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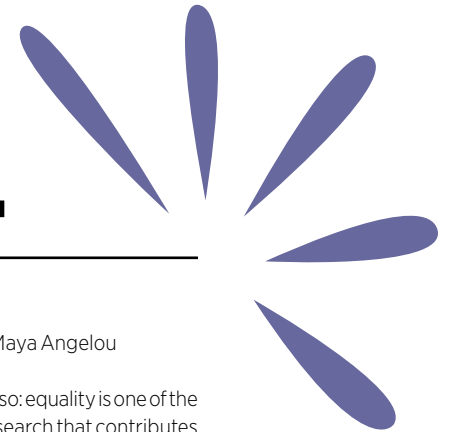
REVIEW



*Diversity
and Inclusion*

MARCH 2023

EDITORIAL



"In diversity there is beauty and there is strength." - Dr. Maya Angelou

Diversity and inclusion are global priorities, and rightfully so: equality is one of the United Nations' sustainable development goals, and research that contributes to building an inclusive society has been identified as a priority by the European Union's Horizon 2030 framework. At ESSEC Business School, we also strive for diversity and inclusion in both our pedagogical and academic activities. Our aim is to conduct research that has a positive, practical impact on society.

To that end, it's important to apply a scientific approach to the study of diversity to identify workable solutions. ESSEC professors have risen to the challenge and are conducting cutting-edge research on a wide range of diversity topics, representing various disciplines: economics, management, marketing, econometrics, and finance.

In this special issue, professors have shared their research and thought leadership, discussing diversity in advertising, inclusive fashion, gender equality in business, talent management and migration, and more. They explore different facets of diversity: gender, size inclusiveness, the queer community, immigration, ethnicity, disability, and how these identities can interact. Humans contain multitudes and it's important to recognize how our social identities shape our lived experiences. I hope this special issue provides food for thought on how we can approach grand challenges like diversity and inclusion as a society moving forward.

Julia Smith, *Editor-in-Chief of ESSEC Knowledge*

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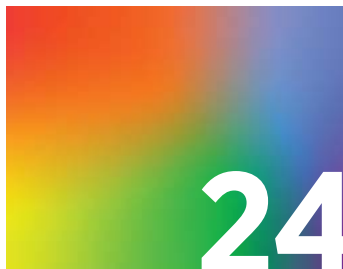
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WHAT WOMEN WANT: AS LEADERS AND PROFESSIONALS



Viviane de Beaufort is Professor of European law at ESSEC and an expert in public policy and lobbying, and a recognized spokesperson on Women Empowerment. She is the author of numerous books and articles on the institutional system and lobbying, in business law and corporate governance. Viviane runs the European Center for Law and Economics (CEDE- Ceressec). She is responsible for ESSEC's executive programs dedicated to the emancipation of women, including the Women Be Board Ready program, and is the school's gender equality referent.

My work is part of my social identity, it's a key way I feel valued. But [my] personal and professional lives often clash.

This quote, one of 274 gathered in a recent study, sums up the position of French professional women, who feel like their work is a calling, but aren't prepared to give everything up for it. It's one of the key lessons we can take from the study, another being that there's often a clash between one's values when one notices the discrepancy between public dialogue and practices that expect leaders to be irreproachable.

Equality is a fundamental value of France, and gender equality must be a priority. It's also one of the 17 sustainable development goals of the United Nations, and Emmanuel Macron made it part of his first mandate. Elisabeth Borne's appointment as Prime Minister is a powerful symbol of how times are changing, as are recent legislations like the Pénicaut index and the Rixain law. Despite this, other women turned the post of Prime Minister down before Borne accepted it. This prominent example seems to represent a more systemic trend: what happens when women in power turn down promotions,

even as the tides are changing, in part thanks to the Copé Zimmerman law? The quotas imposed by the Rixain law for 2026 motivate companies to promote gender equality in leadership – but certain skilled women are hesitating or refusing when approached. Why?

As part of the CEDE-ESSEC Women Empowerment Research program, Viviane de Beaufort led a study on female leaders on why they may sidestep promotions. She questioned alumnae of the ESSEC Women Be Board Ready program, designed for female leaders, to better understand the career drivers and needs of female leaders in France, a situation that is evolving after COVID-19.

The pandemic has had an impact on how many of us see our life's ambitions. It's made us dream of meaningful work and a life outside the office, and realize how many sacrifices we need to make to climb the career ladder. Women have often been more accepting, but now, like the younger generation, they're looking for organizations that will support them during their career, that will offer equal pay for equal work and that will respect their work-life balance. They're looking for companies that practice what they



preach, have a more horizontal hierarchy, are trustworthy, and work toward the common good.

The women who participated (over 100 participants in all) have illustrious professional careers, with varying degrees, trajectories, experiences, and sectors. Their in-depth knowledge of power and governance structures after having done the aforementioned program make them the ideal sample to explore this emerging trend and see if it may become a more systemic movement.

When offered a promotion, women are stating their conditions and considering their ability or, indeed, their duty to change the system from the inside – or to reject it.

For 67% of participants, their professional life is a source of intellectual fulfillment, progression, and accomplishment. But this professional fulfillment must coexist with their overall life (as noted 61%), and while 56% mentioned that their work is critical for their financial needs, they aren't willing to give everything up.

