Boys will be boys' gets a new spin in Silicon Valley sexism scandal

<u>Jessica Guynn and Jon Swartz</u>, USA TODAY Published 2:11 p.m. ET July 21, 2017 | Updated 3:16 p.m. ET July 24, 2017



The recent sexual harrasment allegations that have swept through Silicon Valley have put the spotlight on the male dominated world of venture capitalists. Buzz60



(Photo: Michael Petraeus)

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SAN FRANCISCO — Female start-up founders who have <u>come forward</u> with stories of unwanted physical contact and repeated propositions for sex by venture capitalists have received a wave of support from Silicon Valley.

But not from everyone.

There's talk of witch hunts and fake news as the resignations of Justin Caldbeck and Dave McClure have some men and women questioning whether these investors were judged too swiftly and too harshly and if they are serving as scapegoats for years of bottled up frustration over unchecked sexism in tech.

And this isn't just happening behind closed doors and in anonymous online posts. A few are speaking out publicly.

"How is it that men should pay with their careers for a moment of weakness?" says Michael Petraeus, a start-up entrepreneur who calls McClure's ouster a "crucifixion."

According to Petraeus, McClure's personal missteps have been blown out of proportion when stacked against his professional contributions to the tech industry. And Petraeus insists his is not a fringe view, that others feel as he does, they just don't dare talk about it.

"Should Dave McClure pay for his mistakes? Most likely yes. Should he have to step down into the shadows of the company he made? Hell no," said Petraeus, founder of a digital technology company, Corpus Caeleste. "I don't understand why a guy, who is an otherwise great businessman who helped over a thousand companies around the world, should have his professional life erased simply because he likes to sleep around."

Chris Sweis, an entrepreneur and investor, called McClure's ouster "the public neutering of a good man."

"If you know Dave you know him to be a very passionate person who is a lover of people...That passion is clear to anyone who knows him...He is also a MAN...A heterosexual MAN...Yes a MAN... A MAN who from time to time has needs and desires of a woman," Sweis wrote in a Medium post.

To Michael Kimmel, a sociology and gender studies professor at Stony Brook University, the idea that men can't be expected to control themselves around women in business is an antiquated view at odds with the tech industry's perception of itself as progressive.

"This is the classic 'boys will be boys' argument," Kimmel said.



Prominent technology investor Dave McClure has resigned from the start-up incubator he co-founded for engaging in "inappropriate interactions with women in the tech community." (Photo: Steve Jennings, Getty Images for TechCrunch)

Stanford law professor Michele Dauber, who says Silicon Valley has a tendency to ignore or excuse bad behavior, calls it "bro apologetics."

Encouraged to push the boundaries in business, some men in Silicon Valley figure the normal rules don't apply to them. They lure women with promises of funding to a late-night rendez-vous in a bar where they can try to grope and kiss them, women who have described these advances say. They pressure women to get a hotel room after a business meeting. They send them sexually explicit text messages in the middle of the night. A recent survey found that <u>six out of 10 women</u> had experienced unwanted sexual advances.

Most people agree this isn't acceptable, yet there's a reluctance to regulate behavior for fear of ruining the secret sauce that has been enriching Silicon Valley for decades, Dauber says.

"It's a special spin on 'boys will be boys.' Boys will be boys is the reason we are making so much money and we can't do anything to interfere with that," she said.

Complaints of <u>frat-house antics</u> from the mostly male line-up of venture capitalists have been whispered in the industry for years. But naming the victims and the perpetrators has called greater attention to the immense power venture capitalists have over the women who come to them for financial backing.

Under intense public pressure, Caldbeck resigned, bringing his venture capital firm, Binary Capital, to the brink of collapse, <u>after six women</u> detailed his sexual advances as they met with him to discuss funding, jobs and advice.

A week later, female tech entrepreneurs described how McClure, founder of a firm that provides funding, training and connections to start-ups that pass through its doors, also made unwanted advances during business dealings. After giving up the reins of 500 Startups, he resigned outright.

The removal of two prominent investors <u>sent shock waves</u> through Silicon Valley, where for years there were few consequences for sexist behavior. In recent days, more allegations against tech investors have been made.



Silicon Valley has a tendency to ignore or excuse bad behavior, says Stanford law professor Michele Dauber. She calls it "bro apologetics." (Photo: Eric Risberg, Associated Press)

Even as women are starting tech companies in greater numbers, many top venture capital firms in Silicon Valley <u>don't have a single female investing partner.</u> In 1999, 10% of the venture partners were women. By 2014, it was 6%. And the funding gap keeps widening: Last year, women received 2.5% of venture capital funds, according to PitchBook.

