

## Harvard chooses DEI over academic rigor—again

Harvard appointed Claudine Gay to its presidency in spite of her thin scholarly record because she entrenched DEI programs in the university; it paid the price when Gay faced credible charges of plagiarism. Now Harvard is doubling down, appointing another DEI advocate with a history of research misconduct to help lead the search for Gay's replacement.

Dame Vivian Hunt was literally knighted for her studies supporting corporate DEI as managing partner at McKinsey. She's now also President of Harvard's Board of Overseers, meaning she has one of fifteen votes for Harvard's new president and leads the body that can veto the outcome. Ms. Hunt is responsible for the popular belief that racial and gender diversity increase corporate profit. But her team's influential series of studies making that assertion is riddled with self-serving errors, making her a poor choice to lead the search for academia's top job.

To start with, Dame Hunt's argument that diversity causes profitability actually proves the reverse. Her most recent [report](#), for instance, "is based on 2022 data on diversity in leadership teams and 2017-2021 data on financial performance."<sup>1</sup> So if a company thrived in a zero-interest rate environment then splurged on DEI, the correlation McKinsey draws would credit diverse executives for profit that not only predated them, but enabled their hiring. Hunt should have shown that companies with diverse leaders became more profitable, but she at best showed that profitable companies go on to hire diverse leaders.

But she probably didn't even prove that: a new peer-reviewed [study](#) found McKinsey's famous results couldn't be replicated.<sup>2</sup> Finance professors looked at the entire S&P 500 and saw no correlation between racial and gender executive diversity and high profitability. The authors also found no connection between diversity and five other measures of financial performance.

These devastating criticisms were published this March, but just like its [rush](#) to appoint Gay,<sup>3</sup> Harvard didn't do its homework. Considering the Supreme Court's recent ruling that Harvard illegally prioritized race in admissions, Hunt may well have been appointed in part because of her race and gender, combined with her status as "a [voice](#) for diversity and impact at scale."<sup>4</sup> But research like Gay's dissertation and Hunt's diversity studies provide crucial license for handing them the reins to academia. Those scholarly credentials therefore need to be examined.

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<sup>1</sup> Dixon-Fyle, Sundiatu, et al. "Diversity Matters Even More: The Case for Holistic Impact." *McKinsey & Company*, 5 Dec. 2023, [www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact](http://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-matters-even-more-the-case-for-holistic-impact).

<sup>2</sup> Green, Jeremiah and Hand, John R.M. "McKinsey's Diversity Matters/Delivers/Wins Results Revisited." *Econ Journal Watch*, vol. 21, no. 1, Mar. 2024, pp. 5-34, <https://econjwatch.org/File+download/1296/GreenHandMar2024.pdf?mimetype=pdf>.

<sup>3</sup> Haidar, Emma H. and Kettles, Cam E. "Harvard Corporation Did Not Review Claudine Gay's Scholarship in Presidential Search." *The Harvard Crimson*, 23 Feb. 2024, [www.thecrimson.com/article/2024/2/23/corporation-not-review-claudine-gay-scholarship/](http://www.thecrimson.com/article/2024/2/23/corporation-not-review-claudine-gay-scholarship/).

<sup>4</sup> "A Voice for Diversity and Impact at Scale." *Harvard Business School Alumni*, 6 Mar. 2018, [www.alumni.hbs.edu/stories/Pages/story-bulletin.aspx?num=6593](http://www.alumni.hbs.edu/stories/Pages/story-bulletin.aspx?num=6593).

As with Gay, a closer look at Hunt's work reveals sloppiness, self-interest, and a belief that the ends justify the means.

All three are exemplified by her first study, where Hunt's team loosened the definition of statistical significance to find a correlation between diversity and profit. They write "P-values of .1 and under were considered statistically significant," meaning that even by their own standard, there's a 10% chance their correlation is nothing but noise.<sup>5</sup> But crucially, the accepted threshold for significance is a p-value of .05—McKinsey doubled its margin for error. Any scholar whose work appealed to their personal definition of statistical significance wouldn't keep their job long.

Dame Hunt covers up this foundational flaw in later studies by massaging her dataset to achieve actual statistical significance. In McKinsey's second study, it removes Canada from its dataset without comment and adds in eight other countries. In its third, it adds Norway, Sweden, and Denmark. Although [some](#) research has shown lower shareholder returns after Norway adopted boardroom gender quotas in 2006,<sup>6</sup> McKinsey's methodology turns possible weakness into strength, adding the wealthy, gender-diverse country to its dataset and then finding a stronger correlation between diversity and profit.

As for Canada, as of the fourth report, it's back in McKinsey's dataset, having sat out the middle two. But this comeback raises more questions than answers. What principles determine whether McKinsey includes or removes Canada from its data? Did Canada go dark in 2015? Has it now rejoined society? Strangely, McKinsey lists Canada as a brand-new addition in its fourth study and pretends it was never in the first study at all.<sup>7</sup>

The time periods Dame Hunt's studies cover are equally mystifying—each successive report removes 1-3 years of data from the prior one, keeps the next 1-3 years, and adds on another 2-3 years' worth of data, with those numbers chosen seemingly arbitrarily.

All these inexplicable methodological decisions are red flags marking a kind of research misconduct called p-hacking—popularly known as cherry-picking. What determines whether Canada gets put in one of these studies or not? Probably whether its presence in any given year strengthens or weakens the correlation McKinsey's trying to observe.

