

2022

Diversity --- Report

First Diversity Map of the
Romanian Startup Ecosystem

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Introduction

As we started walking this path, part of our mission was to add a new layer of understanding to our program. We were, from the beginning, aware that the road ahead might bring complex, engaging, and different challenges. We aimed to spot what wasn't spotted yet and naturally, some of the following questions came to our minds: Is there more talent in the startup ecosystem than appearances show? If yes, how can it be harnessed? What tools and resources are needed to do that? If in the beginning, we focused on offering support to mixed teams, this year we found out we can do more than that. So we chose to advocate for a more significant cause that includes gender: diversity in the national startup ecosystem.

So, in 2022, StepFWD aspires to promote and support diverse teams to create a more inclusive ecosystem and to highlight the latent talent of those who, for whatever reason, face obstacles or opt not to found a startup.

It's not breaking news for most of us that diversity benefits business. It can create incredible opportunities and connections, it increases creativity in teams, and it is so important because it creates safe spaces through the inclusiveness that comes with it. But there were still some questions we wanted to answer: *What's the situation in the Romanian startups? What tendencies is this ecosystem having when we talk about diversity? What do Romanian entrepreneurs understand by diversity? Do they truly understand its value and benefits?*

That is why we publish this report in which we discovered some answers to those questions we found important. We started a survey among Romanian startups, collected the data, analysed it, and stumbled upon some interesting facts. Still, more importantly, we better understood how much more research needs to be done. This report also confirmed our thoughts: discrimination is a real problem in our entrepreneurial ecosystem, women and men have different experiences with it, newer startups are more open to diversity, and more and more entrepreneurs see it as a value due to its immense growth potential.

We are aware of the limits of this report as it is the first one of this kind in Romania, so we often felt like walking on unpaved roads while putting it together. But as this sets a precedent, we hope that the topic of diversity in Romanian entrepreneurship gets the needed attention and will be easier to discuss.

We also want to thank those who completed the survey and our partners who supported us in this process.

Now let's hear some exciting findings about diversity in the Romanian startup ecosystem!



A few words from StepFWD



“We have been working with startups with diverse teams since 2019, but honestly, we didn’t know precisely how to analyze diversity, how to approach the topic in a sustainable way, or what it meant for the founders operating in this part of the world, and what can be done to foster it further.

What I’ve constantly heard when the term diversity comes into any discussion is that it’s something to do with ‘more girls’. This might have happened because in the first edition of our pre-accelerator, we were focusing on gender-balanced teams, and we got stuck with the branding of our initial scope.

I do believe that people generally associate diversity only with gender due to their cultural context and don’t think that it includes other diversity markers such as age, nationality, personality types, race & ethnicity, disability, neurodiversity, sexual orientation, gender identity and expression, education, and income or family and upbringings.

So with all this in mind, we figured that the best way to continue this journey is to gather data and opinions from those who matter the most in the startup chain: the founders!

As with any journey, ours also had its ups and downs. We discovered that some have positive views about diversity, others are on the opposite scale or are simply not interested in the topic, while a large majority don’t discriminate, but ... [insert reason].

However, we shouldn’t be discouraged, as even within this majority lie a lot of good ideas and opinions (even unpopular ones!) that can help us shed more light on how to implement diversity in a sustainable way, both for the people and businesses involved.

I hope that the results of the Startup Diversity Report will contribute to making the first steps in discussing, debating, and implementing solutions to diversity both with founding teams but also within the startup community at large.

A journey that must be constant and diverse!

Liviu Cadariu
Program Director at **StepFWD**



But first, some thoughts on the concept of diversity



We can define diversity in many ways. We can define it through all the different particularities that make us unique. Or we can use it to underline the aspects that set barriers between people. Or we call it intersectionality, diversification, heterogeneity, unlikeness, or variousness. We can also use it as pejorative or appreciative. But however we choose to define it, diversity is a spectrum.

Nature uses diversity as a tool to regulate its complex mechanisms. No matter how much we resist believing it, diversity is here forever, and the laws of nature tend to favor it, so we're stuck with it. And not only nature favours diversity, but it also prioritizes it. We can even say that diversity itself is one of nature's fundamental laws. This law sure did help us a lot as a species in our long way to the present moment. By constantly overlapping different cultures, humans experienced a flood of freshness and novelty of ideas that got us where we are. And the formula that nature uses for that is quite simple: the more different ingredients you bring together, the more spectacular the result can be.

But why do we still have a problem with diversity despite these obvious benefits? Why are we not using this simple formula that nature gives us that proves to be sophisticated enough to fulfill even the most complex needs? Or, on a much gloomy note, why are we using diversity as a pretext to hurt so many people? The answer is simple: our culture teaches us to fear whoever is different from us. The more different somebody is, the scarier it can be. How did we get here? The answer to this deserves its own research and we encourage everyone to explore it. But let's not get discouraged. We are living good times that allow us to rediscover diversity and reap its benefits. It will probably take us some time and effort, but we are sure that it will all pay off in the end. We already hear a lot about the benefits of diversity in different fields, including entrepreneurship. It is now time to put diversity to perform its wonders.

The Romanian startup ecosystem was always a modernizing force, and our findings on diversity support this idea. Let's see why.



How we built this report

Our analysis is based on the survey we launched at the beginning of this autumn. We asked the community of Romanian startups to share information about them, their startups, and their team members in this survey, in order to discover any markers of diversity and see how diversity interferes with the level of development of a startup. One hundred thirteen startups completed our survey and shared the information this report is based on, and we are thankful for their time and the precious insights we got.

Our methodology's first important thing is understanding how we defined diversity.

To get as much data as possible on the subject, we looked at diversity from a large perspective, so all of the following markers were used in our analysis as a sign of diversity:

- ◇ Nationality
- ◇ Neurodiversity (such as ADHD, dyslexia, epilepsy, Tourette syndrome, or others)
- ◇ Race and ethnicity
- ◇ Sexual orientation
- ◇ Family and upbringing
- ◇ Personality types (such as introvert or extrovert)
- ◇ Education and income (socio-economic status)
- ◇ Disability (such as blindness, paraplegia, deafness, or others)
- ◇ Gender identity and expression
- ◇ Age (age is considered a marker of diversity in certain situations, for example, when the age difference between founders is bigger than 10 years)

We also chose these markers to cover as much as possible the human characteristics which play a part in the way we work and do business and, by doing so, to bring those traits that generate diversity into the spotlight. And because of these wide angles we used when scanning the ecosystem, we set the maximum diversity score for teams to 4. Those teams who scored 4 on diversity were labelled as super diverse.

These maximum of 4 is set as this is pioneering work, and it is harsh to measure diversity within exact figures. As 10 (the number of markers to spot diversity) makes it utopic to be a diverse startup this value of 4 represents a reference value to compare all the scores.



Other aspects on methodology

Some other aspects that need to be mentioned:

- ◇ In many specific cases, we only considered teams with two or more members to keep the figures relevant, even though there were startups with a single founder and a diversity marker.
- ◇ There are 113 startups and 118 founders because, in some cases, we got multiple submissions from different members of the same startup.
- ◇ In some cases, percentages go over 100% because there were multiple choice questions.

118

Founders

113

Startups



Partners



We thank our partners for the support offered. This report's analysis, conclusions and our position on the subject don't necessarily represent our partners' official position.

"You can only improve what you measure, so we look forward to understanding where we are today and what more can be done to foster diversity and inclusion in startups. For Orange, this is a strategic direction. From supporting women in leadership roles inside the company, to supporting digital education and inclusion through our products and philanthropic efforts, we see the value this creates for a better life.

Technology can play a key role towards inclusion in the society. In order for this to happen, I strongly believe that technology must be created by teams with different perspectives and understandings. Thus diversity is an important topic, we see it mentioned and pushed as selection criteria in more and more funding initiatives, but in order for it to be truly powerful, we must make sure it is done by conviction, embedded in internal communication and decision processes, not only "on paper".

Monica Obogeanu, Startup Programs Manager at Orange

"The survey shows that we're mistakenly thinking of diversity in terms of accepting the negative attributes of others in our team. This mindset, this way of framing diversity is detrimental to our growth. It shows that we do not know how to utilize diversity as a tool, as an asset, as a competitive advantage. The fact that 55% of the respondents didn't see diversity as an immediate priority shows a lack of understanding and lack of maturity in applying the tool of diversity. The average of 6.3 as importance shows something else too: we haven't had good examples of diverse teams in the Romanian ecosystem to learn from and apply in our own startups. Today, diversity is just a PR tool instead of a growth tool. We need to change that and we can change that."

Ciprian Borodescu, Head of Algolia Romania & AI PM

,Diversity and gender equality in Romania is a topic that hasn't yet been tackled to its fullest extent, especially when it comes to startups and the teams that are working on building tech businesses. But the paradigm is shifting and more and more founders, as well as investors, are realising the importance of diversity and gender equality. It can spark creativity, it helps bring different points of view on the market, products and solutions, and in return, it can lead to a greater degree of performance. Because, in the end, we all want to be included, to be part of teams that work together for a greater good and to grow a successful business, regardless of our gender, sexual orientation, race, economic background, religion."

Oana Cosman, Editor-in-Chief @green.start-up.ro & Online Editor @start-up.ro

Executive summary

#1 Diversity brings diversity

We found that the startups that completed our questionnaire rather have in their teams' members that fall into the categories we used to define diversity. According to international reports and studies, diversity and gender equality are not seen as core values in Romanian society, so the high percentage of Romanian startups labelled as diverse can't be extrapolated to the entire ecosystem. Most probably, the startups that don't see diversity as a value chose not to complete the questionnaire or thought it was not for them. So, as good as results seem to be, such a long way ahead for a society and a business culture where diversity and inclusion are appreciated and celebrated. But every small step is actually a huge step once is made.

