



The Path Forward: **Cultivating an Antiracist Company Culture**

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At Upwork, we stand firmly against racial injustice and are working to create a safe environment for honest conversations about race, including how we can effectively upend the chronic racism that many of our team members experience every day. We recognize that we also have much progress to make within Upwork, and we have committed to take action toward building a more diverse and inclusive workplace.

I view an antiracist organization as one that has mastered the art of objective decision-making. When a workplace is designed well enough that employees of all backgrounds can—and do—succeed, it’s a signal that decision-makers possess the necessary skills to surface and find the very best solutions to primary business challenges. When a workforce represents the demographics of the available talent pool, it’s a demonstration of expansive thinking and a commitment to excellence in all its forms.

The present state of Black diversity, inclusion, and belonging (DIBs) at Upwork suggests that we fall short of these ideals. When it comes to Black talent, we don’t have enough, don’t have adequate distribution across our organization, and don’t retain the folks we have well enough to be confident that our talent systems are equitably designed. None of this is for lack of effort or intention, but it’s time to accelerate our efforts and expedite our results.

This short report outlines a multipronged plan to tackle Black DIBs at the employee, line leader, and organizational levels. If we approach Black DIBs with the same rigor and coordination as we do our top-line business objectives, we will enable antiracist mechanisms that resist the opposing forces of an unjust society.

Ninety percent of our Black employees believe they can succeed at Upwork. Our mission and our responsibility are to enable that success. Time to get to work.



Erin L. Thomas, PhD

VP, Head of Diversity, Inclusion & Belonging at Upwork

The road to now

Our Foundation

Upwork's mission is *to create economic opportunities so people have better lives*. We believe we can make that a reality by living our values, speaking openly and candidly with one another, and challenging the status quo by ensuring that we are constantly inviting and valuing new perspectives so we can learn and evolve.

At our company kickoff in January 2016, we announced that diversity would become a strategic advantage for Upwork. We knew we had a challenging road ahead, but we also knew that our company wouldn't be able to reach the level of impact we wanted to achieve in building the future of work without innovation and collaboration from a deeply diverse group of colleagues.

In July 2016, we sent our first company-wide email expressly supporting Black Lives Matter. We called on our team members to educate themselves and were explicit about the work our leadership team was doing to bring more Black talent into our company. We held discussions and trainings and worked to improve our hiring process.

Our Investment

From 2016 to 2018, we launched programmatic DIBs efforts. We created employee resource groups (ERGs), **including Black Initiative Network (BIN)**, our ERG for Black and African American employees. We worked internally to drive cross-cultural understanding by creating lending libraries, sharing articles, and hosting discussion groups. We also benefited from partnering with external experts, including Paradigm, a diversity and inclusion consultancy, to assess our people data and processes and help us prioritize where to focus our strategic diversity, inclusion, and belonging work.

In 2018, we considered creating a full-time role that would elevate and accelerate our efforts. We saw a need for someone who would think about our diversity challenges holistically and 24/7 and who would partner with leadership to identify ways we could better lean into our company values and our commitments to creating a more diverse workforce. However, we were also preparing to take Upwork public that year, so we were concerned about our internal bandwidth to truly embrace our DIBs work. We decided to hold on hiring a DIBs leader until 2019. Hindsight is 20/20 and, in retrospect, we could have pushed ourselves harder to create this leadership position and make a bigger DIBs investment sooner, regardless of the work being done to take the company public. The good news is that by the time we created the role in 2019, we knew that this was not about lip service; our leadership, our employees, and our community were fully supportive and ready to do the work.

In November 2019, we welcomed Erin L. Thomas, PhD, to the Upwork team as our VP, Head of Diversity, Inclusion & Belonging. Erin brings a research-backed, data-driven, and pragmatic approach to her role at Upwork. Erin is a social psychologist by training, has led strategic DIBs efforts for two organizations, and was a Managing Director at Paradigm, where she advised dozens of the most innovative and fastest-growing companies in the world on their diversity efforts.

Our Awakening

Since joining Upwork, Erin has partnered with leaders across the business to collect and assess multitudes of data. She has also designed forums for team members to share their workplace experiences in order to uncover their truths and realities. By taking both a quantitative and a qualitative approach to her work, she is operationalizing DIBs to be fully integrated into all aspects of our business.

But this work happened quietly, in the background of our business. We didn't comment broadly or publicly about our commitments. We weren't explicit about the fact that realizing our commitment to diversity is an integral part of realizing our core values and company mission. We were working behind closed doors, doing diversity in the dark. That changes now.

Where we are

Belonging Is A Feeling

We define belonging as the extent to which team members are able to bring their whole selves to work without having to sacrifice meaningful aspects of their identity. A lack of belonging is influenced by being socially excluded, which is—of course—more likely when you’re one of the only employees like you on your team or you don’t see people like you in leadership.