Silicon Valley has responded to tales of men behaving badly with pledges to create an environment hostile to sexual predators. Y Combinator, a prominent incubator for Silicon Valley start-ups, is developing a blacklist of investors accused of inappropriate behavior. Venture capitalist and LinkedIn cofounder Reid Hoffman has proposed a decency pledge.

But there's also plenty of second guessing and backtracking. Some are privately wondering how prevalent this behavior really is and they are insisting that, even if it's happening elsewhere, it's not happening inside their firm.

One prominent venture capitalist, Vinod Khosla, said this week that he does not believe sexual harassment is that common in venture capital.

"It's a reality because it's perceived as a reality," Khosla said, according to tech news outlet Recode.



"These people have been socialized in a corporate environment that is dying, not the one that is on the horizon," says Nicole Sanchez, founder and CEO of Vaya Consulting. (Photo: Christian Peacock)

Concern is also growing in some quarters that the punishments being meted out don't fit the crime.

There's a "witch hunt mentality," says Heidi Dangelmaier, who runs an all-female innovation firm, GirlApproved, in New York.

Tatyana Kanzaveli, CEO of health-care start-up Open Health Network in Los Altos, Calif., says she's worried about a broad indictment of men.

The globe-trotting McClure, who favored sandals and T-shirts and colorful language, had a reputation as someone who helped women, people of color and entrepreneurs in developing countries, says Sarah Cone, managing partner with Social Impact Capital.

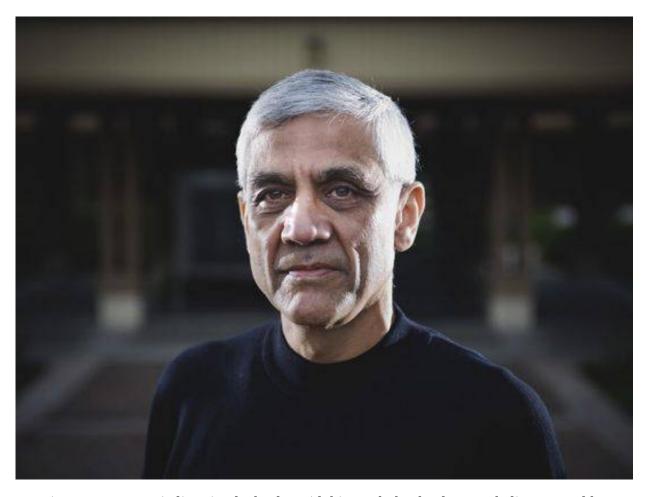
He "lacked all professionalism," Cone said, "but that's also what he built his reputation on. You don't hang around Dave for his buttoned-up nature."

But, Cone said, revelations about unwanted advances "makes me think he deserved what happened."

While Caldbeck and McClure admitted to crossing the line, some say they are being made to suffer for the transgressions of others.

Drew Koven, who as managing director of LDR Ventures, a Los Angeles investment firm, did business with McClure, says McClure was the unlucky recipient of "a lot of built-up angst."

"He was demonized and had the crap kicked out of him," he said.



Prominent venture capitalist Vinod Khosla, said this week that he does not believe sexual harassment is that common in venture capital. "It's a reality because it's perceived as a reality," Khosla said. (Photo: Martin E. Klimek, USA TODAY)

A similar backlash followed the resignation of Uber CEO Travis Kalanick, ousted by his board of directors after months of disclosures over a toxic corporate culture. His undoing was set in motion by ex-Uber engineer Susan Fowler, who went public with her account of sexual harassment and pervasive sexism at the ride-hailing company.

While many women in tech applauded the move as a sign that boards would boot visionary founders over bad behavior, some Uber employees bemoaned Kalanick's exit — with a group reportedly even <u>petitioning</u> for his return.

Diversity consultant Nicole Sanchez says those speaking up in defense of men who have admitted preying on women fall into different camps: friends and loved ones, people who are afraid of losing access to the investor's resources and those who realize their own behavior could be called into question.

"Or perhaps they truly don't understand what's wrong with the behavior described, hence the 'what's the big deal?' kinds of questions," said Sanchez, founder and CEO of Vaya Consulting. "These people have been socialized in a corporate environment that is dying, not the one that is on the horizon."

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