

**1/22/2017 Case Analysis 1 – Recruiting Diversity Candidates in Silicon Valley – Potter Box**

To: Ms. CEO, New Big Startup (NBS)  
 From: Corporate Communication Officer (CCO)  
 Re: Recruiting Diverse Hires

*Designating diverse hiring practices as a top priority for NBS is both an admirable and important decision. As CCO I've prepared a brief analysis concerning the communication of NBS's recruiting practices with people inside and outside of the company. I have applied the modified Potter Box, an "ethical judgement tool used primarily in media ethics," to assist with communication development and to promote an ethical decision-making process (Watley 2014). The tool requires the determination of five key elements; situation, stakeholders, obligations, values, and universalization. It is my hope that the analysis below will help inform both the implementation and communication pertaining to NBS's diversity priority.*

**Situation**

The ability to authentically implement and communicate the recruitment of diverse hires, while recognizing the human impact of NBS's decisions, represents the ethical issue at hand. RBS is situated in Silicon Valley and the company's reputation and public image cannot be separated from the region. An article in Harvard Business Review last year began with the following sentence: "Silicon Valley has a problem when it comes to diversity – and everybody knows it" (HBR 2016). RBS's priority to emphasize diverse recruitment is an important step but it is crucial to understand the broader landscape concerning diversity. For example, what specifically is RBS referring to when it champions "diversity" as a goal? Is the company focusing on gender or race or any other designations? Diversity can span beyond gender and race to include religion, ability, language, sexuality, and so on. Erica Baker, an African American engineer in Silicon Valley discussed the limitations of only considering one designation, such as gender. She argues that "Right now, it seems like, in the industry, that diversity is code for hire more women... it's not great, because the demographics of the industry, usually, it skews to more white women" (PBS 2016). Similarly, an article in the Washington Post stated that in terms of racial and ethnic diversity in the region, "Asians are the exception. They have been hired at rates far above other minority groups... At Facebook, for example, 41 percent of the tech workforce is Asian" (Washington Post 2015). It is important for RBS to determine its specific diversity goals internally, in a thoughtful and nuanced manner, before communicating these efforts.

Along with Silicon Valley's diversity shortcomings, negative perceptions persist within the local community. Respected PR practitioner Richard Edelman explains:

"Over half the respondents in the Bay Area – the 'home' of the sector – said that the growth of the technology industry is hurting the poor. Forty-three percent said tech sector growth is hurting the middle class. Over half describe tech CEOs as greedy (note this week's revelation of a \$199 million pay package for one of the industry's leading CEOs). The most common complaints blame

the technology industry for soaring housing prices and traffic, which are considered negative externalities of the sector's growth" (Edelman 2016).

Promoting diversity within RBS cannot be separated from the company's impact on the community it is located in. Om Malik challenges the industry to "try to understand the impact of whiplashing change on a generation of our fellow-citizens who feel hopeless and left behind" (Malik 2017). He goes on to say that failure to do so will cause Silicon Valley to "become an even bigger villain in the popular imagination" (Malik 2016). Promoting diverse recruitment in an ethical and authentic way can support RBS as well as the broader industry's reputation as a whole. The public's perception of the sector and the reality of low diversity rates within the tech industry reveal a situation in which deep authenticity is necessary, in terms of the implementation and communication of RBS's diversity initiatives, as well as RBS's community impact.

### **Stakeholders**

An important aspect of company decision-making is understanding the various stakeholders who are connected to the issue. Shareholders, employees, community members, and the broader industry should be considered when decisions are made and how those decisions are communicated. For example, shareholders who might not understand the importance of diversity must be appropriately communicated to. There is a possibility that those ignorant to employee diversity initiatives may not view diverse recruitment as a "merit-based" hiring process and that emphasizing diversity could overshadow better, more qualified employees. Perceptions exist that there just isn't enough diverse talent. The Washington Post points out that the sector diversity's problem isn't necessarily a pipeline issue, "fresh data show that top schools are turning out black and Hispanic graduates with tech degrees at rates significantly higher than they are being hired by leading tech firms" (Washington Post 2015). Potential employees might not be convinced that RBS is an ideal workplace if communication is solely about diverse recruitment, with no mention of supporting and retaining diverse employees. The community's negative perception of the industry may increase if calls for diversity aren't interpreted as authentic. Finally, RBS's actions will reflect the broader industry and Silicon Valley as a whole.

### **Obligations**

Promoting diversity in itself complies with beneficence (improving the lives of others) and self-improvement; recruiting diverse talent impacts the broader industry which has limited employee diversity. Other prima facie duties like justice are also represented. Silicon Valley is widely recognized as not being diverse, at the same time that it supposedly contributes to social and economic inequality, so promoting diversity helps to remedy previous and ongoing injustices in the industry's hiring practices. For example, the "incestuousness of Silicon Valley's hiring process" has contributed to low diversity rates and RBS can help rectify this issue by setting a positive example (New Yorker 2016). Truth-telling is important because vocalizing support for diversity, matched with perceptions

of inauthentic follow-through, can be detrimental to RBS and the wider sector. Overall, the organization owes loyalty to stakeholders within the company, such as employees, but it also must consider its loyalty to the community and the sector as a whole.