What makes almost half of these women hesitate, even though 81% have not previously refused a promotion – what makes them refuse the final ascension to an executive-level job? Three key reasons emerged. The first is no surprise, but the other two are food for thought for companies.

1. Family reasons (44%): concern over having less time for one's family. When moving is in the cards, like an overseas assignment, 73% refuse.
2. Personal reasons: this includes fear of professional exhaustion, noted by 1 in 5 participants, imposter syndrome (36%), and, more positively, another life goal (55%).
3. Professional reasons: such as a conflict between their idea of the job and the reality (49%), insufficient autonomy or resources (59%), and a disconnect between the discourse and the reality of the power differential between them and their superiors (84%).

The participants clearly expressed their key needs and made concrete suggestions on what to do.

So what should companies do? Leadership should commit to fostering a diverse working environment at all decision-making levels. Women rising to positions of power should permit the implementation of a more balanced way of working for everyone, men included.

Here are some ideas:

- An equitable recruitment process: don't eliminate those with kids or of a certain age right off the bat. It's up to the individual to decide if the job suits them, and not up to the organization to decide that they aren't up to the task because of their personal situation.
- Support and a strong integration process to support people in new roles and give them the tools they need to succeed (mentioned by 73.8% of participants).
- Ending a culture of presenteeism and implement flexible working conditions, like remote work (mentioned by 69.9% of participants).

- Having internal policies that support diversity, that encourage the promotion of women to leadership positions, and offer the necessary training, mentoring, coaching, and access (mentioned by 70.8% of participants).

- And of course, equal and fair pay.

It's time to consider what makes an exemplary leader, described as the one that represents a company's values and makes them credible and sought-after while the war for talents is raging. Companies that aren't female-friendly risk losing female talents, in addition to being in non-compliance with the legal requirements (quotas) at the level of the management and governance bodies, and risking sanctions. ■

*Article written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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GENDER EQUALITY IN FINANCE



Estefania Santacreu-Vasut obtained a PhD in Economics from UC Berkeley. She is Professor of Economics at ESSEC Business School and THEMA. Her research focuses on gender and institutions and has been published in outlets such as the *Journal of Development Economics*, *Journal of Economic Behavior and Organization*, among others. She is a consultant for the OECD, co-founder of the project *Gender & Finance* and the co-author, together with Tom Gamble, of the popular press book *"The nature of goods and the goods of nature: Why anti-globalization is not the answer"*.



Francois Longin is Professor of Finance at ESSEC Business School. He pursues a career in banking and finance by allying consulting, research and training. He is a trusted risk management advisor to financial institutions and firms. François Longin's research interests include extreme events in finance and their applications for trading rooms and fund management firms.

The fight for gender equality needs to happen on all fronts, including finance. Gender inequality remains rife in the finance industry: a 2020 European Commission report noted that in 2018, venture capital backed tech companies with all-male founders received 93% of capital, with 5% going to mixed teams and 2% to all-female teams¹. While women are employed in the finance industry, they are underrepresented in top leadership positions, with a 2020 Oliver Wyman study on 460 firms in 37 countries indicating that women represent 20% of executive committees and 23% on boards². To better understand the gendered nature of finance, ESSEC professors François Longin and Estefania Santacreu-Vasut established the Gender and Finance project, aiming to shed light and share information on gender in finance.

A tale of two CEOs

One of their research efforts explored the stock market reaction to the appointment of female CEOs^{3,4}. Stock markets tend to react poorly to female CEO appointments, and Longin and Santacreu-Vasut sought to better



understand this phenomenon. They used a lab experiment in which participants (business school students) used SimTrade, a simulation trading platform developed by Dr. Longin, and compared how male and female participants reacted to the appointment of a male vs. a female CEO, i.e. whether they bought or sold stocks. Their experimental approach was designed to “unblind” finance: since it was conducted in a controlled environment, the researchers were able to identify the traders (and their gender), and able to control contextual information like what they knew about the company and when they learned about the CEO appointment.

Data analysis revealed that when a female CEO was appointed, female participants tended to buy stocks, while males tended to sell stocks. The reverse occurred following the appointment of a male CEO: women sold stocks and men bought them. The researchers also calculated the critical threshold that is required for a “neutral” market reaction: for a neutral reaction after a female CEO is appointed, a critical threshold of 82% female is required, whereas for a neutral reaction after a male CEO is appointed, the critical threshold falls to 43% female, showing that the market

gender bias is greater for female CEOs. This shows clearly that women and men react differently to the appointment of female CEOs.

These results highlight the impact of the market's gender composition: as the financial market is still dominated by men, a company's stock could suffer following the appointment of a female CEO. It also shows that this could become a self-fulfilling prophecy: if stockbrokers expect stock prices to behave in a certain way after the appointment of a CEO, they might decide to buy or sell accordingly. This could perpetuate gender stereotypes and gender inequality. By raising awareness about this phenomenon, particularly in management education, it is possible to combat stereotyping and bring about positive change.

The language of microfinance

Dr. Santacreu-Vasut continued to shed light on gender in finance in a 2020 paper examining the global microfinance industry⁵, co-written with Israel Drori (Department of Organization Studies, Vrije Universiteit Amsterdam), Ronny

Manos (School of Business, College of Management Academic Studies, Israel), and Amir Shoham (Fox School of Business, Temple University). In their recent study, they examined how the global microfinance industry determined its targeting strategy in cultures with different gender values, using male/female grammatical distinctions as a proxy. Microfinance is an innovative strategy for combating inequality: it consists of providing financial services, like loans, to individuals who are unable to access traditional banking services. There is a particular focus on empowering women, the idea being that it encourages entrepreneurship and therefore self-reliance and improved financial circumstances. It follows, then, that microfinance institutions will develop their targeting strategies accordingly in order to adapt to the local cultural context and optimize their social benefit.