#2 The future of diversity lies sparkling ahead

We might not be there yet, but as we said, we are definitely on the right track. Almost a quarter of our respondents plan some actions to improve diversity and their startup and two-thirds said they might do it. On top of that, more than half consider diversity a significant value for their startup. (rating it +7 out of 10 as importance).

#3 Diversity leads to creativity which leads to performance

We all know that one good thing brings another, which is also the case for diversity. For someone that falls into any category that brings diversity to a startup, it usually means that they had to overcome some difficult situations in their professional career, and that better equipped them. In this sense, [studies](#) show that diversity creates the premises for increased creativity. And we all know creativity has high value. Interestingly, even though it is well [known](#) that diverse teams tend to raise less money than normative teams, in our case, diversity can be correlated to a better performance of teams in terms of growth and funding.





#4 Solutions for more diversity are right at the corner

Asked if diversity should be improved in the startup ecosystem, almost half of the respondents said yes, a few less said maybe, and only very few said no. And the better part is that more than a third of them shared their ideas and solutions for this. A glossary of these can be found in this report, representing a possible starting point toward a more diverse and inclusive startup ecosystem.

#5 Updating recruiting procedures is key to a more diverse team

This report aims to identify the solutions to more diverse teams that the innovation ecosystem's actors plan to implement. One of the recurring themes that showed up in the answers was the need to reform the hiring process.



Key findings

1. Last five years newcomers startups have more diversity.
2. Diverse teams perform better and raise more money, especially in series A and B+.
3. 42% of women among respondents have been reportedly discriminated against, compared to 26% of men.
4. The main discrimination factor for women in Romanian startups is gender, while nationality is for men.
5. 45% of respondents said that diversity in the ecosystem should be improved, 40% said maybe, and only 15% consider that there is no room for improvement on this topic.
6. Almost a third of startups plan to take action to improve diversity in their workplace.
7. 6.3 is the average of diversity's importance in a startup on a scale from 1 to 10 (where 1 is not important at all and 10 is extremely important).
8. Personality type, age, and education&income are 3 top types of diversity that contribute to better performing teams.
9. *Solutions for startups*: Unbiased recruiting procedures along with a focus on recruiting more women – the keys to expanding the diversity universe of a startup.
10. *Solution for the ecosystem*: More PR is needed. Choosing diversity should be an educated guess for the growth of any startup.



On the founder

Our respondent type is a white, straight, neurotypical man in his mid-30s. But one who tends to value diversity.

Almost three-quarters (74%) of the answers we got in our survey came from men, in contrast with only a quarter (26%) that came from women, and none of our respondents declared themselves as belonging to the gender spectrum.

The average age of our founder is 36 years old. This confirms findings from other studies on this topic which show that, generally, the people who are willing to found a startup already have a good and stable financial situation, which most likely comes with age.

By age segments, our respondents can be described as follows:

- ◇ 16% of them are between 23 and 28 years old
- ◇ 24% of them are between 29 and 34 years old
- ◇ 37% of them are between 35 and 40 years old
- ◇ 19% of them are between 41 and 46 years old
- ◇ 3% of them are between 47 and 53 years old

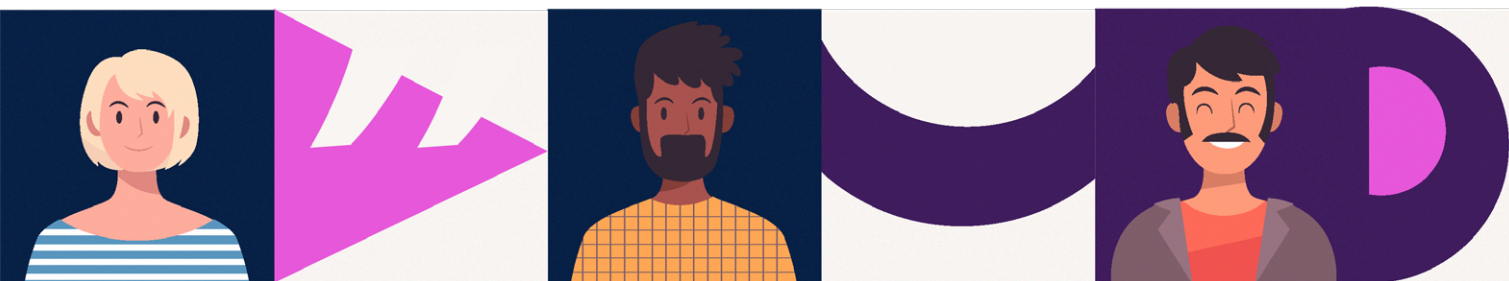
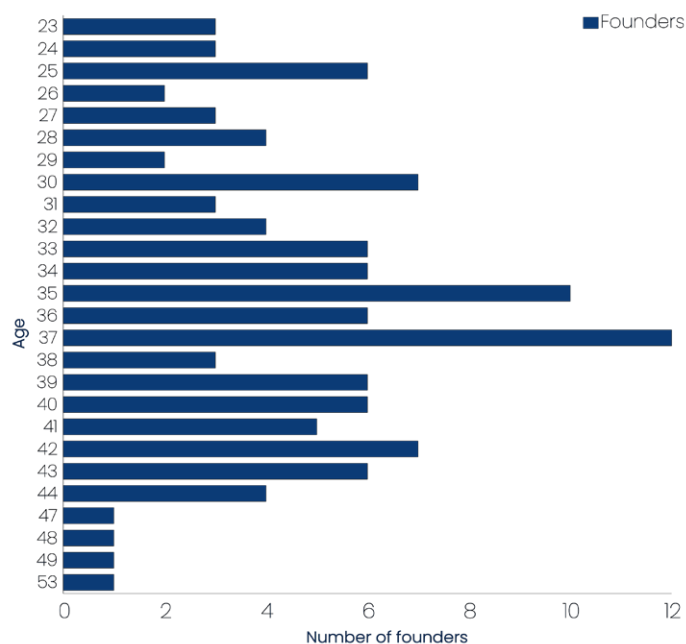
A difference of more than 10 years between founders is considered, in this report, as an aspect that brings more diversity. Surprisingly, for 23% of respondents, this is the case, the record age difference being 27.

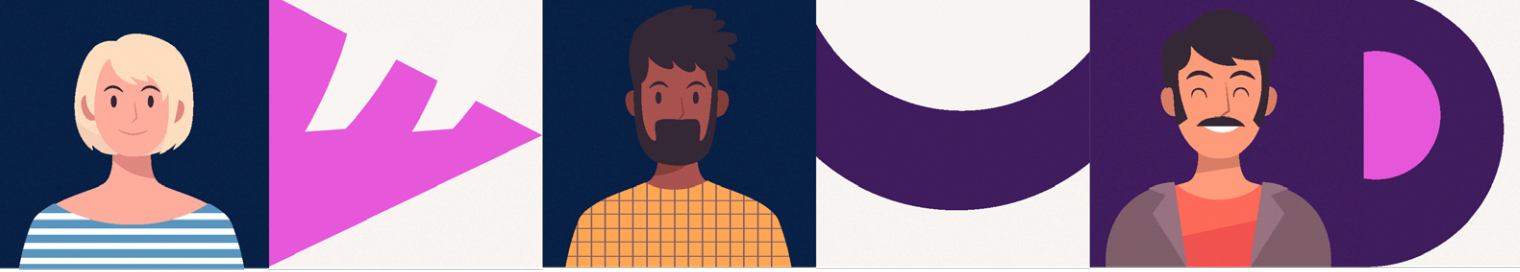
To fully grasp the results of this report, it is crucial to understand the respondents, so additional info about them is shared along the way. For instance, almost half are not new to the ecosystem and they have founded or have been involved with startups before.

36

Average age

Graph 1: Distribution of founders by age

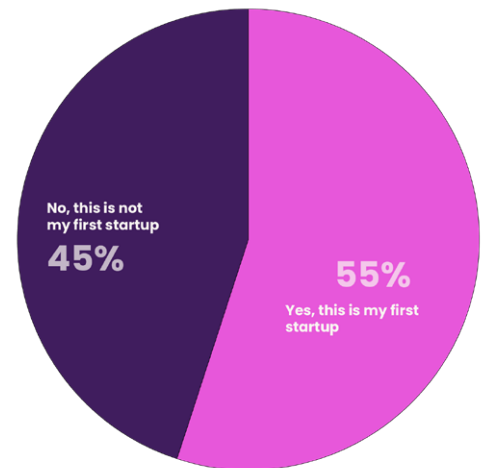




First timers vs experienced

Graph 2: Experience of the founders

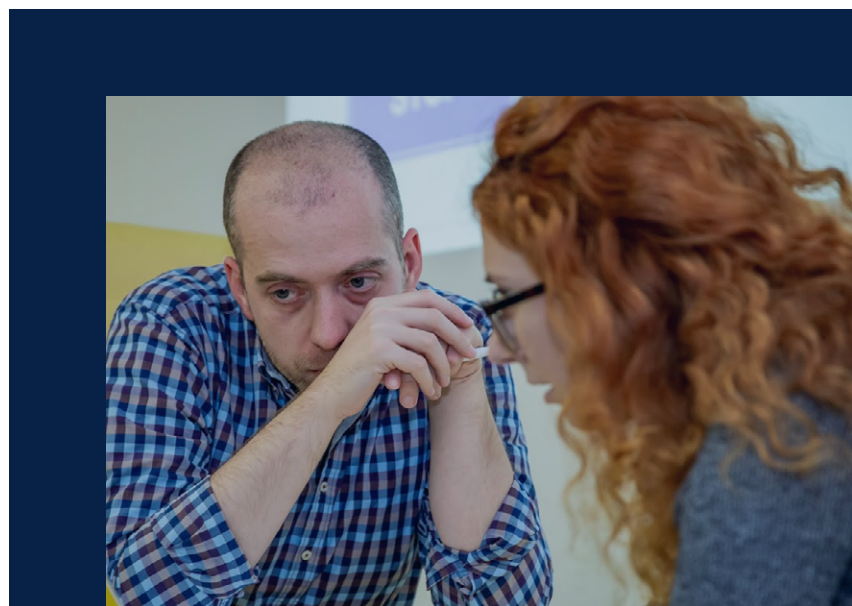
Although 55% of the respondents have started their first startup and 45% of them had previous similar experiences, it is noticeable that a more diverse team can be found among those with no prior experience. Hence, more than two third of the startups created by founders with no previous experience exhibit at least one diversity marker.