### **Values**

As an equal opportunity employer RBS is on the right path for choosing to emphasize diverse recruitment as a top priority. Not only is discrimination illegal under the EEOC, but it goes against the organization's corporate philosophy. The weight of the obligations listed above show that promoting a diverse employee base is in line with both social and professional values. The TARES test for ethical persuasion ends with the concept of social responsibility; a challenge that can easily translated to a corporate setting. RBS considers itself a company that practices corporate social responsibility and promoting a diverse workforce can represent an important step in achieving this goal. Ultimately, in terms of values, RBS should emphasize respect. "Meeting the demands of the Principle of Social Responsibility ultimately comes down to the issue that is at the heart of all the principles in the TARES Test: the question of respect, respect for individuals and for society" (Baker & Martinson pg. 169).

### **Universalize**

I have found no research about any potential downfalls of promoting diversity. Instituting diverse recruitment practices would set a positive precedent for RBS, Silicon Valley, and corporations across the country and globe. Whether this decision is taken now or in the future, the benefits of championing employee diversity will remain.

### **Recommendation**

RBS must recognize what diversity means for the industry (race, gender, other designations, etc) and what groups are most unrepresented as discussed in the situation section. RBS should acknowledge the current reality of the un-diverse industry, lack of public trust in Silicon Valley, and so on. Understanding the broader landscape will assist in successful communication. The company should also prepare, utilizing published data, for any potential pushback concerning the pitting of qualified candidates against diversity promotion. RBS should focus on retention, and not just the recruitment of diverse candidates, so that the project is sustainable over extended periods of time. The company should emphasize diversity in upper level and leadership positions, not just broad diversity in general, because these are areas where diversity is most lacking across all industries. Authentic communication must be practiced throughout all levels of the organization including internal and external communication. Authenticity will go a long way in gaining the community's support. Edelman suggests the following for companies like RBS within Silicon Valley:

"...pay attention to their public impact, think of their customers not only as consumers but also as citizens, real people facing complex economic and social challenges...It is not enough to have

great products and services; the technology industry must take the lead for business in assuring that change is good for all. (Edelman 2016)

Finally, in terms of diversity promotion, communication is key. The Washington Post quotes Megan Smith, U.S. Chief Technology Officer, as stating that “if your leadership team is constantly talking about it and iterating on it just like they would on products and businesses, that will move the needle.” (Washington Post 2015).

## REFERENCES

- Baker, S., & Martinson, D.L. (2001). The TARES test: Five principles for ethical persuasion. *Journal of Mass Media Ethics*, 16(2-3), 148-175.
- Edelman, R. (2016, February 11). “Technology and Trust,” *Edelman*. Retrieved from <http://www.edelman.com/p/6-a-m/technology-and-trust/>
- Kang, C., & Frankel, T. (2015, July 16). “Silicon Valley struggles to hack its diversity problem,” *Washington Post*. Retrieved from [https://www.washingtonpost.com/business/economy/silicon-valley-struggles-to-hack-its-diversity-problem/2015/07/16/0b0144be-2053-11e5-84d5-eb37ee8eaa61\\_story.html?utm\\_term=.93136466dbdf](https://www.washingtonpost.com/business/economy/silicon-valley-struggles-to-hack-its-diversity-problem/2015/07/16/0b0144be-2053-11e5-84d5-eb37ee8eaa61_story.html?utm_term=.93136466dbdf)
- Malik, O. (2016, November 29). “Silicon Valley Has an Empathy Vacuum,” *New Yorker*. Retrieved from <http://www.newyorker.com/business/currency/silicon-valley-has-an-empathy-vacuum>
- PBS Newshour (2016, March 17). “How Silicon Valley is trying to fix its diversity problem,” *PBS*. Retrieved from <http://www.pbs.org/newshour/bb/how-silicon-valley-is-trying-to-fix-its-diversity-problem/>
- Pittinsky, T. (2016, April 12). “We're Making the Wrong Case for Diversity in Silicon Valley,” *HBR*. Retrieved from <https://hbr.org/2016/04/were-making-the-wrong-case-for-diversity-in-silicon-valley>
- Watley, L. D. (2014). Training in ethical judgment with a modified Potter Box. *Business Ethics: A European Review*, 23(1), 1-14.
- Wiener, A. (2016, November 23). “Why Can’t Silicon Valley Solve Its Diversity Problem,” *New Yorker*. Retrieved from <http://www.newyorker.com/business/currency/why-cant-silicon-valley-solve-its-diversity-problem>