, a figure predicted to jump to 1 million by 2020. These vacancies, some of them long-term, sit uncomfortably alongside statistics that uncover the extent of unemployment and the lack of gender diversity. According to the latest government research, more than 620,000 young people are unemployed, whilst a recent TLA survey uncovered an inconvenient truth: a fifth of companies within London's tech community employ no women at board level.

What's more, London's tech success is failing to contribute satisfactorily to the areas that house it. Hackney and Tower Hamlets – two boroughs at the centre of the city's modern tech boom – continue to rank high on national deprivation indicators. Data from 2014 shows that Tower Hamlets had the second highest unemployment rate across London boroughs whilst Hackney has the second highest proportion of working-age people claiming workless benefits.

Rioch Edwards-Brown, founder of So You Wanna Be In Tech?, articulates the bizarre situation perfectly, "For many of the young people growing up here today, the opportunities and glittering careers in the creative

industries, business and technology that exist only a few miles away feel unreachable."

London's most dynamic tech companies are failing to communicate their exciting offering beyond the obvious audience. Surveys and stats are revealing the digital community's veneer of inclusivity and exposing its tech team sheets for what they are: male, pale and socio-economically stale. A lack of access and awareness stubbornly persist at every rung of the tech career ladder, and it threatens to bring down the whole structure with it.

Tech team sheets are male, pale and socio-economically stale

Ellen Kerr, Traineeship Operations Manager at Just IT and co-lead of the TLA Education Group says, "I have witnessed first-hand the array of young talent that walks through the doors of job centres having grown up using technology but fail to make the most of the digital world around them. Why? Because they are not aware of the scale of the opportunities out there."

It is shameful that some 12.5 million adults in the UK don't have the basic

digital skills required to succeed in today's modern workplace. Thankfully, London's digital businesses have the Mayor on their side: in his mayoral manifesto, Mayor Khan pledged 'Skills for Londoners' in a bid to end digital exclusion and to make sure businesses and Londoners get the skills they need to succeed. London's tech world may not get a better opportunity to align the interests of City Hall with Silicon Roundabout than this.

Tech needs to fashion itself as a pioneer – bridging the skills gap that is holding the industry and economy back, and closing the gender pay that Deloitte warns will otherwise not close until 2069.

The way to do it? Prime the pump and get the tech talent pipeline working to full capacity. That means opening up careers in tech to all, and providing apt and accessible digital education so that home-grown talent can lead London's tech scene to global success.

54% of advocates believe there is a direct correlation between diversity and rate of growth





RIOCH EDWARDS-BROWN

FOUNDER, SO YOU WANNA BE IN TECH?



I have always lived in Peckham, growing up and then raising a family in one of the most deprived boroughs of the city. I have seen first-hand the challenges, but also the enormous potential and talent that exist in local communities in this area of London. However, for many of the young people growing up here today, the opportunities and glittering careers in the creative industries, business and technology that exist only a few miles away feel unreachable.

“I have seen first-hand the challenges, but also the enormous potential and talent, that exists in local communities.”

I have spent seven years building trust and engaging with young people, mentoring them and, crucially, listening. We wanted to understand how the energy and skills of this generation could be applied to the current job market at entry and junior level. Initially, approaching the project from the perspective of television production, which was my background, we found ready-made talent in abundance, disadvantaged by the lack of finance, social skills and social mobility. They were wary of employment initiatives that were tick box exercises with poor outcomes. Low confidence and not having access to networks added further to the disconnect with industry and feelings of exclusion.

All it takes is industry, working in partnership with diverse talent pipelines like So You Wanna Be In Tech, to bring local communities and businesses together, giving young people the confidence to fulfil their potential and making employers realise the wealth of talent that is often literally on their doorstep.

GLORIA OGUNYEMI

CO-FOUNDER,
DIVERSE LEADERS NETWORK

“Role models from diverse backgrounds prove that it is possible and within reach.”

While there's much to celebrate about the vibrancy of our tech sector, there is still a lot of work to do to widen access to the industry for people from all backgrounds.

I co-founded Diverse Leaders Network for exactly this purpose – to help organisations make effective use of our home grown talent and to make young people aware of the opportunities available to them at all levels. We are a social enterprise that exists to increase fair access to the professions and promote diversity in leadership.

We do this by placing a network of professional leaders from diverse backgrounds into the classroom to teach Leadership and Diversity Education (LEAD) to students from underrepresented groups in order to improve their education and employment prospects.