To explore this question, the researchers looked at data from three sources: data on language and the gender index classifying gendermarking⁶, data on microfinance institutions, and data on the countries in which microfinance institutions operate. All in all, the sample included over 2200 microfinance

institutions representing 101 countries over a 15-year period from 2003-2017.

The researchers found that cultural values do influence the targeting strategy taken by microfinance institutions, in that they do tend to target women in locations where they are especially likely to be excluded from traditional financial services, and less likely to target women in regions where discrimination is lower. They found that languages with higher degrees of gender marking, meaning where speakers have to make male vs. female distinctions more frequently are associated with higher degrees of gender discrimination: this method for measuring cultural values offers a methodologically sound way to measure culture. These findings show that microfinance institutions adapt to best serve their overarching mission of empowering women, and focus their efforts on contexts where women are especially discriminated against and unable to access traditional banking services.

Knowledge is power

To combat gender inequality, we need to understand how it plays out in different settings. With their gender and finance project, Dr. Longin and Dr. Santacreu-Vasut seek to understand the interplay of gender and finance to identify and debunk stereotypes and raise awareness in the leaders of tomorrow. Thanks to the microfinance research of Dr. Santacreu-Vasut and her colleagues, we also gain understanding of how cultural context impacts how financial outreach unfolds in a real-world setting. Research on gender and finance, like the studies discussed here, provides insights for the fight for equality. ■

Article written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge

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WOMEN'S CAREERS: BREAKING THE CYCLE OF SELF-FULFILLING PROPHECIES



Dr. Ioana Lupu is Associate Professor in the Accounting and Management Control department. Prior to joining ESSEC, she was a Lecturer in Management Control at Queen Mary University London and a Marie Curie Senior Research Fellow at Cass Business School. She authored a book based on her PhD dissertation: *"Carrières de femmes. Identité, socialisation et vie familiale dans les cabinets d'audit et d'expertise"*. She has been published in *Organization Studies*, *Human Relations*, and the *Harvard Business Review*, among others.

She is currently working on projects exploring control, identity, temporal experiences, body and compulsive behaviors in knowledge-intensive firms (audit and law firms).

Article co-written with **Raluca Delaume**. She holds a PhD in applied behavioural economics and has 20 years' experience in various roles with multinational companies. Her research interests include application of cognitive psychology to business decisions and education.

One's reputation, whether false or true, cannot be hammered, hammered, hammered into one's head without doing something to one's character — Gordon Allport (American psychologist, one of the founding figures of personality psychology).

Organizations around the world spend billions of dollars annually to combat bias and inequality in the workplace. According to a McKenzie study¹, diversity training is a 10 billion-per-year industry, and 65% of organizations in the US and 60% of organizations in the UK offer diversity training. Drawing on a large body of research and the concept of "stereotype threat", we show how career development programs for women often backfire and make gender stereotypes a self-fulfilling prophecy. We offer evidence-based practical solutions to mitigate the

potential negative effects of these programs and empower women to fulfill their potential.

The ubiquitous stereotype threat

If you're new to the workforce, did you worry that your colleagues would stereotype you as a "typical millennial" when you first started work? If you've been working for decades, have you experienced ageism? Research² shows that when people worry about being the target of a negative stereotype, there's an increased likelihood that they will underperform within the stereotyped domain. Even when there's no evidence of being treated differently, having this stereotype in mind will lead the individual to become more aware of it. This phenomenon is called stereotype threat.

Many women in leadership positions experience gender stereotype threat³. The paradox is that stereotype threat can be enforced by well-intentioned development programs to help women's careers, but this then "reminds" them about gender stereotypes that they might not have



otherwise personally experienced or believed. Thus, stereotypes can become a self-fulfilling prophecy and can negatively impact women's performance, even in the absence of different treatment. This is true whether or not people actually believe in the stereotype: research⁴ shows that mere awareness is enough to activate stereotype threat.

How does stereotype threat work?

There are several explanations of why stereotype threat impedes performance. Cognitive resources are temporarily absorbed⁵ by intrusive thoughts, leading individuals to underperform despite significant knowledge and ability. Suppressing these negative thoughts will use up the working memory needed to perform well. These efforts tax cognitive resources and eventually impair performance. Other studies found increased physiological stress response⁶, increased blood pressure⁷ and cardiac output⁸ for individuals under stereotype threat. While moderate stress can be a booster, it can impair performance⁹ for cognitively

demanding tasks and lead people to perform below their ability.

Stereotype threat is pervasive: an individual doesn't have to agree with the stereotype or even be a member of a stigmatized minority group for the stereotype threat to be activated. For instance, one study¹⁰ asked accomplished white male students at Stanford University and at the University of Texas to take a difficult math test. The researchers emphasized the stereotype of Asian mathematical superiority to the experimental group, who eventually performed worse than the control group. These students were not conditioned by societal stereotypes to doubt their intellectual abilities. If they could experience threat and see their performance declining, then anyone who can be plausibly targeted by a stereotype can feel it.