Their nationality

As expected, almost all of our respondents are Romanians, but we also had respondents of different nationalities such as Algerian, German, Italian, and Russian. But despite that, 15% of the teams have at least one member of different nationalities and scored better on diversity than the other diverse teams.

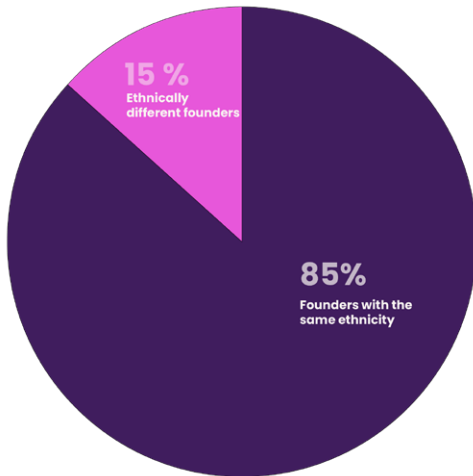
Nationality
 Algeria
 Germany
 Italy
 Romania
 Russia



Founders and their teams

Their race/ethnicity

Graph 3: Race and ethnicity of the founders



We also found out that the percentage of teams with at least one member of a different ethnicity is the same as the percentage of ethnic diversity in Romania – 15%, according to [Indexmundi 2021](#).

This suggests that the startup ecosystem doesn't actively promote ethnic inclusivity, nor does it discriminate based on ethnicity – only 3% of the respondents reported that they were discriminated against because of their ethnicity.

Sexual orientation

Only 5% of the teams declared that they have members who have a sexual orientation other than heterosexual. These figures are similar to a study carried out by [Dalia](#), which shows that in Europe, the percentage of queer people varies between 1.5% and 7.4%.

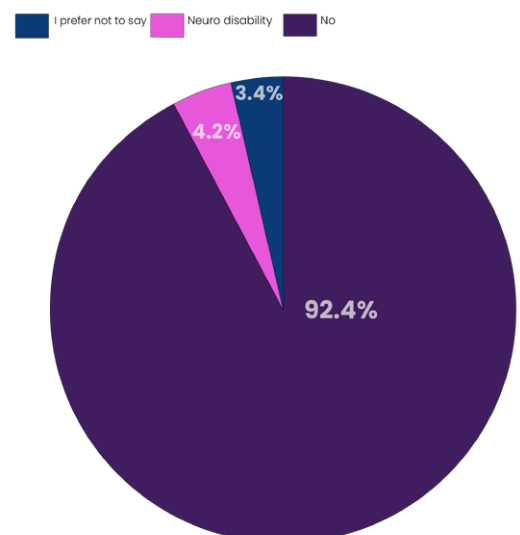
Moreover, a study published by [Yale School of Medicine](#) points out that, in fact, 83% of queer people do not share their sexual identity publicly. This is also confirmed by [Startout](#), which scanned the state of LGBT in entrepreneurship in the USA in 2016 and concluded that LGBT people in entrepreneurship also tend not to come out.

Disability status

As for the disability status, 92.37% of our respondents said that they have no disability, 4.24% said they have a neuro disability (such as ADHD, dyslexia, epilepsy, Tourette syndrome, or others), and 3.39% prefer not to say. But, the global percentage of people labeled as being neurodiverse is much higher (between 15% and 20%), according to a study on neurodiversity in the workplace published by [Deloitte](#) this year.

The difference between the percentages we got from our respondents and the percentages published in the study could have two explanations: either there's a poor diagnosis of neurodiverse people, or there's too much stigma about the subject, and people prefer not to talk about it.

Graph 4: Disability status of the founders



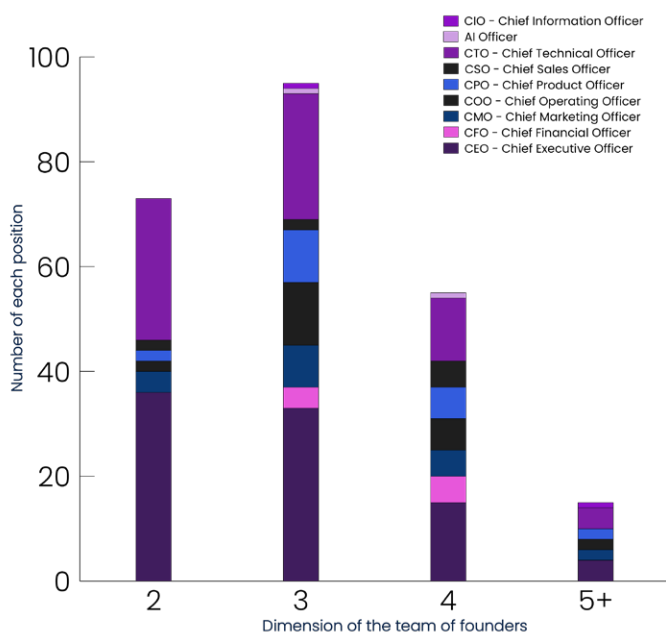
As for the startups, just 1.77% mentioned that they have colleagues with disabilities within their teams.

There are no founders that have any disability within our respondents but there are two teams with a team member that has one. Also the percentage of neurodiverse respondents - 4.24% - is lower than the percentage of teams with neurodiverse members - 7.08%.

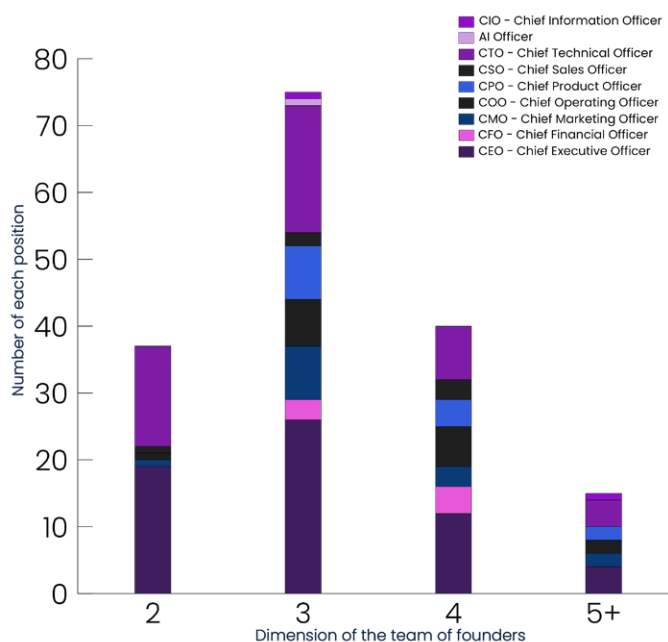
Socio-economic status as a diversity marker

Regarding economic status, almost a quarter of the diverse teams mentioned it as a diversity marker. Compared to the results of [State of European Tech](#) in 2021, which says that entrepreneurs are more comfortable to found a startup when their reach a high level of income, the 25% in our results show us that Romanian entrepreneurs are more inclusive when it comes to socio-economical differences.

Position within their teams

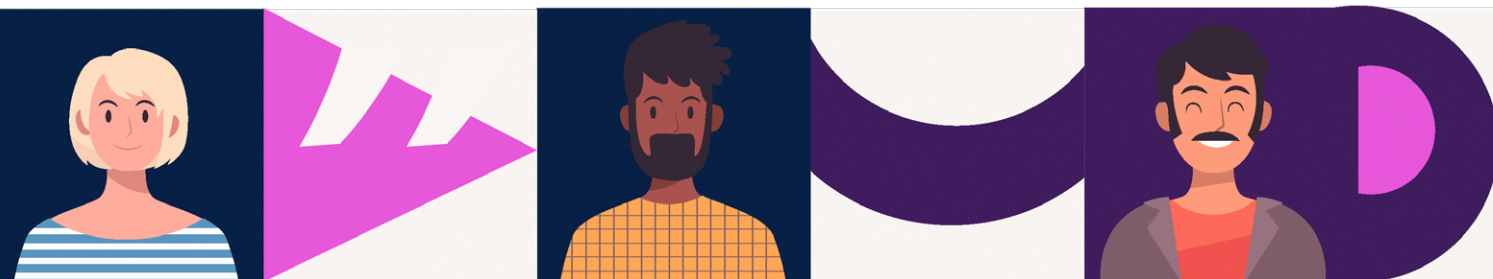


Graph 5: Positions for the startups with at least 2 founders



Graph 6: Positions for the diverse startups

Most of our respondents are CEOs and CTOs, and this percentage is consistent in both diverse and non-diverse teams. If we add this to the high percentage of diverse teams that completed the survey (68% of the teams with more than two members are diverse, and 79% of all teams got at least one marker of diversity), we can say that people in most important positions within their teams tend to be more open to diversity.



On the startups

Fortunately, our startup type tends to be more diverse than our founder type.

Almost three-quarters (74%) of the answers we got in our survey came from men, in contrast with only a quarter (26%) that came from women, and none of our respondents declared themselves as belonging to the gender spectrum.

