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Managing Diversity and Inclusion at Yelp

In 2014, the tech sector received a wakeup call as awareness grew of the lack of diversity within the industry. Following calls for transparency, leading companies (including Yelp) began to explore the breakdown of demographics of their employees. Public reports showed that among major tech companies that volunteered the information, more than 80% of technical positions were filled by men.

Dissatisfied with the industry-wide lack of diversity, Yelp CEO Jeremy Stoppelman and COO Geoff Donaker wanted the company to become a leader in understanding and addressing this challenge. They reached out to Rachel Williams, a UC Berkeley alum and early Yelp employee who had left the company to work as a talent acquisition manager at tech startup ClearSlide. They asked Rachel to rejoin Yelp as the company's first Head of Diversity and Inclusion. Rachel was excited about the opportunity, but also aware of the challenges that came with the position. She knew that she had support from the company's leadership team, and that she had the benefit of already having proven herself as a high achiever at Yelp. However, there was no blueprint for the role she was stepping into, and Yelp had done little to address issues of diversity up until that point. She would need to understand the complex forces - many outside of the company's control - that had led to the status quo.

Rachel was given free rein to recommend changes to the recruiting, interviewing, hiring, and promotion process, as well as freedom to explore ways to ensure an inclusive work environment. But she would ultimately need to make the case that these changes would also be good for the bottom line, and to convince stakeholders to accept her recommendations. Moreover, much of the tech industry was struggling with similar issues, meaning that she would need to develop best practices as she went along, rather than adopt practices that seemed to work elsewhere.

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About Rachel

Rachel Williams grew up in San Mateo, CA. She enjoyed her childhood town, which has a pleasant, walkable downtown and a wide variety of restaurants and shops. While she valued her time there and the friendships she made, there were few African-American families in her neighborhood and school - which got her thinking about diversity and inclusion at a young age.

After high school, Rachel was accepted at UC Berkeley, where she studied psychology. Her psychology training made her well aware of the myriad of biases that can creep into the hiring and management process. Always an optimist, Rachel saw opportunity to use insights from psychology to overcome these biases through better hiring processes. After college, she began working in recruiting.

Rachel's first stint with Yelp was in 2010-2011, before the company's IPO and at a time of rapid expansion for the company. After a year at Yelp, Rachel left the company for another recruiting position in the Bay Area. Having been a star employee and a good colleague, she received a call from Yelp's then COO, Geoff Donaker, to whom she had briefly reported. Geoff wanted to know why Rachel had left. The conversation was far-reaching and frank. There was a lot that Rachel liked and respected about the company, especially about working with Geoff. She was particularly appreciative that he, as a very senior person at the company, took the time to reach out to her. But she also felt a degree of dissatisfaction with the company's approach to and engagement with diversity. The company was in full growth mode, which at times seemed to put important process changes that might increase diversity on the back burner. "It wasn't that people at Yelp were intentionally biased, but they were trying to build a financially successful company, and that was the top priority," Rachel explained.¹

So when Rachel received a call from leaders at Yelp in 2014, she wanted to make sure she would be empowered to make real progress on debiasing the hiring process and pushing for a productive, diverse, and inclusive workforce. After speaking to executives and understanding the latitude she would have, she felt confident that this was the case. As she began exploring issues at the company, Geoff frequently joined her at meetings, setting the tone that diversity and inclusion are core management issues for the company.

