Harvard Should Reject the DEI Version of Diversity

realclearpolitics.com/articles/2024/04/28/harvard_should_reject_the_dei_version_of_diversity_150853.html

Peter Berkowitz

COMMENTARY

In mid-April, the Harvard Crimson reported that “Vivian Y. Hunt ’89 will serve as the next president of the Board of Overseers, the University’s second highest governing body.” The announcement came as Harvard geared up to find a replacement for Claudine Gay. She stepped down in January after six months as Harvard’s president amid controversy over her handling of campus turmoil sparked by Hamas jihadists’ Oct. 7 mass murder, rape, and kidnapping in southern Israel and, in a separate matter, over allegations that she had committed dozens of instances of plagiarism.

The search for Gay’s successor heightens the significance of Hunt’s appointment. That’s because for the university’s last five presidential searches, the president of the Board of Overseers – subordinate only to Harvard’s 12-person Corporation – has sat on the university president search committee.

A well-credentialled and successful consultant and businesswoman, Dame Vivian Hunt graduated from Harvard Business School as well as Harvard College. In 2002, Optum, a division of United Health Group, named her the company’s chief innovation officer. Previously, Hunt worked at McKinsey & Company. After heading “the Life Sciences practice in Europe, the Middle East and Africa” at McKinsey, “she served as the managing partner for the United Kingdom and Ireland.”

Of special relevance to Hunt’s appointment as president of Harvard’s Board of Overseers and to her likely service on the university’s presidential search committee is her co-authorship of four reports for McKinsey between 2015 and 2023 lauding the benefits to corporations of racial, ethnic, and gender diversity: “Diversity Matters” (2015); “Delivering Through Diversity (2018); Diversity Wins: How Inclusion Matters” (2020); “Diversity Matters Even More: The Case for Holistic Impact” (2023).

As it happens, former President Gay took a special interest in diversity, equity, and inclusion. Her scholarship revolves around them. Moreover, in 2020, as dean of the Faculty of Arts and Sciences, Gay hired Harvard’s first associate dean of diversity, inclusion, and belonging. With Hunt’s appointment to head its Board of Overseers – and her potential service on the presidential selection committee – Harvard appears to have reaffirmed its commitment to diversity as understood by the diversity, equity, and inclusion industry.

That bodes ill for the university as it reckons with a host of problems: a short-lived presidency built around DEI, a post-Oct. 7 explosion of antisemitism on campus, and an egregious recent record of curtailing speech.

DEI ideology connects Harvard's seemingly disparate difficulties. Bound up with admirable impulses to honor human variety, ensure fairness, and include the excluded, DEI imperatives have in practice encouraged universities to discriminate – in admissions, faculty appointments, and administration staffing – based on race, ethnicity, and sex. DEI discrimination consists in applying less-demanding standards and awarding special benefits to members of groups classified as oppressed and applying more exacting standards and withholding benefits from otherwise deserving members of groups classified as oppressors.

Furthermore, DEI enthusiasts are disposed to designate Jews, who make up approximately 3% of America, as oppressors. The DEI perspective also tends to brand the nation-state of the Jewish people – a country of approximately 9.3 million and home to around 2 million Arab citizens, Israel comprises less than 2% of the population in a region of 500 million Muslims – as an oppressor nation.

And DEI proponents frequently regard free speech as itself a tool of oppression. They demand the removal of ordinary restrictions on speech – for example, campus prohibitions on harassment, intimidation, and disruption of classes and speakers – for students belonging to groups that they deem oppressed while favoring censorship of those who belong to groups that they deem oppressors as well as of those who challenge DEI dogma, regardless of the group to which they belong.

The 2015 McKinsey report, the point of departure for the firm's additional three reports through 2023, suffers from several shortcomings. Chief among them, the report's empirical analysis – which purports to demonstrate that companies that increase the racial, ethnic, and gender diversity of their executive ranks enhance their competitiveness and boost their profits – does not stand up to inspection. Meanwhile, the report's qualitative analysis overlooks the disadvantages of DEI's preferred interpretation of diversity while obscuring the form of diversity from which organizations derive greatest advantage.

Hunt and coauthors, nevertheless, emphasize their rigor. "The research proceeded through the creation of proprietary datasets for 366 public companies across a range of industries in the United Kingdom, Canada, the United States, and Latin America," states "Diversity Matters" (2015). "The data collected included the composition of top management and boards in 2014 and financial data, earnings before interest and tax (EBIT), for the years 2010 to 2013." According to the report, the data "revealed a statistically significant connection between diversity and financial performance."

