



## Tech Firm That's Growing in Raleigh Will Use Gender Quotas – Here's Why

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A tech firm with a growing Raleigh headcount is instituting a gender quota as a way to move the needle when it comes to gender equity.

Vineet Jain, CEO and co-founder of California-based EgnYTE, prides himself on staying out of political commentary. He's not the kind of guy who typically jumps on the conversation trends or does things just to check boxes.

So the tweet announcing his plan – posted on Tuesday – may have come as a surprise to some.

"I've always said I hate quotas," Jain told *TBJ*. "But that's the only way to look at this."

Even though I feel "quotas" are undemocratic, have decided to establish some to address the gender diversity challenge in tech, and specifically [@EgnYTE](#). Don't see any other "structured" way to address it, but address it we must. — Vineet Jain

Jain, whose company has about 90 employees in Raleigh, said his company has a diversity problem. And to solve it, he's willing to take drastic measures, in this case a hiring quota.

"Purely from a capitalist point of view, I have a very strong opinion that diversity raises the level of the organization by inviting different points of view," he said, adding that "consensus is the shortest way to mediocrity."

The realization hit on International Women's Day – that his own organization had a gender diversity problem. He was surprised to learn EgnYTE's workforce was just 25 percent women.

“I said, 'Is this a good number or a bad number?’” Jain recalls. It turns out, it’s a bad number, as the average is 30 percent.

“It kind of raised my whole thinking,” he said. “We have a 5 percent shortfall.”

Gisa Rollin, development director at the SKEMA Business School in Raleigh and the founder of xElle Ventures, said a quota could definitely tackle the problem. But Rollin worried that the optics could be bad, fearing people might look at a new hire and say, “Did you just get this role because you’re a woman?”

“That’s what we don’t want,” she said. “I would make sure they hire based on capability, not necessarily that they have to fill genders. Should there be quotas? Yes, but should there be so much focus on it? I think they just need to hire the right individual.”

Emiliana Guereca, president of the Women’s March Foundation, said, “Equality across the tech industry is not going to happen” without enforced quotas. “The gender gap is a problem in tech ... there are not enough women being hired, and quotas are the only way to get equity,” she said.

Kyle Still, an employment attorney with Wyrick Robbins, said many companies are looking at ways to increase diversity in the workforce – but that they need to be careful.

“Certainly this is something many companies are trying to tackle and be creative in doing so,” he said. But the Supreme Court has ruled that employment law prohibits discriminatory preference for any group – including minorities, meaning firms have to be careful that any quota system doesn’t come into conflict with that ruling. In other words, gender can be a consideration, but not an absolute reason for a hire.

For Jain, the quota just makes sense, he said.

If it was a 5 percent dip in sales, the firm would implement targets, he recalled thinking. So why not do exactly that with hires?

“I don’t think it’s going to happen organically,” he said. “I have never thought of hiring anybody based on their race, their color ... but unfortunately, I’m finding that there are glass ceilings. ... This is the right thing to do because it uplevels the organization.”

Egnyte, which has hired about 80 people since the beginning of the year, has targeted its Raleigh office for major growth. And it’s hiring now, Jain said.

In terms of specifics, Egnyte will start with a 30 percent target so that it can match its peers. And then it could go up from there.

“We must maniacally look for women,” Jain said. “Different points of view raise the company’s quality.”