Jesse Jackson and the Broader Push for a More Diverse Tech Sector

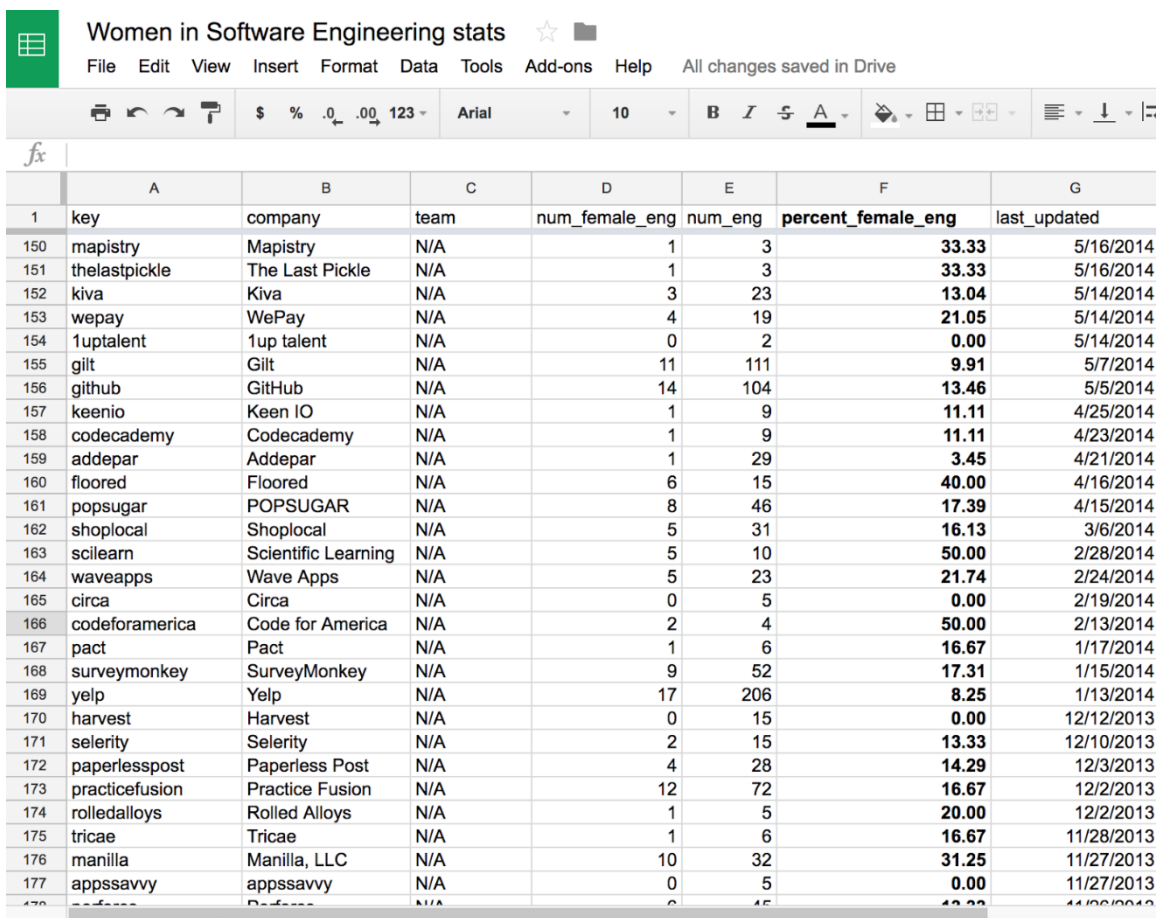
Calls for diversity in tech began long before Yelp was founded, led by a variety of civil rights activists including Rev. Jesse Jackson, who founded the National Rainbow Coalition - an organization dedicated to achieving equal rights for all Americans. In 1996, the National Rainbow Coalition merged with Operation PUSH (another Jackson-founded organization) to become Rainbow/PUSH. While the organization pursues a variety of different issues, it has been particularly active in the financial and tech sectors.

Jackson raised the issue of diversity in the tech sector as early as the late 1990s, when the Rainbow/PUSH launched its Silicon Valley Connections Initiative. But there was little progress through the early efforts, which petered out over time. In 2014, the organization relaunched the initiative, and Jackson joined a growing chorus of voices calling for more transparency around the diversity of workforces at tech companies. Members of Jackson's organization, Rainbow/Push Coalition, engaged with tech companies directly by attending shareholder meetings, having private

meetings with C-level executives, writing an open letter to tech leaders, and organizing a summit to discuss diversity in tech.

Jackson's push for public statistics regarding racial diversity coincided with calls for companies to release data on the proportion of women on their engineering teams. At the end of 2013, Tracy Chou, an engineer at Pinterest, wrote a Medium post arguing that tech companies intentionally obscured data regarding the presence of women in technical roles. She turned to employees at tech companies, encouraging them to self-report information about the number of female employees on their teams. Her online data repository grew quickly, and within a week, she had snapshots of more than 50 companies.

Figure 1 Tracy Chou's open-sourced gender data



The screenshot shows a Google Spreadsheet titled "Women in Software Engineering stats". The spreadsheet has columns for key, company, team, num_female_eng, num_eng, percent_female_eng, and last_updated. The data lists various tech companies and their female engineering statistics as of May 2014.