To encourage individuals from diverse backgrounds into tech and other non-diverse sectors, our LEAD programmes develop three key areas: awareness, ability and access. We make young people, regardless of their background, aware of the opportunities out there, nurture their abilities, increase their leadership potential and improve their access to the future job market by widening their professional network.



MARK MARTIN
FOUNDER, URBAN TEACHER

For me, diversity in tech is all about getting young people enthused about the industry, and giving them the appropriate education to get into the sector. It is our generation's responsibility to provide greater opportunities for young people, particularly with access to lifelong learning.

The internet has empowered many students to learn digital skills at home through online videos and tutorials. From coding and programming, to creating and remixing web content and electronic kits. This trend has been encouraged by social networks and platforms that can broadcast young people's creations to thousands of online users.

The digital age is empowering students to use tech to simplify, enhance and support their daily activities, but there are still too many who don't have mobile devices or internet access at home. They are disadvantaged from opportunities for online learning and innovation. We need to address this issue to avoid the digital gap from widening.

"It's our duty to empower and prepare students for tomorrow's world and jobs that don't yet exist."

For hidden talents to be recognised and developed, it is vital that teachers and parents improve their career advice. It is equally important that teachers and parents are aware of the digital tech opportunities in the UK and the digital skills required for the industry. This will help them to become more effective when spotting talent and nurturing them in the right direction.

As the underground Hip-Hop scene thrives with new talent coming through, so does the tech scene amongst young people. It's our duty to empower and prepare students for tomorrow's world and jobs that don't yet exist.

ELLEN KERR

TRAINEESHIP OPERATIONS MANAGER, JUST IT
& CO-LEAD, TLA EDUCATION GROUP



"One of the greatest challenges that we face is the lack of awareness held by teachers, parents and career advisers."

When I was younger I was in care and felt I was lost in the system. Having spent ten years within job centres, at the age of thirty-two I decided to go back to college and educate myself in digital technology. I quickly realised that the curriculum was outdated – teaching technology that was five years old and persuading students the only path was to work on an IT helpdesk. That's why I wanted to run a Traineeships programme.

I am championing the idea that those who can't afford to attend college or university can still gain access to the skills and information needed to pursue a career in technology. We give people from all backgrounds the opportunity to learn skills in coding, app development and digital marketing in alignment with the current industry standards.

One of the greatest challenges that we face is the lack of awareness held by teachers, parents and career advisers about the number of opportunities available in the tech sector for young people. I have witnessed first hand the array of young talent that walks through the doors of job centres who have grown up using technology, but are not made aware of the opportunities out there.

There is a real need to educate society's mentors in the paths leading to careers in the tech sector. A qualification in digital technology is no longer just a degree; there are alternatives such as apprenticeships and work placements which can provide opportunities for everyone.



AMALI DE ALWIS

CEO, CODE FIRST: GIRLS

**“The answer is simple:
if a process doesn’t
work then change it.”**

I am yet to meet to a company that is dismissive of employing a more diverse workforce. Good talent operational processes however are vital to the success of a tech startup, and in the case of recruitment, outdated processes can work against you. Using the same channels to reach tech talent again and again won't lead to different results. Many companies want diversity but struggle to find the female coders that are out there. The answer is simple – if current talent process doesn't work to deliver diversity, then change it.



London is a United Nations of a city, with a wonderful range of cultures and skills. We have great people and arguably better foundations to lead the world in female digital talent than any other city. However, challenges remain. The perceptions of parents and young people around technology careers still deter women from learning to code. Nothing is more damaging than the idea that coding isn't a 'girly' activity. The truth is London's tech companies will only continue to compete on the world stage by harnessing the female coding talent that's out there, and we need to rapidly scale the initiatives designed to bring more women into the industry.

JOYSY JOHN

CHIEF INDUSTRY OFFICER,
ADA NATIONAL COLLEGE FOR DIGITAL SKILLS

**“Showing individuals that they can be rewarded
for aligning their passion with a purpose is crucial
to increasing participation in the tech sector.”**



Learning to code is fast becoming as important as learning to read and write. Every industry in the 21st century is being disrupted by technology. We cannot hope to equip a workforce with skills for jobs in this new world if they do not understand the basics of how technology works.

Ada College is the very first National College for digital skills. We all recognise that the technology industry is not as diverse as the world we live in. Ada College is actively recruiting women and those from lower income backgrounds: in our first cohort we have 15% women and 22% from lower income backgrounds, but in five years we want both figures to be 50%.