However, this experiment also showed that stereotype threat can be mitigated, so it's possible to redirect it to achieve positive outcomes. This is called a stereotype boost. For example, research¹¹ found that Asian American female students performed better on a math test when they were primed with their ethnic identity than when they

were primed with their gender identity. In that case, the cultural norm for Asian Americans to excel at math rendered the gender stereotype less influential.

Do gender diversity programs really work?

Corporations around the world attempt to resolve gender inequality by offering women a variety of professional development programs to boost their careers. Over the past decades, gender diversity training has developed into a multi-billion industry. Despite such significant investment, diversity goals at management levels are far from being achieved¹² in proportion to employment levels.

These findings are no surprise for social psychologists¹³. They question the effectiveness of such programs and the untested assumptions underlying interventions to change social behaviour. The success of these programs is often measured unreliably¹⁴ based on participant feedback. However, testimonials can be misleading, and participants inevitably make inferences (facilitator was nice, everyone seemed to like it, interesting



discussions, so it was a good program). But are these programs really effective? These courses are well-meaning, based on common sense, undoubtedly needed, but increasingly academics question their true effect¹⁵, noting that these trainings are sustained by anecdotal accounts¹⁶. Other research¹⁷ notes that diversity training is developed by self-professed experts who rarely have formal training or the background to evaluate the effects of these programs.

Good news from research

Using experimental research on stereotype threat, we propose solutions that can improve career development programs for women. Stereotype threat is the common explanation¹⁸ for women's underrepresentation in

STEM fields and leadership positions. The good news is that these fields could perform experimental research, based on randomized controlled trials, and develop strategies to help women cope with gender identity threats. This research is more convenient and ethical to conduct, and explores ways to activate or inhibit stereotype threats. We suggest that these findings are transferable to women's career development programs.

Research shows that when individuals are chronically exposed to stereotyped threatening situations, it leads to disidentification and ultimately attrition from the respective domain¹⁹. The most widely studied academic performance outcome for women under stereotype threat is math test performance. We build on research on women's career progression in STEM fields because it offers tested and true solutions to

overcome stereotype threat, whereas the solutions proposed for women in leadership positions have been rarely tested in empirical settings.

A seminal study²⁰ demonstrated that knowledge of math gender stereotypes and evidence of the effects of stereotype threat on math performance emerge as early as kindergarten. However, research on gender representation in STEM shows that the stereotype threat is not a fatality and some individuals are immune to this threat²¹. What makes some people more vulnerable to stereotype threat than others?

Several studies²² explored the role of identities in general and gender identity in particular as a factor of girls' and women's performance under stereotype threat. Each of us is a unique combination of various

social identities²³ (e.g., gender, race, religion, nationality, career, etc.) and a social identity that is central in one context might be meaningless in a different context. When identities are perceived to be compatible with one another, each one may provide a sense of connection and belonging. However, conflicting identities²⁴ may raise self-doubts about one's belonging and potential for success in domains where identities clash.

What individuals can learn from the findings of experimental research

1) Role separation. This means that individuals should attempt to make a clear distinction in their minds²⁵ between their identity as a member

of the stereotyped group (e.g. women) and their professional identity, while simultaneously retaining both as valued aspects of themselves. Role separation²⁶ can act as a buffer, preventing negative experiences in one role interfering with those of another role. In contrast, when roles are not separated, there is less flexibility for the individual in negotiating role-associated tasks. Moreover, constant multitasking between the gender norms and performance in the stereotyped domain can be exhausting.

2) Expect success. According to the Expectancy-Value Theory, individuals choose, persist, and succeed in educational/occupational domains to the extent they believe that they will do well in the field (expectancies) and the subjective value associated with the field (value perceptions). This theory highlights the importance of social reference groups (family, managers, peers) that provide individuals with performance feedback and motivation which are expected to influence career aspirations. Research shows that women's motivation and identification with science can be boosted by expectancies coming from close others (e.g., a mother's beliefs²⁷ about her daughter's math ability or broader socio-cultural norms²³). Similarly, female professionals should surround themselves with people who believe in their professional abilities and disengage from those promoting negative feelings about their professional identity (e.g. guilt for their career engagement and supposed neglect of family life).

3) Self-affirmation strategies. The threat to self-integrity is the root of stereotype threat, as it implies one's potential inferiority or lack of competence. Therefore, several scholars²⁴ tackled this with self-affirmation strategies²⁸. In one

study²⁶, researchers demonstrated that writing about one's most important values reduced stress and improved the performance of stereotype-threatened individuals. This strategy is effective as it directly addresses the need to maintain integrity. The issue is that performance gets exaggerated attention and failure gets exaggerated concern when they are linked to self-integrity. Therefore, getting a self-boost is a promising avenue, especially for women who are sensitive to gender stereotypes. In corporate settings, this self-boost can be about actively remembering past successes and professional strengths recognized by others, including success in areas related to non-professional identities.

How organizations can improve career training for women

1) Focus attention on external attributions versus internal attributions. This bias²⁹ manifests as the spontaneous attribution of women's setbacks to internal causes (e.g., ability) and men's setbacks to external causes (e.g., unfortunate circumstances), as well as the attribution of women's successes to external causes and men's successes to internal causes. A study³⁰ found that teaching women about attribution bias and how to make fewer internal attributions and more external attributions when facing setbacks could increase their sense of belonging to STEM and render them more resilient. Similarly, female professionals would gain by being taught to be less critical about themselves and their abilities when facing difficulties in their careers and to focus on the big picture.