The authors offer several explanations for the claimed correlation. A focus on women and minorities, they contend, increases the talent pool, empowers those responsible for purchasing a substantial majority of consumer goods, reduces conflicts among identity groups, increases worker satisfaction, fosters innovation and creativity, and enables companies to meet the growing body of law (particularly in Europe) mandating a diverse workplace.

Impatient with “slow and incremental” progress, Hunt and colleagues urge companies to “disrupt old habits and routines,” especially those rooted in “subconscious bias.” For these purposes, companies must create “dedicated programmes that focus on specific goals.”

Embodying assumptions and arguments widely embraced in the business world, the federal bureaucracy, the mainstream media, Hollywood, and at elite colleges and universities, the McKinsey report’s overall approach raises red flags. For starters, the report conflicts with experience and common sense. Both teach – corroborated by nine years of polarization and heightened tensions over race, ethnicity, and gender in the United States since the report’s publication – that compelling people to dwell on that which divides them … intensifies divisions. Yet the report’s proposed diversity “targets,” which in practice are indistinguishable from the “quotas” that it formally rejects, encourage companies to place race, ethnicity, and gender – and the opinions employees hold about the value of focusing on race, ethnicity, and gender – at the center of hiring, retention, and promotion.

In addition, the report overlooks its own one-sidedness. Hunt holds two Harvard degrees while one of her co-authors earned a BA from Georgetown and studied at the London School of Economics, and the other obtained a Duke BA and an MBA from the University of Virginia. The 2015 report – and the three McKinsey reports that follow – are exemplary specimens of the progressive orthodoxy that for decades elite-university graduates have been seeding in the business world, government bureaucracy, Hollywood, and mainstream media. It scarcely occurs to McKinsey’s top diversity experts, schooled at fine universities, that diversity of political convictions and moral sensibilities might bolster organizations’ efforts to understand consumers’ diverse needs and preferences and to reform corporate governance.

The problems with the McKinsey approach run deeper still.

In “McKinsey’s Diversity Matters/Delivers/Wins Results Revisited,” recently published in Econ Journal Watch, economists Jeremiah Green and John R. M. Hand examine in technical detail the reports’ flawed empirical analysis, starting with its data. McKinsey declined to share its “proprietary datasets” with Green, a professor at Texas A&M University’s Mays School of Business, and Hand, a professor at the University of North Carolina-Chapel Hill’s Kenan-Flagler Business School. That may be par for the course for a consulting firm but a refusal to allow others to examine data and attempt to replicate results provides a telltale mark of a non-scientific undertaking.

Second, Green and Hand observe that the McKinsey authors' own data is equally if not more consistent with the proposition that it is not diversity that explains corporations' financial success but rather greater financial success that allows them to diversify their leadership.

Third, drawing on their own data – which comes from U.S. S&P 500 firms, seeks to track the McKinsey data, and which is available on request – Green and Hand were "unable to replicate the same statistically reliable association between firm financial performance and executive race/ethnic diversity" touted by the McKinsey report.

Exacerbating Hunt's and her coauthor's flawed quantitative analysis is their misguided qualitative analysis. To treat race, ethnicity, and gender as decisive indicators of the diversity from which organizations are most likely to benefit – diversity of experience, sentiment, learning, ideas, and opinions – supposes that all members of a race, ethnicity, or gender share a unified background and a fixed set of beliefs, feelings, and judgments. Such vulgar stereotyping tends to produce a team of men and women who look different but think alike, a poor recipe for sustained financial success in a highly competitive world.

Organizations that instead treat all individuals with equal respect regardless of the groups to which they belong will have brighter prospects of filling their ranks with intelligent and imaginative people who bring to their tasks a diversity of habits of heart and mind, perspectives, and expertise.

That is the diversity that Harvard's Corporation and Board of Overseers should publicly affirm and assiduously pursue as the university prepares to search for a new president.

Peter Berkowitz is the Tad and Dianne Taube senior fellow at the Hoover Institution, Stanford University. From 2019 to 2021, he served as director of the Policy Planning Staff at the U.S. State Department. His writings are posted at PeterBerkowitz.com and he can be followed on Twitter @BerkowitzPeter.