118

Founders

113

Startups

94

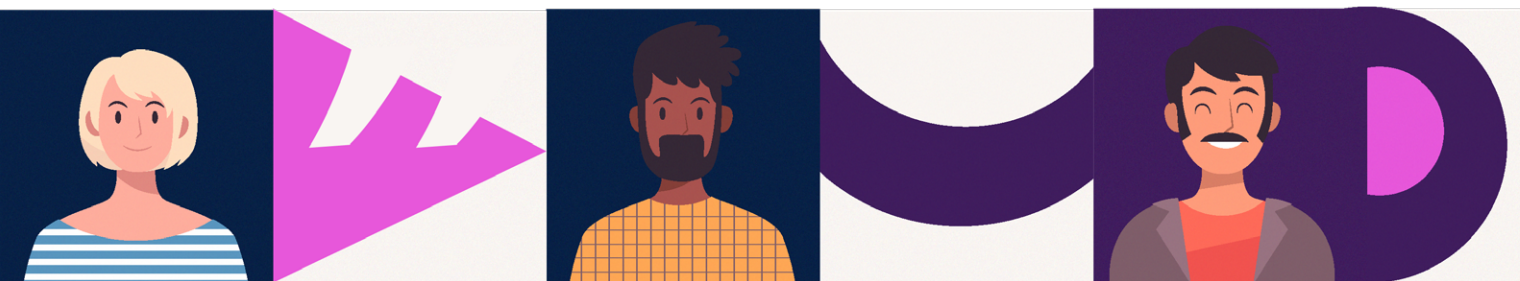
Startups
with team
2+ founders

64

Startups
with diverse
team

One hundred eighteen founders from 113 startups completed our survey. To deliver a better understanding of diversity in these startups, we analysed separately the startups with two or more members in their team (94 out of 113) for specific criteria. Sixty-four exhibit at least one diversity marker (about 70%). And 2 were super diverse teams. This is great news as all studies on the performance of diverse teams show that the more a team is diverse, the better it will perform.

Another noteworthy fact is that 5 startups in our survey are women-only teams.



Startups and their founding year

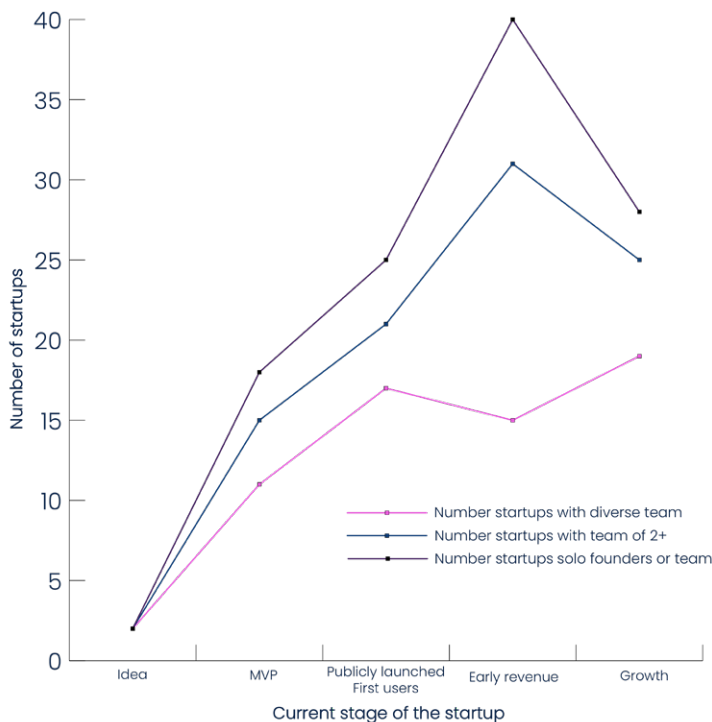


80% of the startups in our survey were founded less than five years ago (90 out of 113). The graphic indicates that the diversity score tends to go up as we get further to the present, which means that new startups are more diverse.

As of 2020, this score easily dropped due to the beginning of the Covid-19 pandemic, which meant less interaction and more risks for the startup ecosystem. If this persists, we will probably be amid a [backlash](#), a phenomenon in which diversity and inclusion are affected as a result of social or [economic crises](#).

Graph 7: Number of startups with their founding year

Maturity vs diversity



Graph 8: Number of startups with their stage

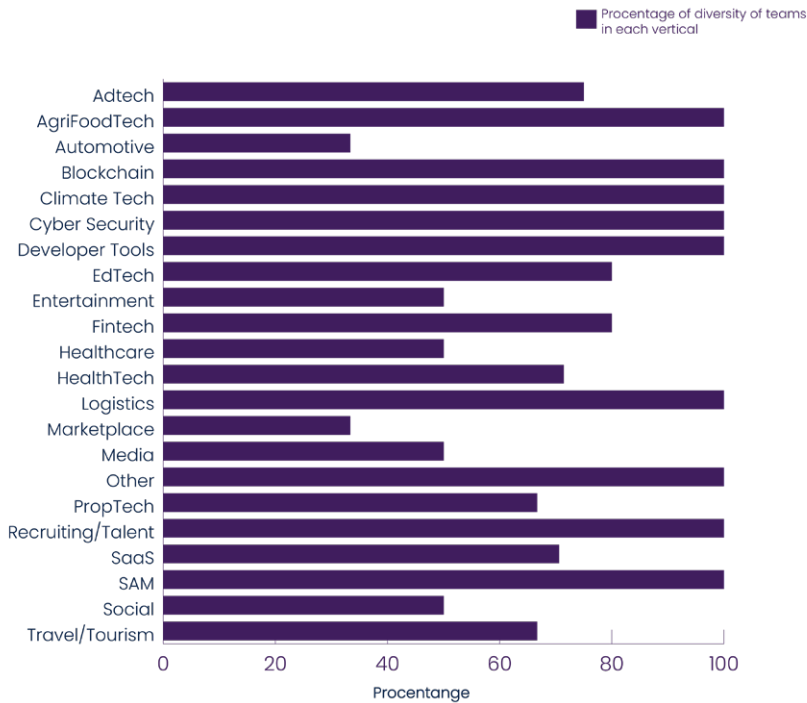
When analysing the maturity of the startup compared to its degree of diversity, we can notice that there is a strong tendency – as the startup matures the diversity rating rises, peaking in early revenue.

Regarding embracing diversity, it seems that maturity in business is a good sign and has a stronger bond with diversity. There could be two possible explanations for this:

1. Founders and people in essential positions in later stages of startup understand and are more open to embracing diversity as a value, and therefore they act on this understanding by hiring people that add diversity to their team.
2. Diversity is more important to growth than is there to be seen, and as a result, diverse startups tend to get to the later stages faster than non-diverse startups.

But to fully confirm either of these hypotheses, further investigation and analysis are needed.

Startups verticals vs diversity



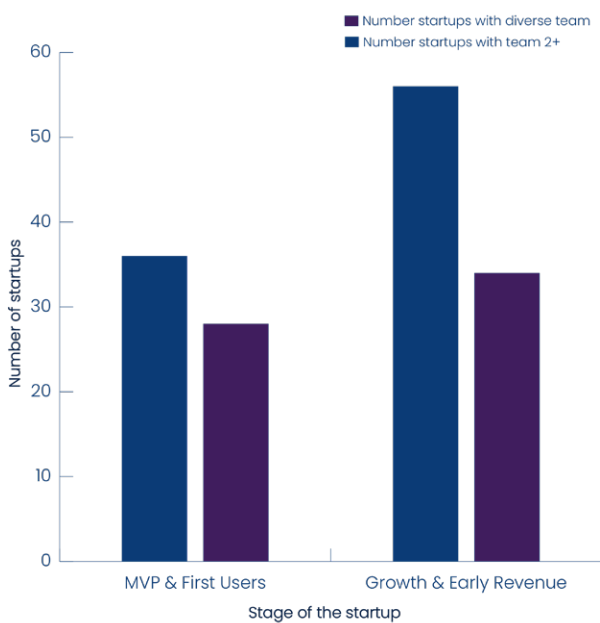
Graph 9: Percentage of diversity on startup verticals



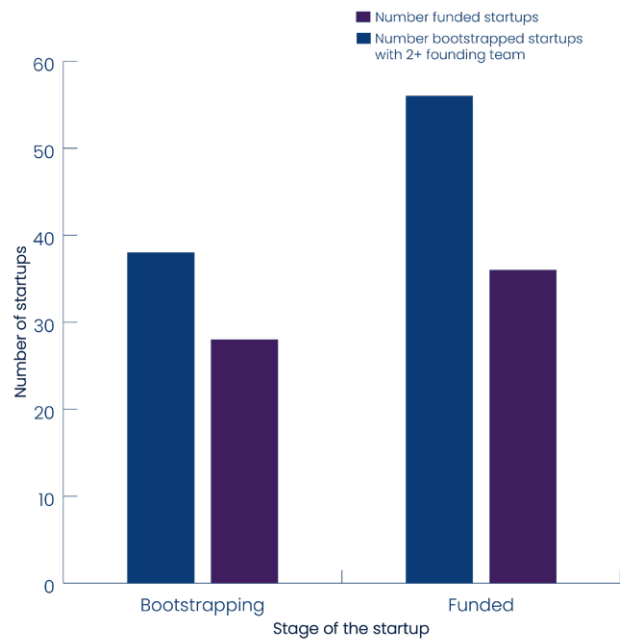
Most of the time, diversity is empowered and fuelled by the domain you activate. But is this available in tech startups? We tried to figure out the answer to this one, and we got some interesting findings: the most diverse verticals seem to be SaaS and Food/Beverage. Also, there are other categories where all the teams presented some markers of diversity – AgrifoodTech, Blockchain, Climate change, Cyber security, Developer Tools, Logistics, Recruiting, SAM.