	A	B	C	D	E	F	G
	key	company	team	num_female_eng	num_eng	percent_female_eng	last_updated
150	mapistry	Mapistry	N/A	1	3	33.33	5/16/2014
151	thelastpickle	The Last Pickle	N/A	1	3	33.33	5/16/2014
152	kiva	Kiva	N/A	3	23	13.04	5/14/2014
153	wepay	WePay	N/A	4	19	21.05	5/14/2014
154	1uptalent	1up talent	N/A	0	2	0.00	5/14/2014
155	gilt	Gilt	N/A	11	111	9.91	5/7/2014
156	github	GitHub	N/A	14	104	13.46	5/5/2014
157	keenio	Keen IO	N/A	1	9	11.11	4/25/2014
158	codecademy	Codecademy	N/A	1	9	11.11	4/23/2014
159	addepar	Addepar	N/A	1	29	3.45	4/21/2014
160	floored	Floored	N/A	6	15	40.00	4/16/2014
161	popsugar	POPSUGAR	N/A	8	46	17.39	4/15/2014
162	shoplocal	Shoplocal	N/A	5	31	16.13	3/6/2014
163	scilearn	Scientific Learning	N/A	5	10	50.00	2/28/2014
164	waveapps	Wave Apps	N/A	5	23	21.74	2/24/2014
165	circa	Circa	N/A	0	5	0.00	2/19/2014
166	codeforamerica	Code for America	N/A	2	4	50.00	2/13/2014
167	pact	Pact	N/A	1	6	16.67	1/17/2014
168	surveymonkey	SurveyMonkey	N/A	9	52	17.31	1/15/2014
169	yelp	Yelp	N/A	17	206	8.25	1/13/2014
170	harvest	Harvest	N/A	0	15	0.00	12/12/2013
171	selerity	Selerity	N/A	2	15	13.33	12/10/2013
172	paperlesspost	Paperless Post	N/A	4	28	14.29	12/3/2013
173	practicefusion	Practice Fusion	N/A	12	72	16.67	12/2/2013
174	rolledalloys	Rolled Alloys	N/A	1	5	20.00	12/2/2013
175	tricae	Tricae	N/A	1	6	16.67	11/28/2013
176	manilla	Manilla, LLC	N/A	10	32	31.25	11/27/2013
177	appssavvy	appssavvy	N/A	0	5	0.00	11/27/2013

Source: https://docs.google.com/spreadsheets/d/1BxbEifUr1z6HwY2_IcExQwUpKPRZY3FZ4x4ZFzZU-5E/edit#gid=0, accessed on August 29, 2017.

In May of 2014, Google published data about the racial and gender composition of its workforce. The data showed that women comprised 17 percent of the company's tech employees globally. Only

three percent of the company's U.S. employees were Hispanic, and only two percent were black. Google's public disclosure confirmed critics' suspicions; employees at tech companies were overwhelmingly male and there was little racial diversity, particularly at senior levels. Other leading tech companies, including LinkedIn, Facebook, and Yelp, followed suit and published their diversity data. The disparities at Google were present at other firms as well, which suggested that a lack of diversity was an industry-wide problem. At Yelp, roughly 10% of employees in technical roles were women, and 7% and 4% of all employees were Hispanic and black, respectively.

Background on Yelp and the Yelp Engineering Workforce

Yelp was founded in 2004 - a quirky idea dreamed up by HBS MBA student Jeremy Stoppelman. By 2014, the idea had grown from a pipe dream to a public company and leading source of online reviews for local businesses. The online review platform operated in parts of Europe, Asia, and South America, with the strongest presence in the United States. There was no cost for a business to have a Yelp page, and business owners or Yelp users could create a new listing.

In the United States, Yelp was a preeminent review site. In 2014, it had over 2 million active business listings² and over 135 million unique visitors per month.³ Many major metro areas also had a Community Manager whose tasks included connecting with business owners to understand their needs and motivations, making sure new businesses made their way onto Yelp, and identifying users who frequently posted high-quality reviews to join a "Yelp Elite Squad" that got access to exclusive events hosted by Yelp at local businesses.

Yelp's revenue came primarily from ads that businesses could purchase so that their listings appeared at the top of specific search results and in the sidebar on competitors' Yelp pages. Yelp also offered paid upgrade options that allowed business owners to add more content to their pages, like a photo slideshow, and to remove competitor ads. As of 2017, Yelp employed close to 3,000 salespeople⁴, many of whom regularly spoke on the phone with local businesses about advertising options.

Yelp's workforce had grown quickly, from 250 employees in 2009 to 4,600 in 2017.⁵ The company maintained its startup ethos with a culture that eschewed hierarchy; all employees sat at desks in rows in an open floor plan, including the CEO (and his dog, Darwin). There were quarterly all-hands meetings, during which the CEO directly addressed employees, and the company threw monthly employee work anniversary parties that celebrated employees' "Yelpiversaries". Most employees worked from 9-6, and many managers allowed their teams the flexibility to work from home.

