



Equal Opportunity or Equal Outcome?

Only one will perpetuate peace and prosperity in the workplace

The financial services industry has evolved on the topic of equality over the last five years. Five years ago, firms were encouraged to bring greater diversity and equality to the workplace. Over time the message became increasingly urgent and instead of encouraging, industry writers started to guilt firms to speed up the process of back-office employees and advisors hired reflecting greater diversity and equality. More recently the tone of articles has shifted to shaming firms that haven't made enough "progress" in equality/diversity advances. The shaming has been primarily focused on broker/dealers that are small and mid-sized vs. larger broker/dealers that these anointed ones believe progressed at a fast enough pace to not be shamed. The largest wirehouse firms like Merrill Lynch and Morgan Stanley are the most enmeshed in woke dogma and the push for equity.

Small and mid-sized broker/dealers tend to be proponents of equal opportunity where a group of candidates for a particular job opening is considered, with the decision-making process ultimately to hire the best-qualified candidate but not to taint that decision with bias against the candidate on the basis of age, race, gender, religion, sexuality, or nationality. Indeed, this has long been the norm in hiring practices. Firms tell us, "We are always looking for the best candidates in the marketplace, so if you find someone that is a standout, even if we don't have an opening at the time, we'll make room just so we can have the best." Unfortunately, equal opportunity is being pushed aside by equity, which has numerous unintended consequences.

Equity is another term for equality of outcome or forced equality. Instead of hiring the best, the focus switches to filling back-office job openings by color, chromosomes, and a host of new categories established by the

academic ideology of intersectionality which is part of progressive theories making up Critical Race Theory.

Oppressor/Privileged	Oppressed/Victim
Fertile	Infertile
Upper Class Male	Poor Female
White Heterosexual	Non-Whites Gay/Lesbian
Cisgender	Transgender
Able-Bodied	Disabled

Intersectionality divides groups into two columns: those that are oppressors and privileged and those that are oppressed victims.

Intersectionality perpetuates victimhood as virtuous, with the workplace needing to have more of the victim categories represented and fewer of the privileged oppressors, with a heightened focus on fewer white males. People who see themselves as oppressed have no reason to get unoppressed and solve their problem. Their problem becomes their ticket that brings them a payoff or power. Equal opportunity seeks not to see people as segments of oppressor or oppressed categories but is rather focused on a person's character, culture, and abilities. To quote Martin Luther King's "I have a dream" speech, "I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character."

Equity in hiring practices is all about judging skin color and a host of other outward categories while ignoring deeper truths like character. Small and mid-sized broker/dealers do most of their hiring via the operations manager and perhaps a small Human Resources department with a focus on equal opportunity and hiring the best unless otherwise driven by management. Large broker/dealers tend to have large HR departments that often times have agendas that are biased toward social equity and woke politics in general.

College majors entering Human Resources departments have been concentrated in the social sciences (Humanities, Psychology, Communications, Public Relations) which have been heavily dominated by biased left-leaning professors since the 1960s. A major in humanities is a prime example of a major tailored to working in HR. In the book **American Psychosis. How the Federal Government Destroyed the Mental Illness Treatment System**, Chris Hedges points out that the Humanities has been at war with critical thinking. The Humanities at their best are about teaching people how to think rather than what to think. They are about challenging structures, teaching people to add assumptions. The Humanities are subversive and meant to be subversive, says Hedges. HR departments, left to their own devices, frequently push equity in hiring along with the other two spokes of the CRT trinity, inclusivity, and intersectionality. The irony of larger broker/dealers being the furthest along in pushing social equity is that they are the least able to afford pushing equity long term.

As I stated **in an article for Financial Advisor**, Price's law states that as a company grows, its incompetence grows exponentially while competence grows linearly. As an example, a company of 10 has 30% of employees doing half the work, a company of 100 has 10% doing half the work and a company of 10,000 has 1% doing half the work. To counter increasing incompetence, it is especially important for large broker/dealers to hire the best-qualified candidates they can, yet there's the conundrum. The larger firms pushing equality of outcome in hiring practices are actually making the firm less competent because their focus is no longer hiring the best but rather hiring candidates to fill positions with intersectionality-labeled victims and weed out oppressors.

The intersectionality victim category is easily discredited. What about poor white people being considered privileged? Or Asian Americans? Kenny Xu, author of the book **An Inconvenient Minority: The Attack on Asian American Excellence and the Fight for Meritocracy** states

that Critical Race Theory denigrates merit: "CRT can't cope with Asian Americans because they are minorities, they've been discriminated against, yet they are extremely successful overtaking whites in terms of education and economics. Culture is the reason, for Asian Americans study twice as many hours as the average American. They also have a strong two-parent family structure, strong value on education, a love for hard work and meritocracy (anyone with skill and imagination may aspire to reach the highest level)."

Industry articles have repeatedly stated in their push for equal outcomes that a diverse group of people is better at problem-solving or more creative than a group that isn't. Jordan Peterson, best-selling author of the book, **12 Rules for Life. An Antidote to Chaos** explains there is not a shred of evidence to support that idea. It brings you back to racial essentialism. **Peterson emphatically states** that equality of outcome needs to be fully rejected. "It is a pathological idea, there is nothing about it that is good, it's impossible to implement, it's fundamentally motivated by resentment and it's a lie."

Forced equality is unfair to the people you displace that may be better qualified. It is also unfair to the people you are trying to help since it stigmatizes them by creating an impression that they were put into a particular job position because they are a particular color, sex, or sexuality, and not for their ability. Filling chairs with a specific race for that sake of race is racist. Nurture workplace peace by not playing the identity politics game. American author **Lionel Shriver states**, "Identity politics is a rigid social structure that pits people against each other because the boxes are all in competition with each other. It's an ugly way to think about the world and to behave toward other people."

Forcing anything on anyone, be it equality or vaccines is tyranny. Economist and Nobel prize winner Milton Friedman left sage advice when he said, "The Society that puts equality before freedom will end up with neither. The society that puts freedom before equality will end up with a great measure of both."