Growth & Funding vs diversity

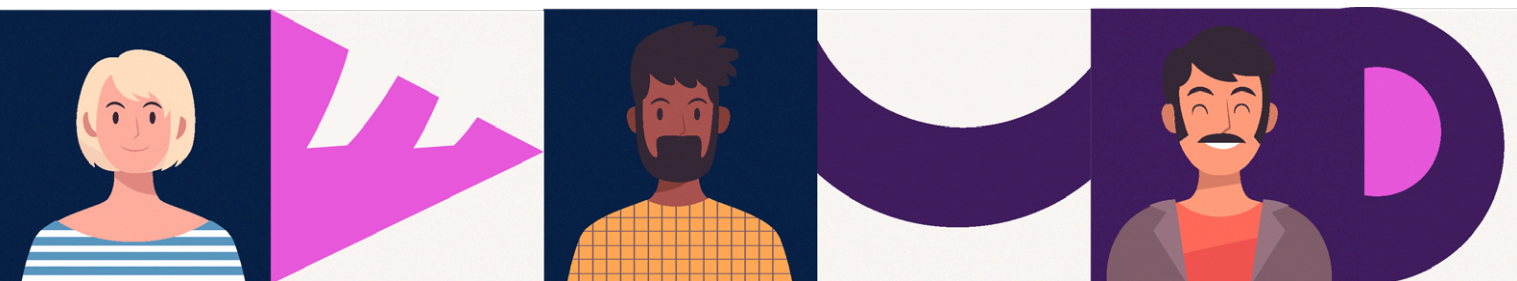


Graph 10: Number of startups on stage of growth



Graph 11: Number of startups bootstrapping vs funded

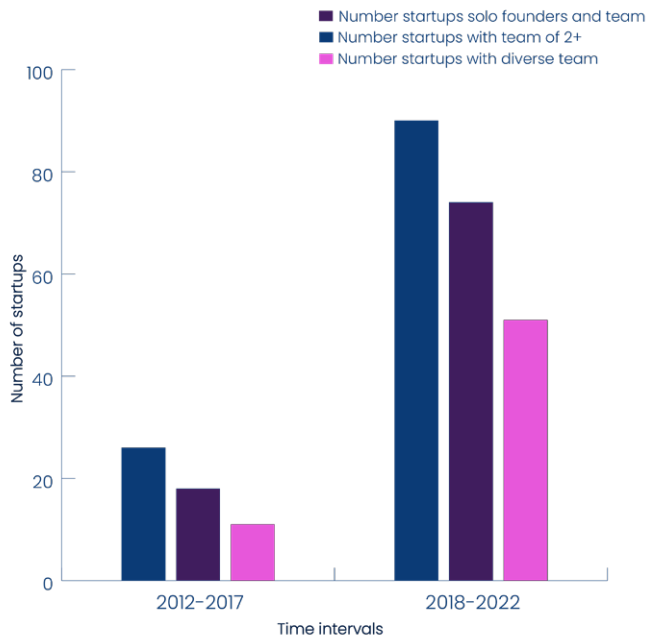
Both charts on growth and funding suggest that startups that are more developed and received more funding tend to be more diverse. We don't intend to aim with a long shot here, as we understand the limits of this report, but we want to point out at least the target for future reports: how does diversity impacts growth and funding in Romanian startups? We know from several studies and similar reports that diversity has a significant impact on creativity in teams, on the way they perform, and on the way they manage and react to crises, but even though our data seems to back up these findings, more research is needed.



KEY FINDINGS



Last five years newcomers start-ups have more diversity.

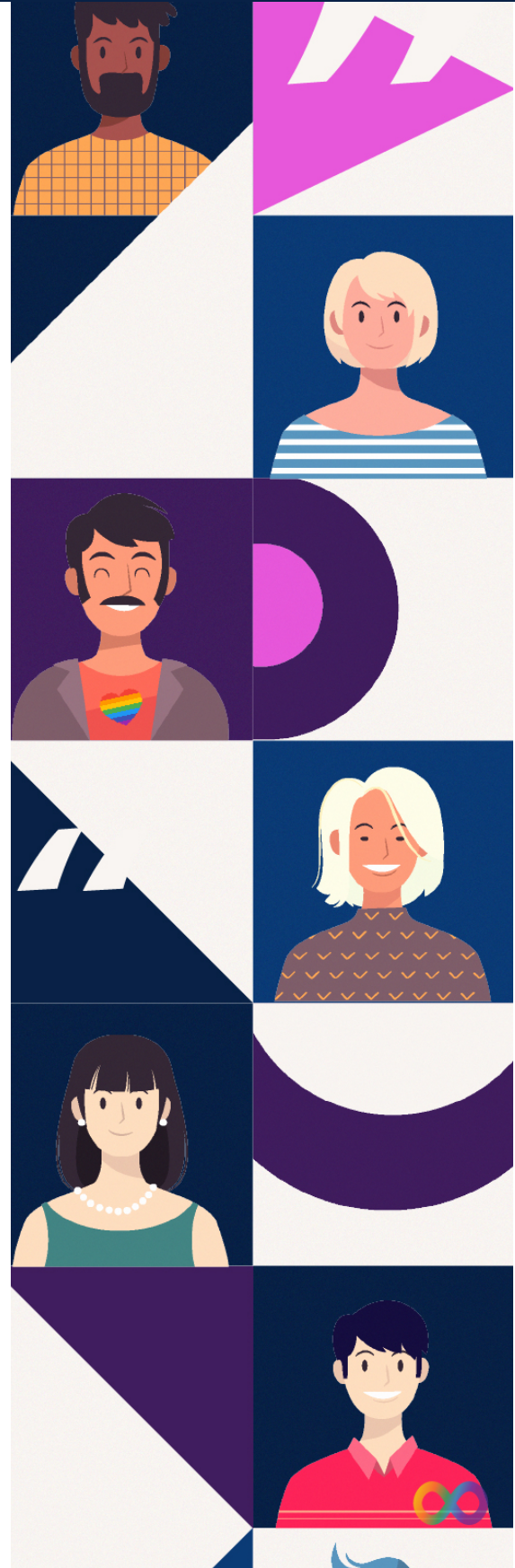


Graph 12: Number of startups distributed on periods

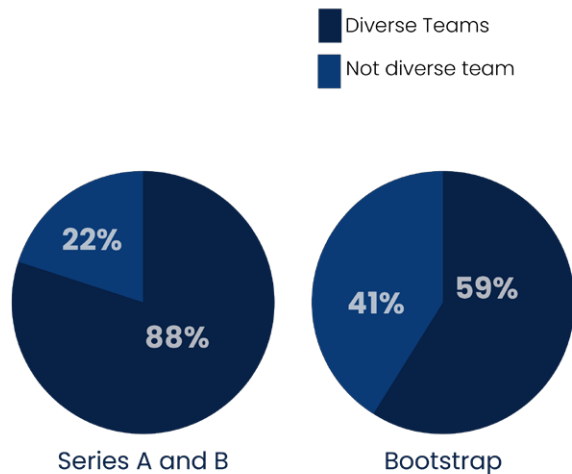
To understand how startups view and approach diversity based on the founding years, we grouped them by five years intervals (2012-2017 and 2018-2022), and the results were surprising. Startups founded in the last five years are more diverse than startups founded between 2012 and 2017. The diversity index for the startups founded in the last five years is 1.14, while for the startups founded between 2012 and 2017, it is 0.44.

Moreover, the ratio of the diverse startups founded in the last five years and the diverse startups founded between 2012 and 2017 is 1.13 (68.92%/61.1%) while the ratio of the related diversity scores is 2.6 (1.14/0.44). This concludes that not only the number of diverse teams is growing, but so does the diversity within them.

Also, this data shows that diversity is more and more seen and understood as a value of the ecosystem and teams are starting to actively seek diversity to gain from its advantages.



2 Diverse teams perform better and raise more money, especially in series A and B+

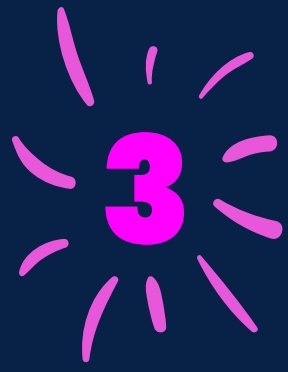


Graph 13: Percentage for diversity in funding stages

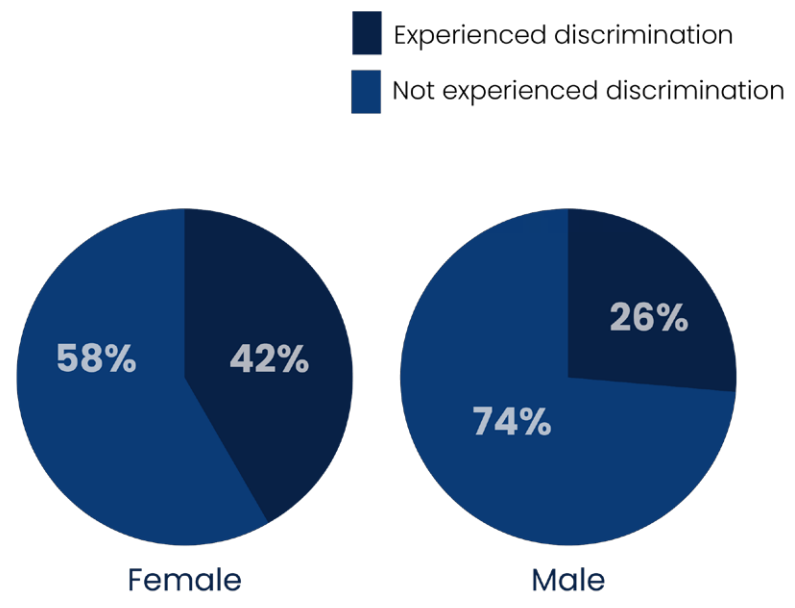
We know from different sources that diverse teams tend to perform better than non-diverse teams (examples), and that is also the case in [Eastern Europe](#). We also know from different studies and reports recently published that when it comes to funding, diverse teams are less funded than non-diverse teams.