Yelp made an effort to provide amenities and benefits that were competitive in the tech industry. Each floor at Yelp had a kitchen stocked with snacks like Greek yogurt, KIND bars, and organic frozen burritos. At Yelp HQ, there was a gratis coffee shop, staffed by baristas who drew foam art on top of coffee drinks. All full-time Yelp employees received comprehensive health, dental, and vision insurance, along with maternity and paternity leave.

Yelp relied heavily on expert engineering to ensure that the website and app operated quickly and at scale. The company invested significantly in attracting and retaining a team of over 600 top-tier engineers to continuously refine the product. Yelp offered a competitive salary, promising career path, and exciting product. But, the best engineers were always in demand, and Yelp vied heavily for top talent against other companies like Airbnb, Google, and Uber.

Yelp hired roughly 30 entry-level engineers each year out of an applicant pool of several thousand. At the junior level, an engineer was typically assigned to work on a team that is responsible for one part of the product. For example, there was a team dedicated to operating and improving Yelp's proprietary algorithm that filtered out reviews that may have been fake or illegitimately solicited. Another team was responsible for managing and refining the algorithm that determined the order in which businesses were shown.

More senior engineers managed these teams, and help shaped the vision of the product. Given the central role of engineering at Yelp, there were engineers at virtually every level of the organization. While Yelp occasionally hired senior engineers from other companies, it had a strong culture of promoting from within. Many of the senior engineers in the company, including Jason Fennell (SVP of Engineering), Eric Singley (VP of Consumer and Mobile), and Travis Brooks (Head of Data Science), were promoted from within the company.

Recruiting Yelp Engineers

Yelp typically hired entry-level engineers through its campus recruiting program. Every fall, Yelp visited a set of schools with strong engineering and computer science programs. During campus visits, recruiters and engineers connected with students at campus career fairs and hosted on-campus "tech talks", where a Yelp engineer talked about his or her experience at the company. Figure 2 shows schools that Yelp made campus visits to in 2014.

Students were encouraged to apply to Yelp online by submitting their information at Yelp recruiting events. Yelp received several thousand resumes for engineering positions in 2014, looking to fill 30 or so open spots.

Figure 3 illustrates the recruiting process, as it was in 2014. A recruiter within Yelp's human resources group did an initial screen of resumes to ensure that applicants were in their final year of school and to weed out individuals who did not seem like good fits—for example, history majors with no coding experiences. All remaining applicants were then emailed a link to a code test which they were asked to complete within a few days.

Figure 2 Campuses Yelp engineering recruiters visited in 2014

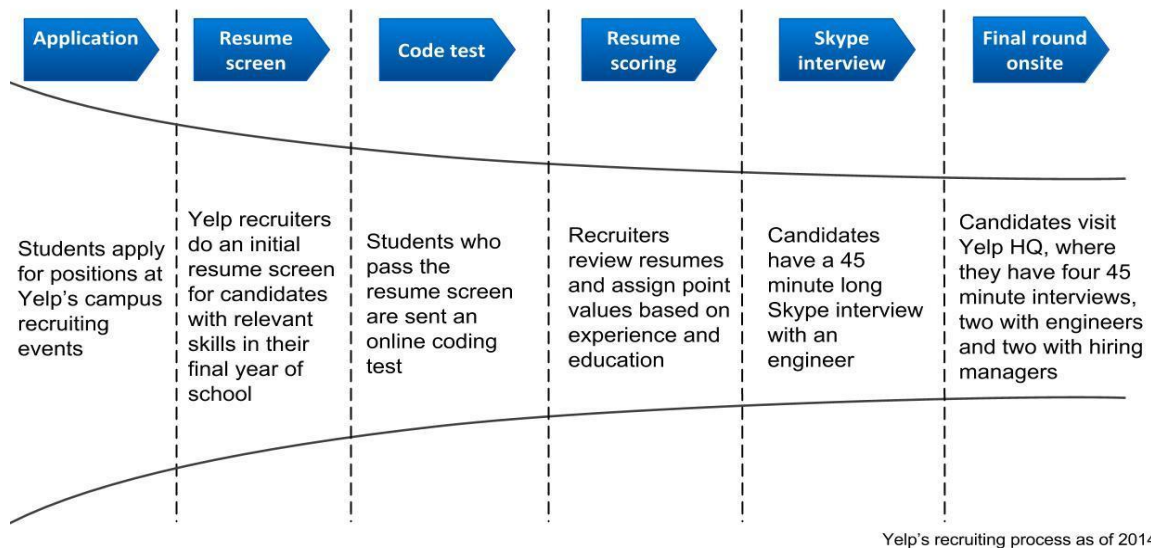
Yelp Engineering's Target Schools

Boston College	Northwestern
Boston University	NYU
Brandeis	Olin
Brown	Purdue
California College of the Arts	RISD
Cambridge University	Stanford
Carnegie Mellon	School of Visual Arts
Case Western	Tufts
Columbia	UC Berkeley
Cornell	UC San Diego
Georgia Tech	University of Illinois Urbana-Champaign
Harvard	UMass Amherst
Harvey Mudd	UT Austin
Michigan	University of Toronto
MIT	University of Washington
	University of Waterloo

Source: Casewriter interviews with employees at Yelp.

