

Critique of a report from the House of Commons Business, Innovation and Skills committee: ‘Women in the Workplace’ (published 20 June 2013)

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SUMMARY

This report is the latest in a long line of official reports which have a relentlessly left-wing analysis of the ‘problem’ of women being ‘under-represented’ in senior positions in business etc., and in better-paid lines of work. A thread that runs throughout these analyses is that inequalities of outcomes reflect inequalities of opportunities. The different choices freely made by men and women with respect to the world of work are ignored, or presented as the result of social conditioning. The implied message seems to be that women (and girls) are too feeble-minded to make rational decisions for themselves. How insulting to them is *that*?

We’ve been particularly interested in two reports published since the Conservative-led coalition came to power in May 2010, the Davies Report (2011) and the House of Lords report on ‘Women on Boards’ (2012). Both had almost identical analyses of the ‘problems’ of women in the workplace, and both saw the ‘solutions’ as ever more state interference, and bullying companies if they don’t ‘voluntarily’ comply with the government’s threats. There is, of course, no appetite for increasing the number of women in male-typical lines of work which are physically dangerous (95% of work-related deaths are of men) nor entail unsocial hours, nor long periods spent away from home etc. – the ‘glass cellar’ jobs. There is equally no appetite for increasing the proportion of men in pleasant, well-paid female-typical lines of work e.g. medicine – 70% of medical students today are women, and the average salary for a GP is £104,000.

There were five Conservative MPs on the BIS committee which drew up this report – Brian Binley, Caroline Dinéage, Rebecca Harris, Robin Walker, Nadhim Zahawi – but I was unable to find even one sentence in the report which reflected traditional Conservative thinking e.g. the critical importance of personal merit in reaching senior positions, and an aversion to left-wing social engineering programmes.

The respect accorded to ‘evidence’ submitted by the Fawcett Society – a militant feminist campaigning organisation *renowned* for misrepresenting research findings and data – tells you all you need to know about the ideological motivations of this committee, and this report.

In the following critique, extracts from the report are shown in a black font, my comments in a red font:

Page(s)	Paragraph(s)	Report content / critique
6	5	<p>We sought written evidence on... why there are still so few women in senior positions on boards, and what the benefits are of having a greater number of women on boards.</p> <p><i>This contrasts oddly with a statement on p.60:</i></p> <p>We have not attempted to establish whether a Board with female representation adds or diminishes the corporate financial performance.</p>

7	6	<p>We would also like to thank our specialist adviser, Karon Monaghan QC, for her invaluable help and advice during the inquiry.</p> <p>Details on Ms Monaghan, from her law firm's website:</p> <p>http://www.matrixlaw.co.uk/Members/29/Karon%20Monaghan.aspx</p> <p>From this we see that she was a member of Fawcett Society's Commission on Women in the Criminal Justice System (2003-9), and contributed to the book <i>Feminist Judgments: From Theory to Practice</i> (2010). So a militant feminist QC provided 'invaluable help and advice during the inquiry'. Maybe this is what we should expect with Brian Binley, a Labour MP chairing the committee.</p>
7	7, 8	<p>Appreciation for the contributions of a relentlessly feminist website – Mumsnet – and the BBC Radio programme <i>Woman's Hour</i> which for many years has broadcast a militant feminist narrative.</p>
9	12,13	<p>Nature or nurture?</p> <p>12. We received a range of evidence on the reasons underlying the disproportionate ratio of men and women in certain professions; some stressed the fact that biological differences affect people's choice of career, while others stressed cultural differences that dominate the choices that women make. Mike Buchanan, from the Campaign for Merit in Business, told us that he believed that the roots of the difference in unequal representation in certain occupations between men and women lay in biological differences between the sexes:</p> <p style="padding-left: 40px;">I am very much persuaded by the work of Professor Simon Baron-Cohen at Cambridge University, who published a book called <i>The Essential Difference</i> back in 2003. His essential thesis is that most people are gender-typical, and that the male brain is designed for systemising and the female brain for empathising. If that is true – and I think there is a lot of evidence that it is true – then we would expect men to be more interested in physics, mathematics and engineering and we would expect women to be more interested in nursing, medicine and, indeed psychology. [...] I am simply saying the number of men who are good mathematicians, physicists and engineers will naturally considerably outnumber the number of women who are.</p> <p>I made it perfectly clear, later in this session, that the opinions I hold on nature/nurture are personal opinions, and were in no way an 'official position' of the Campaign for Merit in Business. Our objection to the government's drive to increase the number of women on corporate boards (and in senior positions more generally) rest on altogether different grounds.</p>