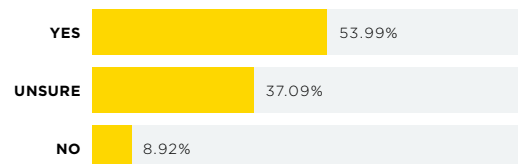
The gender imbalance strikes close to home – I have two daughters and I want them to grow up in a world where there is no dearth of tech role models for them to follow. At the same time, students also need practical workshops that build both the digital skills and the confidence needed to be successful. Many are often unaware that they already possess at least some of the skills needed to work in the tech industry and need positive experiences of the satisfaction these jobs can bring. Showing individuals that they can be rewarded for aligning their passion with a purpose is crucial to increasing participation in the tech sector.

Ada College hopes to address this through our structured apprenticeships and by supporting public events such as hackathons and workshops. We are also developing an online gamified learning website – Ada.Advance – to attract students from non-traditional backgrounds. We are working with our industry partners to more clearly communicate the clear link between diversity and strong business performance, transforming diversity from a 'nice to have' to a 'business imperative'.

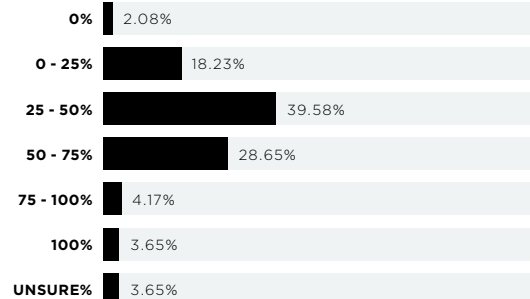
ADVOCATES SURVEY

The following are results from a digital survey of Tech London Advocates, conducted during August and September 2016. There were 263 participants.

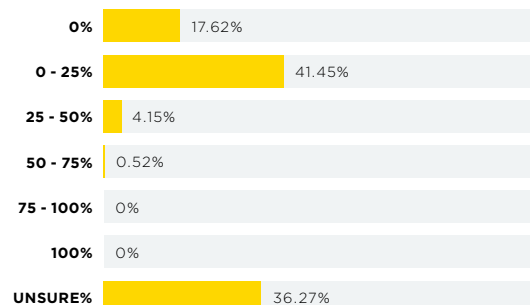
IS THERE A DIRECT CORRELATION BETWEEN THE DIVERSITY OF A COMPANY'S WORKFORCE AND ITS RATE OF GROWTH?



WHAT APPROXIMATE PERCENTAGE OF YOUR WORKFORCE IS FEMALE?

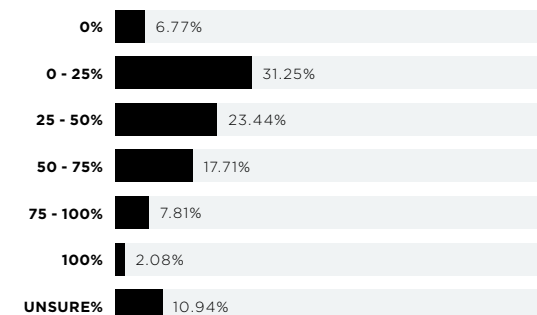


WHAT APPROXIMATE PERCENTAGE OF YOUR WORKFORCE IS FROM THE LGBT COMMUNITY?

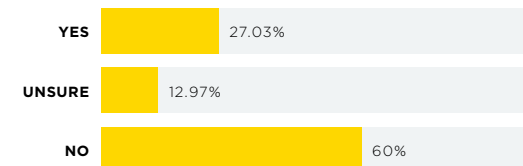


More than half of London's tech companies believe a diverse workforce improves a company's growth

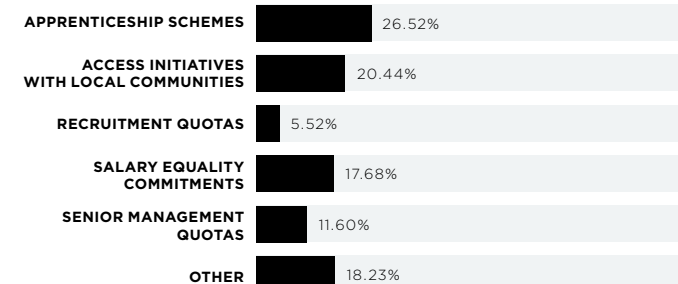
WHAT APPROXIMATE PERCENTAGE OF YOUR WORKFORCE IS FROM LONDON?



DOES YOUR COMPANY WORK WITH ANY EXTERNAL INITIATIVES TO INCREASE DIVERSITY IN YOUR WORKFORCE?



WHAT INITIATIVES DO YOU THINK WOULD BE MOST SUCCESSFUL TO INCREASE DIVERSITY IN LONDON'S TECH COMPANIES?





