

# THE WALL STREET JOURNAL.

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<http://www.wsj.com/articles/heather-mac-donald-meritocracies-care-about-profits-not-gender-1427758298>

## OPINION

# Meritocracies Care About Profits, Not Gender

Maybe Ellen Pao lost her suit because it defied logic. Firms need talent to prosper, no matter the gender.



John Doerr, a senior partner at the Silicon Valley venture-capital firm Kleiner Perkins, with Ellen Pao in 2006, a year after she was hired as his technical chief of staff. PHOTO: ASSOCIATED PRESS/MARCIO JOSE SANCHEZ

By **HEATHER MAC DONALD**

March 30, 2015 7:31 p.m. ET

A San Francisco jury late last week rejected a \$16 million gender-discrimination lawsuit against a Silicon Valley venture-capital firm. This triumph of common sense, though, represents merely a minor setback in the feminist crusade against America's most vibrant economic sector. The chance that Silicon Valley can preserve its ruthlessly meritocratic culture under a continuing feminist onslaught is slim.

In 2005 plaintiff Ellen Pao got an MBA's dream job: technical chief of staff to John Doerr, a renowned senior partner with the venture-capital firm Kleiner Perkins

Caufield & Byers. Kleiner Perkins was a pioneer in high-tech entrepreneurship, making lucrative early investments in Google and Amazon, among other giants of the Internet age. Mr. Doerr mentored Ms. Pao, treating her, as Ms. Pao put it in an email to him, as a “surrogate daughter.”

He recommended her for a prestigious fellowship at the Aspen Institute and advised Ms. Pao about her performance at Kleiner Perkins. But after she was promoted into the direct-investing track, her reviews from other senior partners worsened. She was difficult to work with, they said, and wasn’t succeeding as a junior partner. By 2011, Mr. Doerr was the only senior partner who believed that she should stay on at the firm.

In May 2012, Ms. Pao filed a gender-discrimination lawsuit against Kleiner Perkins. She claimed that an employee with whom she had an affair was retaliating against her, and that the firm was punishing her for complaining about the retaliation. Kleiner Perkins put Ms. Pao on a “performance improvement plan,” but her performance didn’t improve.

In October 2012, she was let go during a firmwide downsizing. Her severance deal included \$33,333 a month for six months, a bonus and health benefits. She amended her complaint to allege that she was fired for filing the earlier discrimination claim and for exposing the mistreatment of women at the firm. She also charged that she wasn’t promoted to senior partner because of her gender.

Ms. Pao’s suit is a perfect example of the feminist vendetta against Silicon Valley companies. That vendetta is based on the following conceit: Businesses refuse to hire or promote top-notch employees who would increase their profits, simply because those employees are female. Reality check: Any employer who rejects talent out of irrational prejudice will be punished in the marketplace when competitors snap up that talent. For the feminist line of attack on Silicon Valley to be valid, every tech firm would need to be conspiring in an industrywide economic suicide pact.

Kleiner Perkins had devoted considerable time and resources to developing Ms. Pao’s potential. The idea that the firm was simultaneously thwarting her because of her gender and forfeiting its own investment in her is absurd.

Even leaving aside market pressures, the claim that any high-profile company today would discriminate against highly qualified females defies political reality. Every elite business is desperate to hire and promote as many women as it can to fend off the

gender lobby. Women who deny that their sex is an employment asset are fooling themselves.

But in a sign of how irrational Ms. Pao's view of the world is, she has now positioned herself as a martyr for Silicon Valley's allegedly oppressed Asians as well as its females. "If I've helped to level the playing field for women and minorities in venture capital, then the battle was worth it," she said after her courtroom defeat. Never mind that Asians are overrepresented in Silicon Valley and at Kleiner Perkins, compared with the national population, thanks to their talents, not least in science and engineering.

Most men don't make senior partner at Kleiner Perkins. In three decades only five junior partners out of 24 have been promoted to senior rank. Those disappointed males don't file discrimination suits, they suck it up and go on to other jobs. Too many females, however, have been taught to see themselves as perpetual victims of the patriarchy. The scant evidence that Ms. Pao assembled to prove that her advancement was blocked because of her gender reeks of the trendy academic theory of "microaggression"—a word that refers to racism and sexism that is otherwise invisible to the naked eye.

Ms. Pao's evidence of Kleiner Perkins's supposed hostility to females included a statement by Mr. Doerr that she had a "female chip on her shoulder"—an observation that seems entirely apt for an employee who had compiled a resentment chart of fellow workers who had wronged her. Equally damning, in the eyes of Ms. Pao's legal team: Mr. Doerr had mentioned that a new employee was a "mother." Another senior partner had never heard of the feminist rallying cry that women should "sit at the table," promoted by Facebook executive Sheryl Sandberg. "I really don't think it was a very big deal to us who sits at a table or who does not," that benighted partner testified, only compounding his sins.

The market is the best antidote to discrimination. It rewards talent and penalizes prejudice. Silicon Valley, an unprecedented cornucopia of life-transforming innovation, is a shining example of entrepreneurial market forces. Kleiner Perkins might have won this recent skirmish, but Silicon Valley remains in the cross hairs of feminist crusaders and their media allies. Expect companies to load up on bean-counting diversity officers and sexual-harassment training.

All else being equal, any economy that can escape the clutches of identity politics will enjoy a vast advantage. As an insurance measure against future competition from still-meritocratic cultures, perhaps the U.S. should institute this rule: For every foreign

scientist we train in our graduate schools, the scientist's home country must enroll another of its students in an American gender-studies department—who would then be sent home to enlighten the populace in the nuances of gender equity. *That* would level the playing field.

*Ms. Mac Donald is the Thomas W. Smith fellow at the Manhattan Institute and the author of “The Burden of Bad Ideas: How Modern Intellectuals Misshape Our Society” (Ivan R. Dee, 2000).*

Copyright 2014 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com).