2) Rework the context. A study³¹ showed that when women were prompted to think about characteristics that

both men and women shared prior to taking a difficult math exam, their performance increased significantly relative to the control group in which participants were not asked to do anything before the math test. They explored students' social belonging to the academic context. Thus, first-year college students received testimonials that all students worry about belonging in college, equipping them with a positive narrative when facing a negative experience³². A common thread in these interventions was that researchers aimed to have a unified group and avoid singling out the stereotyped group. In

corporate settings, training and coaching sessions should focus on emphasizing similarities, rather than emphasizing gendered attributes that differentiate male and female professionals. In addition, organizations should expend more effort to integrate women and women's networks in the formal and informal organizational networks.

3) Consider role models. Exposure to adequate role models can be an effective strategy³³ to combat stereotype threat. An experiment³⁴ showed that exposing women to highly successful female role models empowered them in a leadership

task. Important note: this experiment did not lead participants to compare themselves to the role model, but subtly primed the participants to feel empowered. Moreover, if a role model's achievements seem unattainable, it may result in a negative social comparison³⁵ and discouragement. Companies should expose women to role models whose success is outstanding but attainable for the individuals who need inspiration and wish to excel. ■

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WOMEN HELPING WOMEN: DOES INVESTER GENDER MATTER FOR FEMALE ENTREPRENEUR SUCCESS?



Isabelle Solal is Assistant Professor of Management at ESSEC, where she teaches courses on entrepreneurship and organizational behaviour. Dr. Solal's research focuses on the mechanisms that lead to inequality in labor and financial markets. In particular, her work examines how gender shapes audience interpretations of market signals, impacting for example the allocation of investment capital to early stage entrepreneurs. Prior to joining academia, Professor Solal worked as an attorney in the areas of investment dispute resolution and sports regulation, as well as in management consulting. She holds a Ph.D. and a MBA from INSEAD.

We tend to think of women supporting women as a good thing: we're all in this together, so why not give each other a hand? This has been touted as a strategy for reducing the gender gap in many areas, including entrepreneurship, but the jury is out on whether that support might come at a cost. Isabelle Solal, assistant professor of management at ESSEC, and Kaisa Snellman (INSEAD) investigated the impact of investor gender on the success of female entrepreneurs, finding that in fact, pitches by female-backed female entrepreneurs are viewed as lower quality and the entrepreneurs as less competent, and that female founders who received funding from female venture capitalists were less likely to raise additional funding¹. The road to hell is paved with good intentions - and relying on female investors to support female entrepreneurs may have unintended consequences.

Women in entrepreneurship

Even in 2023, women are still underrepresented in many traditionally male-dominated fields, entrepreneurship being one such field. Policy-makers, scholars, and the press alike have developed different solutions, ranging from legal ones like affirmative action or gender-blind recruitment and selection processes. One solution that has been put forward is to encourage women who have "made it" to support other women through networking, mentoring, sponsorship, and even financial support. While same-gender support in other fields has been shown to have certain psychological benefits, we need to better understand its effects on audience perceptions, especially in a domain like entrepreneurship where perceptions play a significant role.

Recent research has examined whether the presence of female investors increases the likelihood that female founders receive funding. This may be because women and men alike tend to support their own gender, or because women are actively aiming to boost other professional women. This gender homophily has been linked to strong



trust and better communication in past research². Despite these potential benefits, there could also be unexpected consequences for the female entrepreneurs who receive help from female investors. Why? Other observers might make biased inferences about the relationship, for example assuming that the female investors offered funding to the female entrepreneurs simply because of their gender and not they deserve it - a perception not applied to male investors funding male entrepreneurs. This can take a toll on how the female entrepreneurs' competence is perceived, potentially resulting in difficulty accessing resources or lower performance reviews. Dr. Solal and Dr. Snellman explored this question using experimental and field data.

What happens when female investors support female entrepreneurs?

In the first part of the study, the researchers studied field data from early-stage startups in the United States. Since young startups need a significant amount of capital, they will seek out investments from venture capitalists who then take a minority stake in the

business. This type of funding is done in rounds, depending on the firm's development stage and funds required, and so venture capitalists will not provide startups with all necessary capital in the first round due to the high failure rate of new business ventures. Using data from Crunchbase, which has a wealth of information gathered from various sources including the media, VC firms, entrepreneurs, and investors, they examined firms that received a first round of VC funding between January 2010 and April 2018, for a total of 290 female-founded firms out of a sample of 2136.

They found that female-founded firms who received first-round funding from female venture capitalists were two times less likely to receive additional funding compared to female-founded firms that received funding from men, a phenomenon that was not seen in male-founded firms.

Building on their initial findings, the researchers recruited 134 MBA students from a prestigious business school and had them watch one of four pitch videos, featuring either a male or female entrepreneur, backed by either a male or female investor. They then rated the

pitch's quality and the entrepreneur's competence: the results revealed that pitches by female-backed female entrepreneurs were seen as lower quality compared to other conditions, and that these lower ratings were linked to perceptions of the entrepreneur's competence. This result was only seen for the female investor x female entrepreneur pitches - not, say, the male entrepreneur x male investor pitches.