*Several data points suggest that Upwork doesn’t have a glaring Black belonging issue: A review of the exit interviews and surveys from departed Black employees since 2014 shows that these former employees had a love for Upwork even as they were leaving. Survey data collected from our Black employees at our inaugural **Black Excellence Summit** in February 2020 show that:*

100%

have meaningful relationships at Upwork

86%

feel safe opening up to others at work

100%

feel a strong sense of community within our Black Initiative Network

86%

feel safe being their authentic selves with their managers

90%

believe they can be successful at Upwork

86%

believe that their coworkers think they can be successful at Upwork

86%

feel like they belong at Upwork

Of course, this does not suggest that the everyday experience of Black employees is as welcoming as it could or should be. In February 2020, 30% of our Black employees reported having experienced microaggressions in our workplace¹. And the private memorial we held on May 11, 2020, for Black employees to honor Ahmaud Arbery uncovered the social isolation that lies beneath the surface of the everyday Black employee experience.

ACTIONS UNDERWAY TO AMPLIFY BLACK BELONGING

Although our data show that Black employees feel a relatively strong sense of belonging at Upwork, we are taking the following critical steps to optimize our workplace:

1. Pay ERG leaders: ERG contributions have always been factored into employee recognition and advancement. Moving forward, we will also provide cash compensation to all ERG leaders. We explicitly value the labor involved in evolving our culture, especially for employees who aren't yet prototypical in our workforce.

2. Strengthen antiracist management practices: We will host Black Belonging Breakfasts, monthly touch points that will cultivate a community of learning and action among leaders with Black employees in their reporting lines. We will leverage external research and internal case studies to dissect the intricacies of cultivating Black talent. Our HR Business Partners will carry these skills through in their day-to-day coaching of our leaders.

3. Unlock the power of allies: We're launching our "Do The Work" ally curriculum. This is a research-backed curriculum steeped in identity development to enable allies to build bridges with their Black colleagues and colleagues from other marginalized backgrounds. This program will build community for aspiring allies via monthly meetings and ongoing activities to investigate, develop, and practice intentional everyday actions to confront and counteract systemic injustice. It is designed to decrease the prevalence of microaggressions in our workplace.

¹In this survey, we did not offer a definition of microaggressions. We did include a response option of "I don't know what a microaggression is," which no employees selected.

Inclusion Is A Practice

We define inclusion as the set of big and small decisions that determine who is ultimately successful in our organization. This includes macro decisions like whom we hire, whom we fire, whom we promote, and how we pay. There are also everyday micro decisions that funnel into macro decisions, like who gets assigned to a certain client, who gets tapped to present to the Board, and whose voices and ideas get amplified in meetings. Our goal is to be a highly inclusive organization for people of all backgrounds. Yet we know that this requires active work to realize.

There is a specific data point relevant to Black inclusion that we've been unpacking since 2018: attrition. Attrition stands out to us because Black employees made up, on average, 4% of our full-time employees over the past four quarters. So we should expect Black employees to account for 4% of total departures during that time frame. In reality, they constituted 8.5% of voluntary and involuntary exits.

To best understand the support Black employees need to thrive, our Head of DIBs examined numerous data sources. These included exit surveys and interviews from 2018 to present; pre-survey, post-survey, and focus group data from our inaugural **Black Excellence Summit**; semi-structured group and individual interviews with current Black employees; and interviews with HR Business Partners and our employment attorneys. We identified one prominent theme across these data sources: Black employees do not trust that their hard work will pay off. *Although we see no differences in promotion rates by race*, Black employees do not perceive our promotion processes to be fair. It's clear that we have process transparency and communication gaps that fuel Black employees' understandable fears of biased, subjective decision-making.

This is due, in part, to three specific dynamics within Black employee development:

1. Feedback: Black employees report low-quality and low-volume feedback from managers. This includes feedback that is surprising, inconsistent, unclear, and not direct.

2. Learning, Development, and Coaching: Black employees share that managers often don't take time to develop them individually and that engagement with managers too often comes in a style that doesn't effectively serve them. These ineffective styles include:

- **Fixed mindset feedback:** Instead of constructive feedback on the processes Black employees use to achieve their goals, feedback can feel like "results only." This dynamic can stymie Black employees' creativity and feelings of ownership over their outcomes.
- **Overly negative feedback:** Feedback feels overindexed on areas for improvement. A relative lack of positive reinforcement leaves Black employees feeling demotivated and demoralized.
- **Micromanagement:** Instead of providing thematic feedback, coaching can feel nitpicky and stifling. As a result, Black employees don't feel empowered nor as if they are perceived as competent or full of potential.
- **Impersonal development:** Coaching and development feel broad rather than tailored to the individual. In turn, Black employees question the investment in their long-term growth and development.

Several current and former Black employees also report being hired or moved into new and/or stretch roles without explicit acknowledgment of skills gaps or a plan to bridge them.