		<p>13. In oral evidence, Dr Catherine Hakim, a sociologist, described her preference theory, based on research on the choices that women make, which highlighted the fact that roughly 20% of women in all societies are work-centred and careerist in the way men are. Roughly 20% of women are home-centred, family-orientated in the way that very, very few men are. Roughly 60% are in the middle wanting the best of both worlds, a combination of family life, paid employment and success or achievement in the public sphere, whether it is in politics, sport, art, the workplace or whatever. The ones in the middle group are the ones that are always dominant in any survey results because they are the ones who are the most numerous. However, an awful lot of policy is based on the assumption that women would be careerist and work-centred, just like men, if only culture and society allowed them to. The evidence is that they simply are not.</p> <p>In her written evidence she explained her thesis further:</p> <p style="padding-left: 40px;">If social engineering aims for outcomes that go against the grain, then all the money and effort will be wasted anyway. There are good reasons why fewer women remain working as engineers and few men become beauticians.</p> <p>It's curious that Catherine Hakim's evidence is presented in a section titled 'Nature or Nurture?', because in her oral evidence she explained at length that she didn't share my opinions on nature/nurture. Indeed she said that she believed there were no significant differences between men and women's abilities which might help explain the gender balances we see at the top of businesses etc.</p> <p>We're of the opinion that Catherine Hakim's evidence is presented in the 'Nature or Nurture?' section so that Preference Theory could be dismissed by the committee as not worthy of consideration. In the research that led to Preference Theory, Dr Hakim found that while four out of seven British men are 'work centred', only one in seven British women is. In our view this largely explains the gender balances we have historically seen at the top of major businesses etc.</p> <p>Why has Preference Theory been dismissed by the committee in such a cavalier manner? The answer is simple, we believe. Along with the evidence which shows that driving up the proportion of women on corporate boards leads to corporate financial decline, it shows the government's policy direction to be ideologically left-wing, and immune to rational challenging.</p>
10	14	<p>Much of our evidence, however, argued that the choices that many women make over the type of work they choose is more influenced by cultural presumptions of the role that women should take.</p> <p><i>Of course</i> much of the 'evidence' showed that, because virtually all the oral and written contributions were made by people ideologically (and often professionally) committed to increasing the number of women at the top of organisations, and in</p>

		the more attractive ‘male typical’ fields of employment. These people inevitably have to cite ‘cultural presumptions’, because they believe that with enough government money behind their initiatives, the ‘culture’ will change. They’re wrong, and virtually all of the ‘evidence’ is nothing more than opinions masquerading as facts.
11	17	We are of the view, based on much of our written and oral evidence, that the root of the problem of the stereotyping of jobs come from the cultural context in which career decisions are made, not from innate differences between men and women.
24	48	The Government should use the opportunities presented by the procurement of goods and services from the private sector to advance equality for women. They should produce an annual statement to illustrate the way in which Government contracts have been used to achieve this aim. More bullying of companies to drive up the proportion of women in companies regardless of the relative numbers of men, individual merit, experience etc.
26 - 28	50 - 54	The Fawcett Society is quoted at length on the subject of the ‘gender pay gap’. Unbelievable. Virtually no recognition that the ‘gap’ is attributable to the different lines of employment men and women typically and freely choose, women’s preference for part-time over full-time working etc. When such factors are accounted for, the gender pay gap disappears (as Catherine Hakim pointed out in her oral evidence).
37 - 45	79 - 102	Flexible working. Virtually no mention of the problems that companies face when employees work ‘flexibly’ rather than part-time.
58, 59	131	There are a number of academic papers which claim that the imposed increase of women representatives on the boards of companies in Norway since 2003 has resulted in a financial decline in the performance of those boards. The ‘academic papers’ are the five longitudinal studies we cited, which we provided to the committee, and they’re referenced in this report. But two of the studies don’t relate to Norway. They relate to organisations in the US and Germany – so we can see here the utter contempt displayed by the committee towards these studies. Our briefing paper relating to the five studies: http://c4mb.wordpress.com/improving-gender-diversity-on-boards-leads-to-a-decline-in-corporate-performance-the-evidence/
59	132	The Campaign for Merit in Business wrote that leading proponents of quotas have themselves disregarded the business case and “no longer claim a positive causal link with enhanced corporate performance”. This change of stance reportedly includes Catalyst (the American campaigning group that was the source of several studies cited by proponents of gender diversity in the boardroom). However, Catalyst submitted written evidence to our inquiry, which – far from no longer claiming a positive causal link with enhanced corporate performance – stated the following:

