

Can a venture capital blacklist stop sexual harassment in Silicon Valley?

August 9 2017, by Marisa Kendall, The Mercury News

Badly shaken over a flood of female founders accusing investors of sexual harassment, Silicon Valley's venture capital community is searching for a new kind of pitch - one that will end unwanted workplace come-ons, groping and off-color jokes.

Investors and entrepreneurs are crowdsourcing solutions, launching startups and creating online tools to tackle the issue. At least three groups, including prestigious Mountain View-based startup accelerator Y Combinator, are compiling blacklists of bad actors by inviting founders to file complaints online. Another startup is working on an online platform to provide resources and legal help to [sexual harassment](#) victims, while a group of [venture capitalists](#) is drafting a universal code of conduct for investors.

"What everyone's looking for right now is tangible, actionable steps for what's next, and I think that's what we're providing." said Lisa Wang, co-founder of SheWorx, a global community of female founders. Wang, who has been the victim of discrimination and harassment herself - from VCs assuming she was a male colleague's assistant, to an [investor](#) propositioning her during a business discussion - recently posted a form on the SheWorx website where women can report inappropriate behavior.

The push for a solution comes after more than a dozen women came forward to accuse VCs of sexual harassment in recent weeks, allegations that have cost several investors their jobs. Binary Capital founder Justin

Caldbeck resigned in June after six women accused him of making unwelcome advances ranging from late-night texts to groping. A week later, 500 Startups founder Dave McClure resigned after publicly apologizing for coming on to multiple women in work-related settings. And last month, Frank Artale, a Seattle-based managing director at Ignition Partners, resigned after he was accused of misconduct. Earlier this month Greylock revealed that the firm's chief operating officer, Tom Frangione, resigned in July over what a spokeswoman called "behavior which would represent a significant lapse of judgment." The claims were internal and did not involve a founder.

Online resources and reporting tools can be helpful for women who don't know who to turn to when they are harassed, but they're only the first step in solving the broader problem, said San Francisco-based employment attorney Menaka Fernando.

"At the end of the day, this problem is not going to go away," she said, "until companies, CEOs in tech and elsewhere, VC firms, can look inward and are able to understand that this is a problem that they have and that they need to make it a priority."

Stamping out sexual harassment has become the top priority of the National Venture Capital Association, said NVCA President and CEO Bobby Franklin. The NVCA earlier this month took the unusual step of holding a special board meeting to address the issue - the first time the association has called an unscheduled meeting in at least 10 years.

"We are spending lots of time and attention on this," Franklin said.

The NVCA last month put out a public call for suggestions, and since then has received dozens of responses, Franklin said. At this month's meeting, the board agreed to seek expert input on those ideas, and pursue partnerships with organizations who want to be involved, such as

the Institutional Limited Partners Association.

But some experts wonder whether the industry - in which just 11 percent of investing partners are women, according to an NVCA study - is going far enough to prevent sexual harassment between VCs and founders.

Many [venture capital](#) firms have policies that don't specifically cover [inappropriate behavior](#) between founders and VCs, because founders aren't the VC firms' employees. That means the harassment can fall into a gray area, without clear reporting channels or recourse for founders.

"It's against the law, and especially because it's turned out to be such a rampant issue, it should absolutely be part of their policies and their training," Fernando said.

BetterBrave, a new San Francisco-based startup, in July launched an online platform designed to better inform sexual harassment victims of their options. Users can find information about what behaviors qualify as harassment, a guide on what to do if they've been harassed, or they can connect with a vetted employment lawyer for a free consultation.

"If you talk to the targets of harassment, they're almost always unsure of what to do or who to talk to," said co-founder Grace Choi.

Meanwhile, the recent slew of sexual harassment scandals prompted one group of seven female entrepreneurs to create Fair Funders - a platform where founders rate and review investors.

"They don't have to go waste time pitching to investors who won't give us fair treatment," said Mountain View-based founder Layla Sabourian, who hopes to launch the platform publicly in about a month.

Sabourian could have used that type of feedback to weed out biased investors when fundraising for education tech startup Chef Koochooloo.

When investors found out Sabourian was a mother, she says they often doubted her commitment to her startup and asked questions such as - which did she love more, her company or her kids?

Other initiatives have come from inside the VC industry.

More than a dozen venture capitalists, led by Matt Ocko of Data Collective, have spent more than two years working on a code of conduct for investors. Norwest Venture Partners, which has offices in Palo Alto and San Francisco, has started sending anonymous surveys to each entrepreneur Norwest investors interact with, inviting them to report adverse experiences.

Y Combinator does something similar. The accelerator recently sent an email to founders with the subject line "Please report investors acting inappropriately," and a link to an online form to submit feedback and complaints of sexual harassment and discrimination, according to an entrepreneur who received the memo.

But in an era when one tweet can destroy a VC's reputation, how should these sexual harassment complaints to Y Combinator or SheWorx be handled? The groups have different ideas, but so far neither is using their blacklists to publicly shame investors.

Instead, YC, which holds twice-yearly Demo Days, says its goal is to potentially exclude misbehaving investors from events.

Meanwhile, SheWorx is looking for patterns in its growing database of bad actors. The group hopes to pinpoint founders who have accused the same investor of [harassment](#), and then connect those founders to each other, and maybe to a reporter - the idea is that women will feel more comfortable speaking out if they aren't alone, said Wang.

Even so, some industry experts worry about the harm unsubstantiated accusations could cause. Bay Area investor Ben Narasin, formerly of Canvas Ventures, called the blacklists a "terrible idea" ripe with the potential for abuse.

"It's McCarthyism," he said. "It sounds like an enormously dangerous step down a dystopian path."

©2017 The Mercury News (San Jose, Calif.)
Distributed by Tribune Content Agency, LLC.

Citation: Can a venture capital blacklist stop sexual harassment in Silicon Valley? (2017, August 9) retrieved 22 September 2024 from <https://phys.org/news/2017-08-venture-capital-blacklist-sexual-silicon.html>

| |
|--|
| <p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p> |
|--|