Figure 3 Yelp's campus recruiting process in 2014

Yelp Engineering's Campus Recruiting Process



Source: Casewriter interviews with employees at Yelp.

Those who passed the code test were then re-evaluated by a recruiter, who looked over their resumes and assigned a point value between one and three to each candidate based on coursework and prior experiences. Most applicants with a score above two then had a 45 minute Skype audio interview with an engineer, during which they discussed their background and interests and then worked through a coding problem on Skype. Using a performance rubric for the code test, the interviewer assigned a score between 1 and 4 to candidates, and those with scores over 3 were invited to have an onsite interview.

The final interview stage was a half-day onsite at the Yelp office, during which candidates had four 45-minute interviews, two with engineers and two with engineering hiring managers. Half of each interview was spent discussing general questions and Yelp's culture, and half was a collaborative coding portion commonly referred to as "whiteboarding". Interviewers did not necessarily coordinate interviews with the same candidate, and could ask very similar questions to evaluate the candidate's fit at Yelp. Before being permitted to conduct interviews, interested engineers sat in on two interviews to learn what types of questions to ask. Experienced interviewers shadowed engineers during the first interviews they conducted, and afterwards would provide feedback and bring up any concerns. The hiring managers, colloquially known as "Stoppelgangers" because they were intended to be decision-making "doppelgangers" for Michael Stoppelman, Yelp's SVP of Engineering in 2014, were managers who had been at Yelp for some time and whose judgment Stoppelman trusted.

Following the final round interview, interviewers provided the recruiter with their written feedback. The recruiter reviewed this feedback and then sent it to an email alias that hiring decision makers had access to. If there was disagreement among the four interviewers or ambiguity regarding a hiring decision, the two hiring managers had final decision-making authority.

The Task at Hand

Rachel's first priority upon arriving at Yelp was to do a "listening tour" to understand employees' perspectives and concerns. She spent two months talking with groups and conducting one-on-one meetings. She heard from employees who worried that their managers might view them differently because of their background. She heard from employees who were hesitant to be their full selves at work, for fear of how their colleagues and bosses might react. She learned about a number of unofficial clubs that had formed within groups, like an email thread of LGBT coworkers and women-only book club for Yelp employees. "Coming from recruiting, I was interested in diversifying the pipeline at the source," Rachel explained, "and the listening tour really helped me identify other priorities."⁶

Rachel thought through the many options she could pursue in her initial set of proposals to address the issues that had been raised during her listening tour. For example, the company could revamp the rookie engineer hiring process. It could set explicit diversity targets or hiring quotas. It could blind resumes by removing names and other identifying information. She had even heard of a service that would change voices during phone screens, so that the interviewer would not know the gender of the applicant. The company could instead focus on more senior positions, aiming to promote a more diverse set of candidates from within, or look externally for senior hires. Lastly, Rachel also worried about ensuring that Yelp was a welcoming place for people who joined. She thought about the possibility of creating affinity groups within the company, or about doing diversity or bias training for managers. "It was clear that we needed to focus on inclusion, and not only having a diverse workforce, but creating an environment in which everyone felt welcome," she commented.⁷ She now needed to

finalize a set of recommendations to send to Jeremy and Geoff, taking into account the fact that many of these changes would take time, effort, and a compelling case for the value they would create.

Endnotes

¹ Rachel Williams, interview by casewriter, August 24, 2017.

² Yelp, <http://www.yelp-ir.com/static-files/9f006056-95ab-4e2a-98d0-4cd860bfe90e>, accessed September 1, 2017.

³ Yelp, <https://yelpinc.gcs-web.com/news-releases/news-release-details/yelp-announces-fourth-quarter-and-full-year-2014-financial>, accessed September 1, 2017.

⁴ Yelp, <http://www.yelp-ir.com/static-files/1e5a19b1-4cca-4da9-ba71-7aeb57c6cca>, accessed September 1, 2017.

⁵ Yelp, <https://www.yelpblog.com/2010/12/2010-yelp-by-the-numbers>, accessed August 29, 2017.

⁶ Rachel Williams, interview by casewriter, August 24, 2017.

⁷ Rachel Williams, interview by casewriter, August 24, 2017.