But looking at the data we collected, it seems that there are more series A and B diverse startups, and those startups have more diversity: 7 out of 8 series A and B startups are diverse (88%) compared to 57 out of 96 bootstrapping, pre-seed or seed diverse startups (59%). Diversity brings money, right? But this almost seems too good to be true, and it also contradicts what published studies on the topic in CEE conclude: diverse startups are underfunded.

While we intend to investigate further this particular situation here are our first thoughts on it: diverse teams get fewer funds than non-diverse teams because of discrimination, and this is a fact. But discrimination only comes into play when the cause for it is visible, and there are many ways in which a team can be diverse. Startups can be diverse without having their diversity markers visible (e.g.: social and economic status, sexual identity, and sometimes nationality or ethnicity), especially among those who get funded. These could be the kind of startups that don't follow the rule and get funded by avoiding discrimination due to "invisible diversity markers". This first thought is confirmed by at least 1 or 2 out of 8 series A and B startups, but because of the small data sample, it remains a hypothesis to be further researched.



42% of women among respondents have been, reportedly, discriminated against, compared to 26% of men

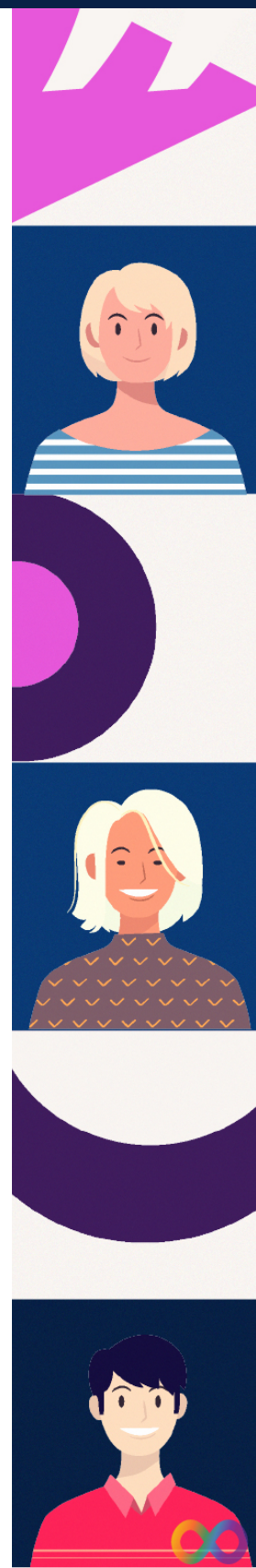


Graph 14: Percentage of discrimination on genders

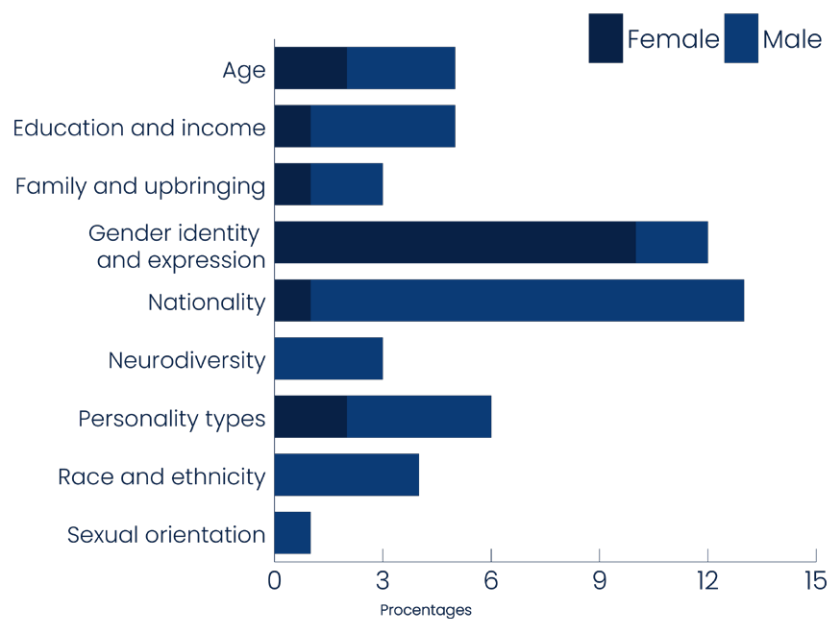
The percentage of those who reported in our questionnaire that they were discriminated against is high: 30% of our respondents declared that they were victims of some kind of discrimination. But things seem even a bit rougher when we compare the figures we got from women to those we got from men.

A total of 42% of women in our cohort declared they were discriminated against compared to 26% of men. That means that if we take gender into account when we talk about discrimination in the Romanian startup ecosystem, women are 1.6 times more predisposed to be discriminated against. These results are comparable, and they even go up a bit over the European averages on the topic.

According to [State of European Tech 2021](#), 38% of startup women were discriminated against compared to 13% of men. As we can see, this underlines that discrimination and the fight against it are real, and it's vital that everyone recognises discrimination as a problem and does their best to fight it. Time and effort are needed for real change, but truly what matters the most is that we deal with our own unconscious biases, a process that also proves to be potentially healing for each individual.

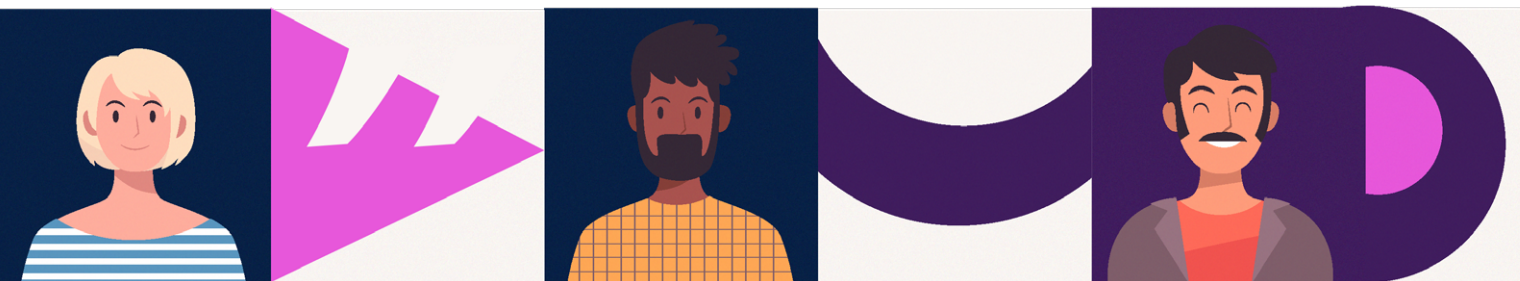


4 The main discrimination factor for women in Romanian startups is gender, while for men is nationality.



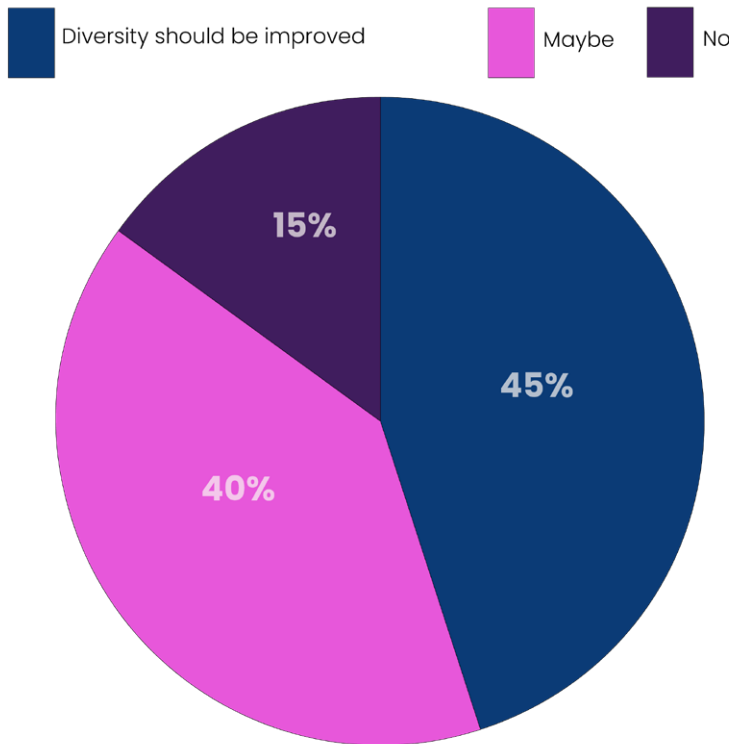
Graph 15: Discrimination factors for the respondents

Women and men experience discrimination very differently, and our analysis confirms it. For men, the main discrimination factor is nationality, while for women, it is gender. While the vast majority of our respondents are Romanians, we conclude that men felt discriminated against when interacting with other nationalities while women felt discriminated against inside the Romanian ecosystem (this is very clearly underlined in the detailed answers received). 2021 Gender Equality Index puts Romania in 25th place out of 27 with a 54.5/100, and this strengthens the findings in our report.