Taken together, the results indicate that female entrepreneurs who receive funding from female investors are likely to be perceived as less competent and to be less successful in raising capital past the seed round.

What does this mean for female entrepreneurs and female investors?

While we can agree that women supporting women can be beneficial, this study highlights the fact that same-gender support can have negative consequences in some situations. In entrepreneurship, where early funding decisions hinge on how potential investors perceive the founder, female entrepreneurs who received funding

from female VCs are seen as less competent since observers are less likely to believe that they received the funding due to merit. These women then go on to raise less funding.

Policy implications: inclusive investing

Female entrepreneurs may face challenges growing their business if they don't have a male investor. Additionally, female investors may be pigeon-holed if they are seen as only investing in female-led businesses. As a result, initiatives encouraging women to support women may negatively impact both parties and put undue pressure on women. New initiatives should focus on encouraging inclusive investing, where men and women work together to support female entrepreneurs.

Entrepreneurship is a male-dominated field, and while efforts to reduce the gender gap by encouraging women to support female entrepreneurs are well-intentioned, they may unintentionally backfire in some instances. This suggests that working toward gender equality in entrepreneurship needs to be a team effort, undertaken by men and women alike. ■

*Article written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge*

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HOW DO ANTIDISCRIMINATION POLICIES IMPACT ENTREPRENEURSHIP?



Raffaele Conti, Professor at ESSEC and holder of the CY Chair of Excellence in Strategy and Innovation, received a Ph.D. in Management from Bocconi University and a M.Sc. in Economics from Pompeu Fabra University. His research interests focus primarily on how institutions affect innovation, entrepreneurship, and, more broadly, the economic behavior of individuals and organizations. He has been elected as representative-at-large of the Knowledge and Innovation Division of the Strategic Management Society. Also, he is member of the research committee of the Technology and Innovation Management Division of Academy of Management, and he was member of the research committee of the Strategy Division of Academy of Management. He currently serves as Associate Editor of Management Science and of the Strategic Management Journal.

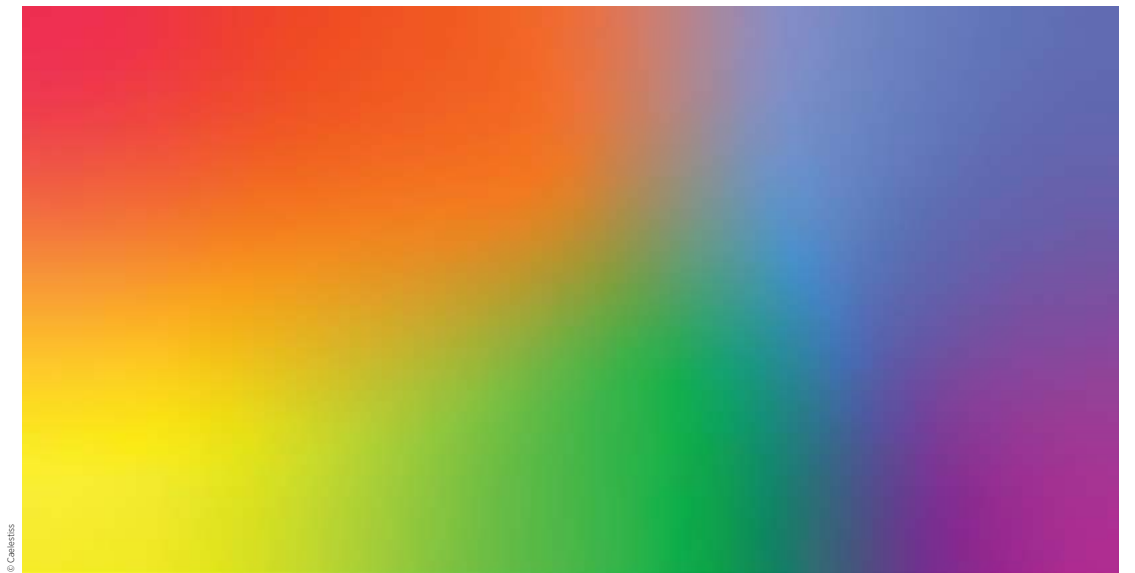
Haven't we all dreamed of being our own boss at some point or another? Entrepreneurs make this dream a reality, striking out on their own to found an independent business venture. This makes the factors impacting someone's decision to leave paid employment and become a founder an interesting question, including institutional factors such as regulations and policies that could encourage or discourage entrepreneurship. When making such a decision, an individual will consider their circumstances, which includes comparing life as an entrepreneur to the conditions they have as an employee. This means that regulations impacting how inclusive and equitable the working environment is can have a significant impact on someone's decision to become an entrepreneur, a possibility that has not been thoroughly researched. In recent research published in *Strategic Management Journal*, Raffaele Conti (ESSEC Business School), Olenka Kacperczyk (London Business School) and Giovanni Valentini (IESE Business School)¹ were particularly interested in the effects of regulations enacted in order to combat discrimination at the workplace, on the basis of race, sex, sexual orientation, gender identity,

disability, pregnancy, religion, age, and more on startups. The researchers focus in particular on the effects of the Employment Non-Discrimination Acts (ENDA) in the United States. This legislation included employment protections for sexual orientation and gender identity, the focus of this study. It was also introduced progressively in 15 states between 1980-2006, so that the researchers could study its impact as it was implemented.

