

## DOES DIVERSITY ENGENDER EXCELLENCE?

*If diversity engenders excellence why is the NFL 65% black while the NBA and WNBA are 80%?  
What if the pursuit of diversity and excellence are mutually exclusive goals?*

The field of financial economics enjoys a well-documented and demonstrated positive outcome from diversification. In a world where risk is measured by the variability of outcomes a well-diversified portfolio of assets reduces the variability of returns. Financial assets are subject to two kinds of risk: systematic and nonsystematic (random) risk. The larger number of diverse assets the smaller the random risk of a portfolio. This phenomenon can be and has been proven mathematically. Thus, portfolio risk, measured by beta, relates the returns of a portfolio with those of the entire financial market. A beta of zero means the returns of a particular portfolio are unrelated to those of the whole market. A beta of one indicates that the returns of the associated portfolio vary in the same manner as the entire market.

Therefore, diversity of assets in a portfolio reduces the risk of the portfolio, vis-à-vis, an undiversified portfolio. A virtual infinite number of such portfolios exist. The leading edge of this portfolio array consists of an assortment of portfolios none of which are superior to the rest as the returns on those portfolios are consistent with their systematic risk. Thus, if one wishes maximum expected return then one must bear commensurate systematic risk. That is, the expected return must be consistent with its associated risk.

Efforts to find an equally clear and demonstrable effect of diversity on efficiency and effectiveness prove elusive. If a particular medical issue requires a team of physicians would a well-diversified team be better able to resolve the issue or a team selected for their experience, training and competence? One could argue that if the diversified team had the same credentials then it would be able to resolve the issue as well as the 'merit' based team. If so then it would not be the diversity that leads to an appropriate solution but the team's merit.

For instance, when Apollo 13 malfunctioned a team of highly trained and skilled scientists and engineers creatively designed a means of returning the damaged module safely back to Earth. Could a well-diversified team have performed any better or as well? Only if they possessed the same education, training and experience. Again, the successful effort to save the Astronauts depended on the expertise of the team and not its composition.

Does this argument mean that a highly diversified team would never be appropriate? Hardly. Instances where the outcomes of the team's efforts and experiences are highly subjective could call for a diverse rather than specialized inclusion. But this conclusion subsumes that diversity consists of more than ethnic, racial, gender, and age considerations. Diversity is not diversity if certain viewpoints, opinions, beliefs and theories are excluded. Otherwise, the result is just another biased and inappropriate exercise.

Diversity, as popularly defined, provides little improvement in the acquisition of technical or scientific skills. A variety of lifestyles, heritage, and skin colors contribute little to the understanding of mathematics, physics, chemistry, economics, or astronomy. There appears to be little reason that a diverse classroom learns these skills any quicker or better than classrooms composed of relevant highly specialize groups. A high order mathematics classroom composed mainly of, say, Asians would presumably master the subject faster and more thoroughly than one composed of most any other racial/ethnic group or a random mixture thereof. A richer environment provided by a diverse group of learners/teachers is poor substitute for proficiency in high order mathematics or the hard sciences.

This argument assumes instances exist where a group composed of individuals with selected backgrounds will perform more efficiently and effectively than a similar group chosen randomly from a broader diverse population. It is not clear how or even if a diverse group contributes to efficiency or effectiveness particularly if individuals with differing theories, viewpoints, and beliefs are excluded. The latter hardly qualifies as 'inclusive'.

It seems antithetical that those who adhere to the popular precepts of diversity object to the ideas, opinions, theories and practices of those that believe or think differently. Proponents of 'climate change' eschew the ideas, theories and evidence of those who think otherwise. If the beliefs of the latter group were so bizarre would they not fall of their own weight? A truly diverse scientific team would never believe, "the science is settled." A truly inclusive and competent team of scientists could very well arrive at a set of conclusions that might defy the 'conventional PC wisdom'.

Science and philosophy are processes that are subject to what Frederick Hegel called The Dialectic, aka, *The Hegelian Dialectic*. As processes, both philosophy and science continuously and asymptotically approach 'truth'. As such they continually create new theses from which spring antitheses that in logical course create a synthesis that becomes the next thesis. This process repeats itself continuously in constant search for truth. As Isaac Newton stated in his *Principia* that science is an iterative process. Thus, science is never settled.

Persistent calls for diversity could be interpreted as an implicit admission that abilities, experience and talent are not distributed equally among races, ages, genders and ethnic groups. If these traits were equally present in all groups then there would be little need to call for diversity, as it would occur naturally. That is, there would be no reason to differentiate among those various groups in the first place. It hardly seems likely that blacks dominate the sport of basketball because of an inherent bias against other races. Gonzaga University seems to be the exception to this rule.