		<p>Catalyst has studied the relationship between the representation of women on corporate boards and corporate financial performance. Our research on Fortune 500 companies finds a clear and positive correlation between women board directors and enhanced corporate financial performance, particularly when a company sustains its commitment to gender diversity over time.</p> <p>This is outrageous. We've made it clear all along – in written and oral submissions – that the correlations in Catalyst reports (and other reports) aren't evidence of causation, indeed this point is explicitly made in the original Catalyst 'Bottom Line' series of reports.</p>
59	133	<p>Other contributors to the inquiry cited a body of evidence that indicated that greater diversity, including gender, can have a positive effect on corporate performance.</p> <p>We've challenged dozens of organisations and hundreds of individuals supporting the drive for more women on boards to provide their 'evidence' of a positive effect on corporate performance. None have ever been put forward 'evidence' which bears examination.</p>
59, 60	134	<p>The Fawcett Society cited another example:</p> <p>A 2012 study by the Credit Suisse Research Institute also demonstrates the substantial benefits of boardroom diversity for business. According to this study, companies with more female board members had a greater return on equity and higher average growth than companies with no female board members. The business of attracting, retaining and promoting the best talent is of primary concern to all UK businesses, particularly in the current financial climate of uncertainty.</p> <p>The 2012 study by the Credit Suisse Research Institute, <i>Gender Diversity and Corporate Performance</i>, analysed the performance of nearly 2,400 companies with and without women board members from 2005 to 2012. It concluded that relative share price outperformance of companies with women on the board looks unlikely to be entirely consistent, but the evidence suggests that more balance on the board brings less volatility and more balance through the cycle.</p> <p>Fawcett have carefully selected an extract from the Credit Suisse report with the intent of misleading. In September 2012 we posted the following on the C4MB blog:</p> <p>http://c4mb.wordpress.com/2012/09/22/credit-suisse-research-institute-report-gender-diversity-and-corporate-performance/</p>

		<p>The Credit Suisse report is here:</p> <p>https://www.credit-suisse.com/newsletter/doc/gender_diversity.pdf</p> <p>On page 15 of this report, in a section titled, ‘Women on the board and financial performance’, which details the correlations between female representation on boards and improved corporate financial performance, we find the following:</p> <p style="padding-left: 40px;">As the European debt crisis has unfolded, the best performers within the stock market have been those with stronger balance sheets (lower net debt to equity), higher average ROEs (often synonymous with higher cash-flow generation) and less volatility in the earnings cycle. In turn, our analysis shows that these characteristics are likely to be associated with some (rather than no) women on the board. But, is it having a woman at board level that makes the difference to the structure of the business or would that business have delivered the same result regardless? <i>None of our analysis proves causality.</i> [my emphasis] We are simply observing the facts.</p> <p>Similar statements are to be found in reports by Catalyst, McKinsey, and other organisations.</p>
60	135	<p>We have not attempted to establish whether a Board with female representation adds or diminishes the corporate financial performance.</p> <p><i>Why</i> did the inquiry not attempt to establish the answer to this critically important question? It would have taken little time and effort to do so. They clearly lacked the will. They could at least have compared the longitudinal studies which show increased female representation on boards diminishes corporate financial performance (the five studies we cite) with those which show an improvement (no studies, from anywhere in the world, ever).</p>
61	138	<p>I end this critique with the start of one of the most ridiculous sentences in this ridiculous report. The Mentoring Foundation operates the FTSE100 Cross-Company Mentoring Programme, and in its submission highlighted ‘how women’s perceptions of themselves can hold them back’. The cited paragraph in this report starts with:</p> <p style="padding-left: 40px;">In our experience stereotyping and women’s failure to progress to the top of large organisations result from complex and often invisible barriers such as lack of confidence...</p> <p>‘Lack of confidence’ – how pathetic is that? What’s the government planning to do to help <i>men</i> who lack confidence reach the top of large organisations? Why is it that women are the only group of people deemed worthy of government</p>

		<p>initiatives to drive up their representation at the top of large organisations? Don't other 'under-represented' groups merit government initiatives? Maybe the government could start with people who are:</p> <ul style="list-style-type: none">- stupid- short- one-legged- red-headed- Bulgarian- totally unqualified in any way for senior positions <p>The perfect CEO for a FTSE100 company would obviously be a short, stupid, one-legged, red-headed Bulgarian woman whose sole experience of business is selling vegetables.</p>
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