Regulation, discrimination, and innovation

Who becomes an entrepreneur? Much ink has been spilled examining individuals' motivations to become founders, mostly studying individual and organizational factors. Lately, researchers have turned their attention to the study of the institutional environment (which can be the workplace) and especially changes in the institution, and how the characteristics of the institution impact people's decision to become an entrepreneur. This research has largely focused on institutions that appeal to prospective founders, for instance by providing access to

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resources for launching a new business. However, resources are not the only factor impacting someone's decision to strike out on their own: it's a big decision to leave salaried employment for a risky new business. So it makes sense that past studies have found that people are more likely to become entrepreneurs when the alternative, salaried employment, is less appealing, and vice versa².

How do legislations that protect against discrimination come into this, then? These laws protect their employees from discrimination, with the aim of improving workplace conditions and providing an equitable environment. The researchers studied the effects of the Employment Non-Discrimination Act at the state level. To gather data on entrepreneurship, they studied the number of new firm filings in states following the enactment of the ENDA between 1980 and 2006. They found that indeed, when the ENDA was enacted, employees were less likely to strike out on their own and found a new venture: there were fewer new ventures following the implementation of the ENDA in a given state.

Quality over quantity: while there were fewer ventures, the new ones were of higher quality. They measured quality in

three different ways, the first being by the number of patent applications by young firms in a given year. Firms that file for patents are likely to 1) have superior technology and 2) seek to capture the value of their technology, and having a patent portfolio has been linked to firm survival^{3,4}. This makes patent filings a suitable proxy for quality. The researchers also used the amount of venture capital raised as a proxy for quality, since funding is also linked to growth potential and quality. The third proxy for quality was their survival chances, measured by the proportion of startups created in a given year that survived for at least five years. They found that indeed, following the implementation of the ENDA in a given state, startup quality was higher in that state, with more patent filings and venture capital raised for those startups. The ENDA also had a small but significant effect on firms' survivability.

They also found that the effect of antidiscrimination laws was even stronger in states where LGBT populations are larger and where discrimination levels tend to be higher, as measured by the number of civil rights suits. In these cases, there were again significantly fewer new firms - but higher quality ones.

Does it matter who the founder is? The researchers looked at startups founded by all minorities (not only the LGBT population) and found that there were fewer new startups founded by members of minority groups. This can likely be traced back to improved work conditions at salaried employment, making members of minority populations less likely to transition to a founder role. Delving deeper into individual traits, they conducted an experiment with over four hundred US-based employees, finding that those who were put into a scenario where their employer enacted ENDA policies reported that they would be less likely to leave their job to be an entrepreneur and that they felt more satisfied with their employer. This suggests that antidiscrimination policies increase the appeal of the workplace.

The researchers also explored antidiscrimination policies at the firm level. They found that firms in states that enacted the ENDA were more likely to adopt antidiscrimination, pro-diversity practices, such as LGBT antidiscrimination programs or progressive LGBT policies - interestingly, these firms also displayed higher corporate social responsibility scores as

well. The pattern was again replicated here: these policies were associated with fewer new ventures, but higher new venture quality. This indicates that the ENDA impacts firm policy, and that this firm policy also impacts entrepreneurship behavior.

Research and policy implications

We can agree that antidiscrimination policies are a positive step, but it is also useful to empirically examine the tangible effect of such policies. In this study, Dr. Conti and his colleagues explored the effect of ENDA policies in a new way by examining how such policies impact entrepreneurship. Their findings show that antidiscrimination policies increase the appeal of the workplace, making employees less likely to leave paid employment when they feel protected by their workplace and resulting in fewer new ventures, but that the new ventures that were founded were of superior quality. This suggests that antidiscrimination policies can not only improve the worklife of minority populations, but can also improve entrepreneurship quality, a novel finding and useful information for policymakers seeking to improve employment conditions and entrepreneurship quality alike. This also shows that keeping employee welfare in mind is beneficial for building a clearer understanding of how institutional policies impact new firms. Quality over quantity: antidiscrimination policies can keep current employees satisfied in their roles, and improve the results for those that do decide to step into a new business venture. ■

Article written with Julia Smith,
Editor-in-Chief of ESSECKnowledge



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HOW YOUNG LGBTQ PROFESSIONALS NAVIGATE THE WORKFORCE



Junko Takagi teaches management in a range of ESSEC programs. She is currently responsible for the Leadership and Diversity Chair and is the Academic Director of the ESSEC-Mannheim Executive MBA program. Her current research interests focus mainly on diversity-related topics such as multicultural individuals and identity work, women in top management, and identity negotiation of members of the LGBTQ+ community. Junko has also published on the neo-institutional theory applied to the sector of "Education Management", the healthcare systems and medical practitioners work. She holds a Ph.D. in Sociology from Stanford University.

In an ongoing research project, we investigate the strategies used by young LGBTQ* graduates to navigate the job search process. We collected data through in-depth interviews with LGBTQ Masters in Management students who are on the job market and who have previous work experience and with recent LGBTQ graduates of the Master's program. Similar to other invisible diversity groups, the LGBTQ population is difficult to identify. We relied on our own formal and informal networks to identify current and recent graduates from the LGBTQ community.