Claudine Gay was forced to resign over plagiarism, but Hunt's brazen p-hacking is a far worse offense. The cost of Gay's dishonesty is that other researchers failed to receive credit for their words. The cost of Hunt's is that the Western world is reordering itself based on a faulty premise.

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<sup>5</sup> Hunt, Dame Vivian, et al. "Diversity Matters." *McKinsey & Company*, 2 Feb. 2015, p. 4, [www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/why-diversity-matters](http://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/why-diversity-matters).

<sup>6</sup> Ahern, Kenneth R., and Amy K. Dittmar. "The changing of the boards: The impact on firm Valuation of Mandated Female Board representation." *The Quarterly Journal of Economics*, vol. 127, no. 1, 6 Jan. 2012, pp. 137–197, <https://doi.org/10.1093/qje/qjr049>.

<sup>7</sup> "Diversity Matters Even More," p. 9.

The diversity studies Hunt oversaw [have](#)<sup>8</sup> [become](#)<sup>9</sup> [accepted](#)<sup>10</sup> [wisdom](#).<sup>11</sup> At Strive, we often encounter media, activists, and corporations who cite McKinsey's studies to justify DEI policies. Goldman Sachs and the Nasdaq have imposed boardroom diversity quotas on companies to make sure they don't miss out on all the profits McKinsey identified.

Even more troubling, Dame Hunt's flawed work is dictating public policy beyond the corporate sphere. Her studies of *business* diversity are often packaged with other research to argue that diverse teams in other arenas perform better as well. The military has become so convinced that diversity is critical to performance that it has heavily prioritized it in recruitment and promotion, contributing to a [recruiting crisis](#).<sup>12</sup>

Her research has also infiltrated workforce policy more broadly, despite the fact that the studies looked at executives alone. We've [written](#) about how the CHIPS Act's efforts to onshore semiconductor production are being sabotaged by a litany of diversity requirements from the Department of Commerce.<sup>13</sup> When asked whether Asian chipmakers were well-positioned to equalize female representation in construction, Secretary Raimondo simply [said](#), "I consider it a fact that a more diverse work force is a more productive work force."<sup>14</sup> The constellation of erroneous studies underlying her assertion revolves around Dame Hunt's shoddy work.

Vivian Hunt's research lacks rigor, but it's done its job: it got her a damehood, reshaped the corporate world, and has now put her atop the academic one, selecting Harvard's next president.

One thing seems certain: it will be another DEI hire.

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<sup>8</sup> Telford, Taylor and Mark, Julian. "DEI Is Getting a New Name. Can It Dump the Political Baggage?" *The Washington Post*, 5 May 2024, [www.washingtonpost.com/business/2024/05/05/dei-affirmative-action-rebrand-evolution/](http://www.washingtonpost.com/business/2024/05/05/dei-affirmative-action-rebrand-evolution/).

<sup>9</sup> Ralph, Oliver and Noonan, Laura. "Diversity Brings Boost to Profitability," *Financial Times*, 4 Apr. 2017, [www.ft.com/content/1bc22040-1302-11e7-80f4-13e067d5072c](http://www.ft.com/content/1bc22040-1302-11e7-80f4-13e067d5072c).

<sup>10</sup> Furmans, Vanessa. "Companies with Diverse Executive Teams Posted Bigger Profit Margins, Study Shows," *The Wall Street Journal*, 18 Jan. 2018, [www.wsj.com/articles/companies-with-diverse-executive-teams-posted-bigger-profit-margins-study-shows-1516322484](http://www.wsj.com/articles/companies-with-diverse-executive-teams-posted-bigger-profit-margins-study-shows-1516322484).

<sup>11</sup> Walker, Darren. "Repeal of Affirmative Action Is Only the Beginning." *The New York Times*, 30 June 2023, [www.nytimes.com/2023/06/30/opinion/affirmative-action-supreme-court-repeal.html](http://www.nytimes.com/2023/06/30/opinion/affirmative-action-supreme-court-repeal.html).

<sup>12</sup> Burrow, Micaela. "Exclusive: 'A Huge Blow': Decline in White Recruits Fueling the Military's Worst-Ever Recruiting Crisis, Data Shows." *The Daily Caller*, 13 Feb. 2024, [dailycaller.com/2024/02/13/exclusive-a-huge-blow-decline-in-white-recruits-fueling-the-militarys-worst-ever-recruiting-crisis-data-shows/](https://dailycaller.com/2024/02/13/exclusive-a-huge-blow-decline-in-white-recruits-fueling-the-militarys-worst-ever-recruiting-crisis-data-shows/).

<sup>13</sup> Nicholson, Chris and Cole, Matt. "DEI Killed the Chips Act." *The Hill*, 13 Mar. 2024, [thehill.com/homenews/4517470-dei-killed-the-chips-act/](https://thehill.com/homenews/4517470-dei-killed-the-chips-act/).

<sup>14</sup> Klein, Ezra, and Delaney, Janet. "The Problem with Everything-Bagel Liberalism." *The New York Times*, 2 Apr. 2023, [www.nytimes.com/2023/04/02/opinion/democrats-liberalism.html](http://www.nytimes.com/2023/04/02/opinion/democrats-liberalism.html).