

CAMPAIGN FOR MERIT IN BUSINESS

c/o Justice for Men & Boys, 27 Old Gloucester Street, London WC1N 3AX
W: <http://c4mb.wordpress.com> E: mail@j4mb.org.uk T: 07967 026163

Emailed only, to laura@30percentclub.org

Hanneke Smits
Global Chair
The 30% club

13 February, 2023

Dear Hanneke,

The ‘women on boards’ scam – our public challenges of leading proponents and a call to wind up The 30% Club

The late Nobel Prize-winning economist Milton Friedman wrote this in his book *Free to Choose*, published in 1980:

A society that puts equality – in the sense of equality of outcome – ahead of freedom will end up with neither equality nor freedom.

Hopefully we can agree that Mr Friedman made a good point. Yet, paradoxically, despite being the CEO of BNY Mellon Investment Management, you’re putting boardroom gender equality ahead of your responsibility for maximising your company’s clients’ returns on their investments. Specifically, you’ve taken on the role of Global Chair of The 30% Club, an organization committed to increasing the proportion of women on corporate boards, despite it having been well-known *for over a decade* that a well-established causal link exists between appointing more women to boards and corporate financial DECLINE. There is a clear conflict of interest between your role with BNYMIM and your role with The 30% Club.

I launched the Campaign for Merit in Business in 2012. To the best of my knowledge it was then (and remains to this day) the only campaign in the world challenging the claim that increasing gender diversity on boards leads to enhanced financial performance, and that companies should therefore appoint more women to their boards. I occasionally challenged Helena Morrissey on her advocacy for more women on corporate boards since she established your organization in 2010. On our website we have many blog pieces which mention her,¹ and many which mention the 30% Club.²

Two months ago I sent public challenges to your two predecessors as Global Chair of The 30% Club – Helena Morrissey and Ann Cairns – as well as Professor Susan Vinnicombe and Tony Danker (Director General, CBI). Details have been posted on our website³ and on the website of the political party Justice for Men & Boys,⁴ which I lead. A related press release was sent to a considerable number of journalists

¹ <https://c4mb.wordpress.com/?s=Helena+Morrissey>

² <https://c4mb.wordpress.com/?s=30%25+club> / <https://c4mb.wordpress.com/?s=30+percent+club> / <https://c4mb.wordpress.com/?s=30+per+cent+club>

³ <https://c4mb.wordpress.com/2022/12/14/women-on-boards-our-public-challenge-of-four-leading-proponents-2/>

⁴ <https://j4mb.org.uk/2022/12/14/women-on-boards-a-public-challenge-of-four-leading-proponents/>

around the world, who write on business and investment matters, and we'll be sending one to them in relation to your appointment.

You may be aware of the Cranfield School of Management *Female FTSE Board Reports* which Professor Susan Vinnicombe⁵ and colleagues have been producing since 1999.⁶ The proportion of FTSE100 board directors who are women for selected years:

2000 – 5.8%
2005 – 10.5%
2010 – 12.5%
2015 – 23.5%
2020 – 34.5%
2022 – 39.6%

I see from your organization's website⁷ that your goal is for at least 50% of major company directors to be women:

We call on our members to commit to at least 30% female representation on their boards and executive leadership teams because this is the critical mass at which minority voices become heard. Our ultimate goal is parity.

As far as the FTSE100 is concerned, the 'critical mass' has long since been passed. Female representation on FTSE100 boards has increased almost seven-fold over the past 22 years. Plenty of time for researchers to have reported on the causal link – if it exists – between appointing more women to boards and enhanced financial performance. Enhanced financial performance was, after all, the stated 'business case' for the 'more women on boards' initiative from the outset.

In 2012 I presented oral evidence to a House of Commons inquiry, 'Women in the Workplace'. A link to the video (56:49) is here.⁸ I cited five longitudinal studies indicating a causal link between increasing the proportion of women on boards and corporate financial DECLINE.⁹

My challenges to you could not be simpler. I'm looking for answers to two questions:

- Do you have evidence of a causal link between increasing gender diversity on boards and enhanced corporate financial performance? If so, please provide links to it. Evidence from the FTSE100 would be particularly welcome, given the almost seven-fold increase in female representation on FTSE100 boards since 2000.
- Do you accept the findings of the longitudinal studies reporting a causal link between increasing gender diversity on boards and *declines* in corporate financial performance? If so, do you believe declines in financial performance are a price worth paying for having more women on boards?

⁵ <https://www.cranfield.ac.uk/som/people/professor-sue-vinnicombe-756915>

⁶ <https://www.cranfield.ac.uk/femaleftseboardreport>

⁷ <https://30percentclub.org/about-us/>

⁸ <https://www.youtube.com/watch?v=zwqTi6HN0pM>

⁹ <https://c4mb.wordpress.com/improving-gender-diversity-on-boards-leads-to-a-decline-in-corporate-performance-the-evidence/>

Finally, given that a cornerstone of The 30% Club since its launch has been its claim that appointing more women to boards will result in improved financial performances, a claim which has been known to be a lie for over a decade, The 30% Club is nothing less than a scam. I suggest it be wound up forthwith.

Please reply to me via email (mike@j4mb.org.uk) rather than by mail, to save time. Thank you.

Yours sincerely,

Mike Buchanan