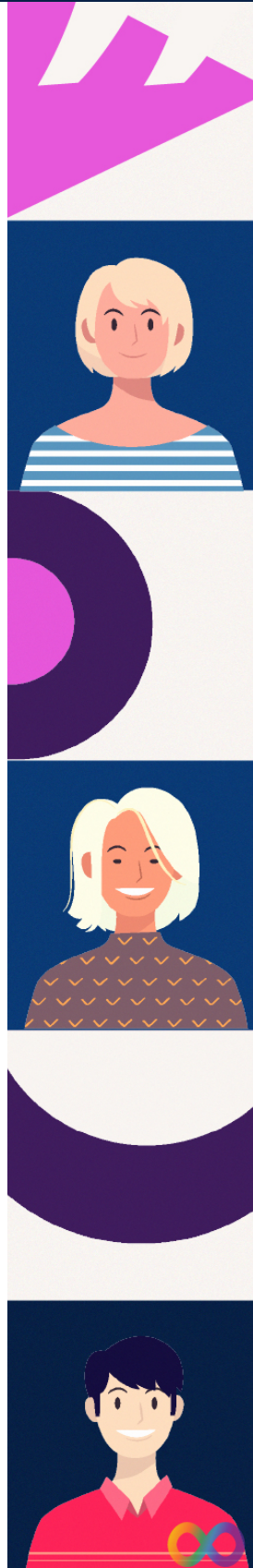
45% of respondents said that diversity should be improved in the ecosystem, 40% said maybe and only 15% consider that there is no room for improvement on this topic



Graph 16: Improvement of diversity in the ecosystem

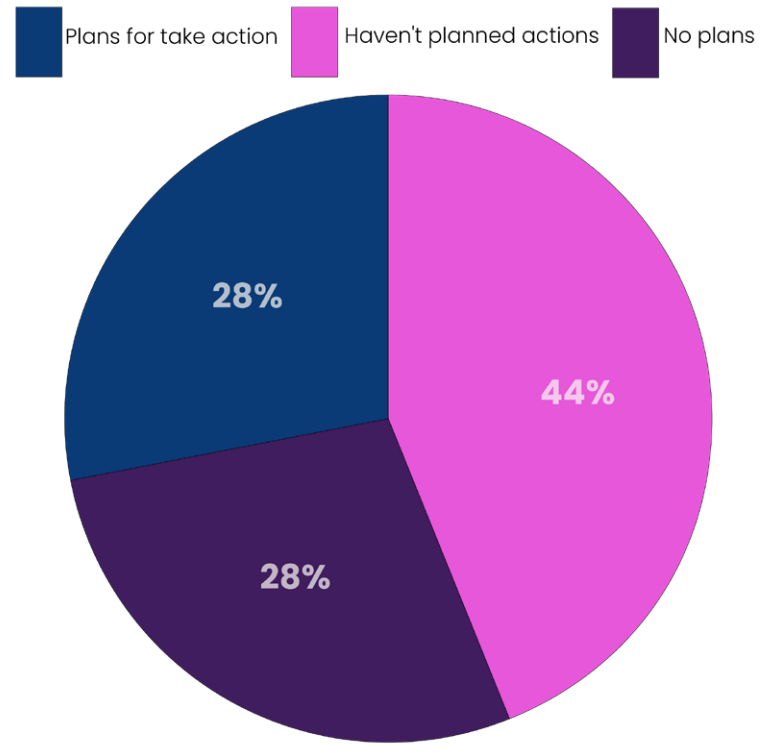
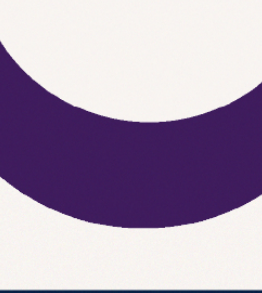
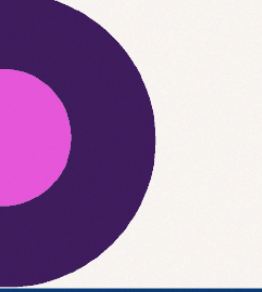
According to our respondents, the future of diversity sounds good. When asked if they think diversity should be improved in the ecosystem, 45% said yes, and 40% said maybe. Moreover, 70% of those who consider that diversity needs to be improved also shared their ideas and solutions for achieving this. Interestingly, only 55% of those who said yes were already members of teams that exhibited diversity markers. This shows that diversity is becoming a value not only to those who experience it daily.

The high percentage of those who think there is room for improvement, along with the large number of solutions offered and the large cohort that answered maybe to our questions representing the ideal candidates that could join in the efforts of improving diversity, are healthy seeds for the growth of the Romanian startup ecosystem.



6

Almost a third of startups plan to take action to improve diversity in their workplace



Graph 17: Startups that plan to take action on diversity

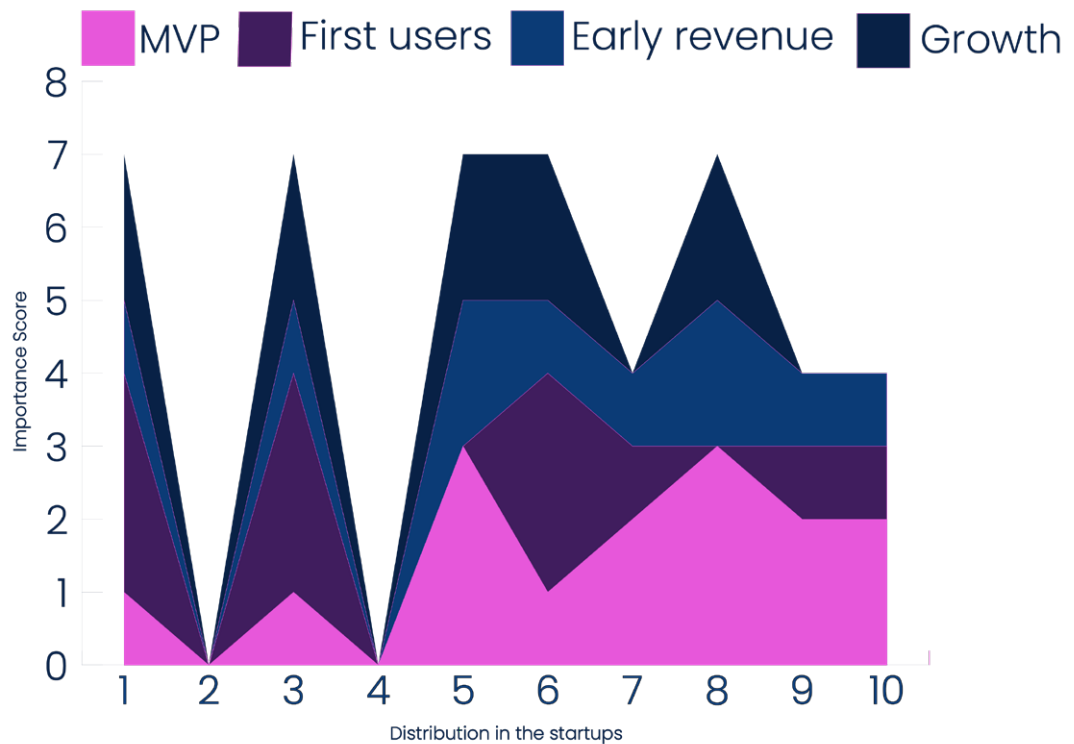
28% of the startups in our pool plan to take action in the next 12 months to improve diversity in their workplace, and precisely the same percentage of startups stated they won't take any action, while the rest of 44% haven't planned any actions yet, but they don't reject the idea. Interestingly, comparing these figures with those in finding 5, there's a big gap between the numbers of those who think there should be more diversity in the ecosystem (45%) and those who plan to do something about it. This gap might be representative of those who think that they are doing their part in bringing diversity into the ecosystem or that the lack of it lies somewhere else.

Coming back to that 28% who plan to do something, 90% of them shared the actual solutions they have in mind.

Most of them point to actively seeking and paying attention to diversity markers in the hiring process, and some of them plan to hire more women.

6.3 is the average of diversity's importance in a startup's success on a scale from 1 to 10

7



Graph 18: Diversity importance distribution for stage of the startup

On a scale from 1 to 10 (1- not important at all, 10 - extremely important), *How important is diversity in the success of a startup?* – we asked our respondents. And their answer is encouraging: the average score we got from the answers received is 6.3 out of 10. This is not a big score, but, for sure, it cannot be ignored as it points out that there is room for change to happen and casts a shade of hope regarding diversity upon the entire ecosystem.

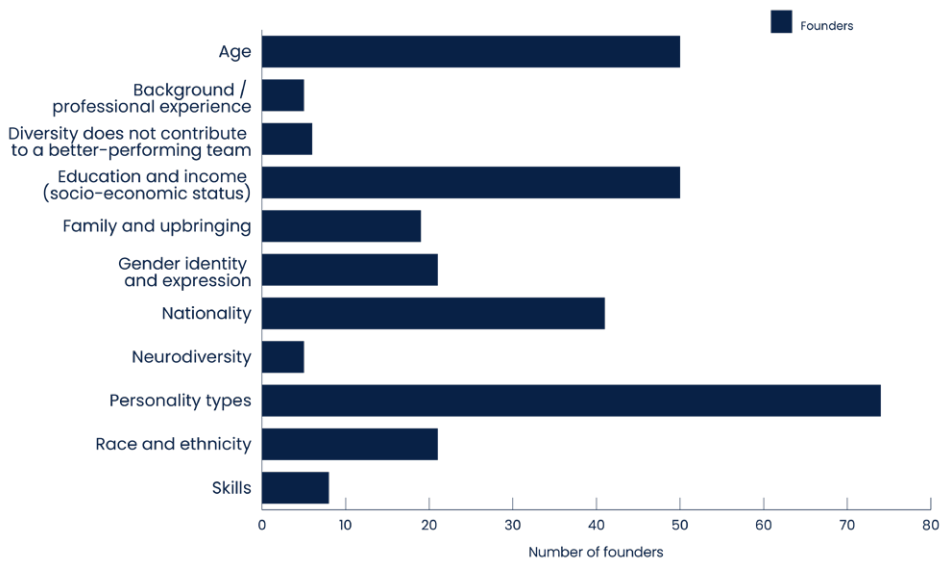
There is a notable difference in how women vs men see the matter as the average of the answers we got from women is 7 out of 10 while compared to 6 out of 10 for men. Other significant facts about this rating are that 18% of the respondents picked the lower values on the scale (1, 2, and 3), and 95% of them are men, while on the other hand, 40% of the total pool of people who answer pick upper values (8, 9, 10). Half of the total women who answered also picked the upper values.