CONCLUSION: A DIGITAL LONDON FOR ALL

Throughout the many interviews, roundtables, meetings and discussions that informed this report, a clear desire emerged from the private sector to address tech's diversity issue.

However, what also emerged is that there is no simple solution. The following pages offer simple ideas and recommendations for employers to increase the diversity of their workforces, but they do not reflect the infinite variations within every tech company and the myriad requirements of every tech professional. What they do offer is a starting point within a much wider conversation.

The nature of tech's diversity problem is symptomatic of two far greater challenges affecting the industry, and indeed business as a whole in the UK.

The first is around building bridges, thrown into sharp relief by the recent EU Referendum vote. The remarkable disparity between the views of

business and the general public around this issue showed a growing disconnect between business leaders and the wider population.

If businesses found themselves at odds with the demands, aspirations and sentiment of the British public around Brexit, the same is true for talent. Despite rapid growth and headline-grabbing valuations, the tech sector will find itself built on a foundation of sand if it doesn't bring the wider population with it in terms of the importance of the sector to both London and the UK. 'Look on my works, ye Mighty, and despair.' This has to change.

The second revolves around maturity. One can roughly equate the real flourishing of London's tech sector as starting in the aftermath of the financial crash – a time when entrepreneurs started to ask more of business and use technology to empower consumers. In the subsequent decade, what has been created is an extraordinary startup

ecosystem, capable of producing genuinely successful innovation and reimagining the business landscape in London.

But now we need to look to the future, and the future success of the tech industry requires a movement from a startup culture to a scaleup culture. An ecosystem capable of producing world-beating scaleups has a very different set of requirements. It needs to be sustainable, it needs far greater levels of investment and it needs, more than anything, greater quantity and quality of talent.

To this end, tech companies have no choice but to widen their search for tech professionals. To establish a startup ecosystem, entrepreneurs moved quickly, looking to hire fast and trusting what they knew. That short-term thinking now needs to be replaced with long-term strategies to nurture digital skills and widen the net in terms of recruitment of talent from all backgrounds.

None of this is impossible, but the time to act is now. Waiting for government regulation or apprenticeship schemes or recruitment incentives will not solve this issue. The private sector needs to set a new standard for what an industry can achieve for a city and its people. We need to reach out to Londoners, explain the opportunities tech holds and include them in the growth of our industry.

This needs to be seen as an opportunity, not a challenge. This is not the end of the conversation, nor the start of it. This is a call to arms for everyone currently working in London's fastest growing sector to realise we collectively have a diversity problem and need to take action to do something about it.

If there is one thing Tech London Advocates stands for, it's the limitless potential of the private sector to achieve change when it speaks with one voice. Let the message be clear – tech is open to everyone.



RECOMMENDATIONS TO BUSINESS

BUSINESS CASE FOR DIVERSITY

01

Demand the right culture:

Creating an inclusive company culture from the top down

02

Celebrate difference:

Demanding diversity and inclusivity criteria in all recruitment strategies

INTERNATIONAL COMMUNITY

03

Stay close to Europe:

Offering support for European employees around any visa changes that might threaten their position in the UK

04

Keep London open:

Promoting existing visa routes – Tech Nation and Entrepreneur Visa – and developing new routes – Tier 5 Startup Visa – so immigration for tech is easy to implement

HOME-GROWN TALENT

05

Develop skills and mentor future talent:

Supporting national digital skills and retraining programmes and implementing mentorship and apprenticeship schemes

06

Get behind existing initiatives:

Support existing programmes and external organisations addressing diversity and inclusion



DIVERSITY DIRECTORY

Many outstanding organisations and initiatives exist in London working with individuals and companies to improve access and increase diversity in the sector. Here are 30 examples that every tech entrepreneur, founder and employer should be aware of.



DIGITAL AWARENESS UK





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We would like to thank our sponsors and partners, whose support has made the production of this report possible:



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ACKNOWLEDGMENTS

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**Russ Shaw
Tech London Advocates**

ABOUT TECH LONDON ADVOCATES

Tech London Advocates is a private sector led coalition of over 3,600 expert individuals from the tech sector and broader community who have committed to championing London's potential as a world-class hub for tech and digital businesses.

It strives to support London's tech startups and high-growth businesses in finding new investment, new talent and continued success.

Tech London Advocates is an independent organization, sponsored by Breakthrough Funding, Cisco, City of London Corporation, Cocoon Networks, Here East, Hewlett Packard, MassChallenge, Penningtons Manches LLP, Russell Reynolds Associates, Salesforce and Zumbel Group.

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