3. Role/Expectation Clarity and Consistency: Black employees report that criteria for advancement seem nebulous, ever-changing, and/or inconsistently applied across employees and between managers. Several employees shared that micro decisions (e.g., awards, recognition, stretch assignments) didn't square with stated criteria or that the criteria felt scrutinously applied to them but not to other employees.

ACTIONS UNDERWAY TO INCREASE BLACK INCLUSION

Our data show that we can earn the trust and confidence of Black employees with more transparent and consistent talent processes. We are taking the following steps to add more discipline to our people decisions:

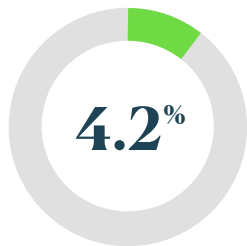
1. Evolve performance management structure and accountability:

We're providing clearer career pathways and driving higher-quality, more frequent feedback, and more accountability for people decisions. These actions will help ensure that we're clear on what "great" looks like, are able to recognize "great" when we see it, and are using criteria for "great" consistently. These skills will also show up in hiring as we continue to ensure diverse candidate slates and objective decision-making at each step of the hiring process.

2. Mobilize all team members in solidarity: We will craft clear swim lanes that depict everyone's role in effectively including all team members. We call these "Power Plays," as they're tailored to the distinct opportunities afforded to team members based on their positions within our organizational power structure.

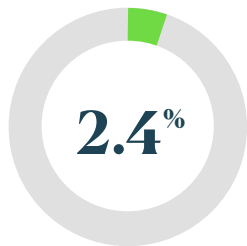
Diversity Is An Outcome

Below is a snapshot of Black representation among full-time employees as of March 31, 2020:



of full-time employees (N=25 of 603)

- 14 in sales roles
- 9 in corporate roles (HR, legal, strategy)
- 2 in tech roles (engineering, product)



of leadership (defined as Directors and higher) (n=3 of 125)

- 0 in C-suite
- 0 on Board

ACTIONS UNDERWAY TO INCREASE BLACK REPRESENTATION

Our nearest term goal is to have our full-time employee base reflect Black representation within the U.S. (13%), with an emphasis on hiring and developing Black talent in tech and into management and leadership roles. We'll achieve this goal via a two-pronged effort that focuses on the following focus areas:

1. Find the pipeline: We will proactively leverage external partnerships and personal networks to nurture long-term relationships with prospective Black talent. This will enable us to earn the trust of and better understand the distinct values and needs of Black professionals so that we can set them up for success before they're hired.

2. Structure hiring processes: We will drive more objectivity in hiring with the aims of increasing manager confidence in hiring decisions, making decisions that are more predictive of candidate potential and, as a result, yielding more offers to Black candidates.

Thoughts from our CEO

Where We're Headed

At Upwork, we are channeling our commitment to racial justice into a sustained effort that is a cornerstone of our business goals and embedded in our company culture.

At Upwork, ally is a verb. We are activating as One Upwork community by making racism everybody's job to actively confront. Our commitments include setting and holding ourselves accountable to measurable goals around hiring Black leaders and promoting Black team members, quarterly data deep-dives to unpack how we are doing against these goals, and fostering honest and intimate conversations about race at work.

Because we believe we must all raise our voices in pursuit of equality and justice, we are publicly sharing the steps we are taking via our **Black Lives Matter Resource Center**. Here you will find an inside view of how we are tackling racial injustice in our workplace and workforce, as well as our public-facing efforts such as a recording of our Juneteenth customer webinar titled "Black Lives Matter: Cultivating an Anti-Racist Company Culture". We publish these resources not from the presumption that we are doing all things well. We are not, and we have places to grow and learn. We're publishing in the spirit of working together to contribute ideas and share high-impact practices with a broader community of companies that we know are similarly committed to uplifting their Black employees and paving the way toward cultures that nurture excellence in all of its forms.

Our work to build a stronger antiracist company is not just internal facing. On the Upwork platform, we continue to work to build a space where people of all races, backgrounds, and nationalities can tap into unparalleled work opportunities. Our product is anchored in our mission—to create economic opportunities so people have better lives—by breaking down the barriers that too often block talented people, including Black people, from reaching opportunities and realizing their potential. We are deeply committed to furthering opportunities for Black people on our platform, including taking steps to identify potential customer biases that could be unintentionally replicated in machine-learning algorithms and offering enhanced options for clients to actively find and target diverse talent populations to fulfill their needs on Upwork.

We know that there is no single solution to building an antiracist company culture. For Upwork, we believe that real progress can be made through a constellation of interconnected interventions tailored to address all players within the Black employee ecosystem.

Some of the challenges we're addressing are unique to Black employees. Others impact all team members but disproportionately impact Black employees. This duality illustrates the power of building an antiracist company culture: by centering Black employees and working collectively to remove barriers to their success, we build an organization that better enables all of our team members to realize their full potential. When we do that, we are truly realizing our mission to create economic opportunities so people have better lives.



Hayden Brown

President & CEO at Upwork

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