8 Personality type, age, and education&income are 3 top types of diversity that contribute to better performing teams

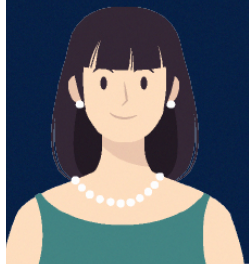
Personality type (such as introvert vs extrovert), age, and education&income are the three kinds of diversity our respondents think can bring more value to a startup.

As all these three diversity markers are soft markers, which means that they can easily remain unnoticed it is fair to say that diversity is appreciated as long as it doesn't come along with the threat of discrimination.

Another mention-worthy fact is that only 1.7% of our respondents think that diversity doesn't contribute to better-performing teams.



Graph 19: Diversity types that contribute to a better-performing team



9 Solutions for startups: Unbiased recruiting procedures along with a focus on recruiting more women – the keys to expanding the diversity universe of a startup

We asked our respondents what actions they plan to take to enhance diversity in their teams, and they proposed a series of measures.

We noticed a recurring theme in their answers: the need to reform the hiring process to ensure a more inclusive approach. More than half of the 38% who came up with these solutions mention changes in hiring personnel. And this is excellent news.

The fact that so many founders understand that they have solutions within reach and that they see how much control they have over the obstacles to diverse teams makes the next steps possible with less effort.


Another notable fact is that many solutions implied bringing more women to the team. It is also gladdening to see how more and more entrepreneurs came to the understanding that the skills needed for the growth of a business come from those range of skills that patriarchal societies trivialize: vulnerability, patience, and compassion.






10


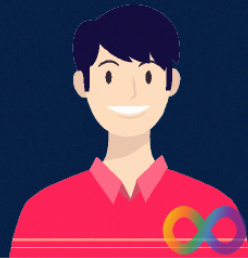
Solutions for the ecosystem: More PR is needed. Choosing diversity should be an educated guess for the growth of any startup.



The solutions suggested by our respondents to a more diverse startup ecosystem envision an important and determined set of actions that could bring the transformation needed within the next five years.



Matching platforms, training courses, positive measures, better funding, and guidelines meant to assure and encourage inclusiveness are some of the solutions, among others. But the most common, spotted in almost a third of the answers, was this: raising awareness on how important diversity is for startup growth.



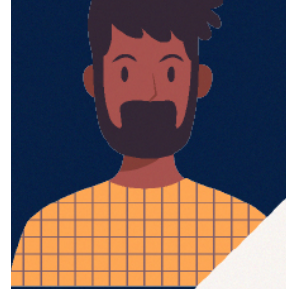
Most of the time, ignorance is the reason for keeping the status quo that we are comfortable with. Still, when presented with enough information about a solution like diversity, founders can have the opportunity to make an educated guess when choosing their tools for growth or when dealing with problems.



Takeaways

As previously mentioned, this was a first for us, too. As a program that aims to offer support for and encourage diversity in the national startup ecosystem, we find it important to summarise some takeaways for both readers and us. We plan to keep these in mind whenever we come across any opportunity for future improvements.

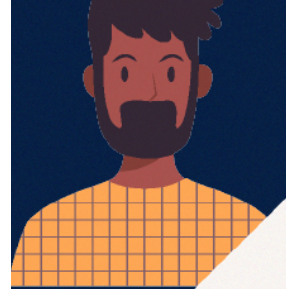
1. Discrimination is more spread than one could think. Entrepreneurs are being discriminated against for different reasons, and for that, we should all do our best to create safety in the ecosystem by making it a place where intolerance doesn't have the right context to manifest.
2. Gender, gender, and again gender. This hot potato can get more meaning than necessary when used to promote hate and inequality, and it can generate too much emotion.
3. Diversity can be a concept hard to understand and maybe even harder to digest for some. Sexual minorities' rights are mixed in the public narrative with disabilities and discrimination issues. We can make it all easier for everyone if, instead of avoiding the subject, we speak clearly about values such as diversity and inclusion.
4. We must promote a coherent narrative about diversity and the benefits it brings to any innovation ecosystem. We must do it more and more often.
5. Gender imbalances are systemic and present all over the globe. In some aspects, Romania still has gaps to fill compared to other European countries, and as a result, talent is wasted. Our mission should focus on harnessing the wasted talent rather than only adopting positive measures.
6. We must pay attention to obstacles to diversity in entrepreneurial teams, and we must diversify and tailor the way we offer support to diverse teams.
7. We need to collect and promote the collection of disaggregated data to have a better foundation for the decision-making process.
8. We must use what we learn in this pilot report in further research for a more comprehensive view that could offer more insights into the startup ecosystem.



Envisaged actions

Here you can read some of the solutions proposed by our respondents for improving the diversity in their teams. Please get inspired by the thoughtful actions they envisage.

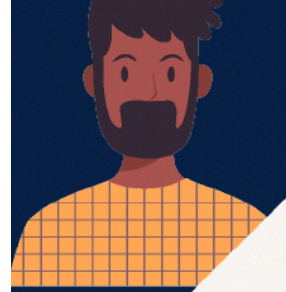
1. Continue hiring people from various walks of life, socioeconomic backgrounds, ethnicities, and sexual orientations.
2. Hire people with disabilities.
3. Hire students to increase the age difference.
4. Hire more women.
5. We'd like to add people of different nationalities to the team.
6. Hire and work with a more diverse group of colleagues.
7. Getting a female co-founder.
8. We created 6 badges to break down the lack of trust of certain candidates. Now first jobbers, disabled, parents, 45plus, veterans, and LGBTQ people can connect to inclusive employers.
9. I want to develop a company with a culture of mentoring, appreciation, support, and giving chances... an inclusive community!
10. Most likely gender- and ethnicity-focused actions, because they're the closest at hand, given the country and environment we operate in and our plans to grow.



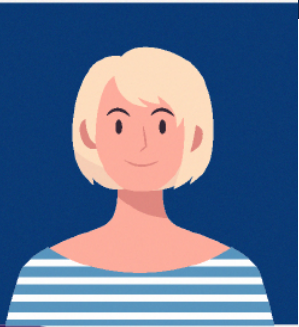
Actions that can improve diversity in the ecosystem

Of course, you should be the change you want to see in the world, but some actions mean a collaboration between more of the ecosystem's actors or even the involvement of some stakeholders. Let's see some of them...

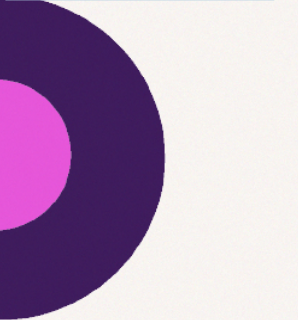
1. Better support for minorities to come forward
2. Support female founders via dedicated training programs
3. Study the benefits of having blind people for example in some dedicated positions (blind coaches have refined people skills)
4. A mechanism for federally allocated funds motivating early-stage startups with diversity in founders
5. PR: Give a voice to diversity and highlight successful people (neurodiversity, disability) with the help of articles, stories, and interviews
6. Lobby to increase the number of different incentives and tax reductions to those who focus on hiring a more diverse group of employees
7. Break the barriers by creating mentorship and financing programs for diverse groups of entrepreneurs and employees
8. Founders Marketplace - a system through which founders can meet and complete their team (if incomplete or if the core capabilities are lacking within the founding team)
9. Promote success stories and outcomes of diverse-friendly startups or teams among the community members, in order to remove stereotypes and biases
10. Create a job portal specifically for diverse people where they can highlight their strengths, and interests and make it easy to connect with startups
11. Communicate the government benefits for startups if they hire a diverse workforce
12. Train founders on how to recruit and run interviews with a diverse group of people
13. Increase awareness among the diverse community of the value they can bring to the startup ecosystem. This can be done through partnerships with NGOs and organising a series of workshops to facilitate the interactions between founders and diverse groups around specific work items
14. Organise hackathons or something similar where teams are formed of people from diverse groups and founders work. This is more to encourage teamwork and interactions
15. Funds for women and funds for those who hire neuro-divergent people
16. Awareness and education campaigns focused on multiple types of audiences so that more diverse people can acknowledge startups as a possible career path
17. Equal opportunity for all through fair, transparent, and adaptable processes, no matter the race, nationality, and disability.
18. Focus on trainings that help people be more adaptable, fair, and responsible so that the work environment doesn't become toxic.
19. Campaigns promoting the benefits of diversity.




Final words



As previously said, diversity is a spectrum. Or a growth tool. Or a political expression tool. Or a reason for fear. Or one for joy. Diversity is all of this, different for each of us, just like beauty is in the eyes of the beholder. So it is very important to look at it, and this is what we aimed to do with our research: to have a first look at the diversity found in the Romanian startup ecosystem.



The results of this analysis confirmed some thoughts we had, such as discrimination being a problem present in the ecosystem and that women get different treatment, but we also had some nice surprises seeing so many already valuing diversity and sharing their thoughts on how to improve it. Diversity should be discovered and used as a precious resource in the development of Romanian startups. And even if it might sound too wild for some, once tamed, diversity can turn into an amazing tool.



And a final thought – our analysis showed that there is much more diversity than we thought we would find. Maybe we are more diverse than we think, but we're just too focused on showing our normative nature.

We can't be what we can't see.



Start with **WHY**

“You can't be what you can't see”

About StepFWD

StepFWD is helping diverse startup teams by teaching them “how to” startup properly, facilitating the connection with experienced mentors and helping them to become investible. We want to make diversity “a real thing” for the ecosystem.

We believe in an ecosystem where it’s ok to take care of yourself as a founder and to be guided by principles and values all along the way. The StepFWD entrepreneurs will be the living models that support this sustainable way of doing entrepreneurship.

www.stepfwd.today