This study is based on the observation that non-heteronormative individuals constitute an often invisible minority, one that is subject to inequalities in the workplace. Recent studies show that the workplace continues to be a complex environment for LGBTQ employees as most firms are embedded in heteronormative assumptions and expectations which are maintained and developed through everyday interactions^{1,2,3,4,5}. Each diversity category has its particular characteristics. The LGBTQ community assembles all non-heteronormative populations, making it extremely diverse within the community*. In addition,

unlike gender or race, it is an often invisible difference*** and individuals have the choice to be "out" or not. As an invisible minority, LGBTQ employees are often faced with deciding what aspects of their private lives to share at work and with whom within this heteronormative context. Studies indicate that "coming out" at work has positive psychological consequences compared to "staying in the closet"⁶, and concealing a stigmatized identity (e.g. LGBTQ) reduces feelings of belongingness, self-esteem, job satisfaction and job commitment⁷.

However, there is still a large proportion of LGBTQ employees who choose not to come out in the workplace, and reported incidents of workplace discrimination and microaggressions continue to abound. Research on LGBTQ professionals reveal that they were more likely to experience career limitations, harassment, and professional devaluation than their non-LGBTQ counterparts. These professionals also experience more health difficulties and are more likely to leave their workplace due to the psychological consequences of microaggressions and other discriminatory experiences. There is a clear impact of LGBTQ



identity on employee well-being and on organizational outcomes such as turnover and performance.

In our study, we investigate how recent LGBTQ graduates of a Masters in Management program in France narrate their transition into becoming young professionals, and the role of their LGBTQ identity in this process. The identity literature has highlighted transition moments as key triggering moments for identity processes. The literature focuses on how individuals develop and maintain or change narratives of the self through an interaction between internal visions of the self and external influences. There is a paucity of literature on the transition processes of LGBTQ professionals, including their apprehensions in their transitions from university students to working professionals. This is a transition moment when graduating students are concerned about entering the workforce and leaving university, the coming-out process, and finding support in their new work environment. For young LGBTQ graduates, gender identity and sexual orientation is an additional identity to negotiate and manage in the transition process and in the new professional environment.

We found that during the job search process, the LGBTQ identity may not be seen as important for these individuals if they had other, more salient identities. Many of our interviewees were also international students, and a recurrent theme in their narrative was the activation of their "international" or non-local identity as a major source of difficulty in their job search process. For many, the language difficulties encountered in the job search process and also later on the job overruled their LGBTQ identity, so that many did not feel that the latter played a role in their professional interactions.

According to social identity theory, the saliency of a particular identity depends on the importance and relevance of that identity for the individual and their environment. Our international respondents felt that perceived lack of competency in the local language was a major identity trigger for them and for firms. We also found that when there are other compounding identities that are actively triggered by the situation, the LGBTQ identity takes a back seat and is not something that is either activated by the individual or perceived by their environment.

However, respondents who already had experience in several employment situations, for example through internships or short-term contracts, felt that finding a diversity-friendly work environment was important to them. Most had experiences with hostile work environments where their LGBTQ identity had become salient for them and they reported not feeling comfortable, having to hide their LGBTQ identity, and experienced various levels of isolation.

For these respondents, actively hiding their LGBTQ identity constitutes a form of identity work. The main characteristics of identity work are that it is a discursive process instigated by the individual in which the individual has an agentic role in the process of self-definition and which may involve identity elements that reside within the individual as well as identity elements that are present in their social environment. For example, Sveningsson and Alvesson note that individuals are continually "engaged in forming, repairing, maintaining, strengthening or revising the constructions that are productive of a sense of coherence and distinctiveness"⁸, thus emphasizing the role of agency in the discursive process of self-definition. In the case

of LGBTQ individuals in hostile work environments, the identity work involves noticing conforming to external identity elements to avoid potentially harmful consequences. Our respondents who had experienced such environments were unable to benefit from the positive outcomes of identity work, and not being able to generate a sense of coherence with their work environment, consequently left in search of more LGBTQ-friendly workplaces.

For respondents who already had some work experience, and who were looking for LGBTQ-friendly work environments, an obvious choice was to approach firms that already had progressive LGBTQ policies. At the same time, they were also open to other possibilities, and in order to “test” the different work environments, respondents mentioned several strategies to signal their interest in LGBTQ issues to potential recruiters. One respondent told us that he had put his affiliations with LGBTQ-support associations on his LinkedIn page for recruiters to see. Others had put similar types of information on their CV for recruiters to see. While they were not technically “coming out” in these instances, they used these strategies to test the waters to see if they would be called back or not. As one respondent put it: “...this way the ball is in their court. I put the information out there and if I get called back, I take it that they are ok with that.”

Another strategy for managing and negotiating LGBTQ identities once employed was “don’t ask, don’t tell”. This is related to “coming out” strategies in the workplace. One respondent who did not think that their LGBTQ identity was relevant to their work applied a strategy only shared information about their gender identity and sexual orientation when asked directly. Another respondent also told us that they mentioned their LGBTQ affiliation if it came up in the conversation.



We observed a conservative approach to “coming out” in the workplace among our respondents. Their initial reaction was to say that their LGBTQ identity was not relevant to the work that they do, so there was no need to reveal it. At the same time, one respondent mentioned that in one workplace that they had immediately felt was “open”, they had come out to their colleagues in the second week at work. Despite their reticence, we observed that the work environment is extremely important in their choice to share that information.

Many of our respondents discussed when it was meaningful to come out at work, and to whom. They all agreed that it was not necessary to reveal their LGBTQ identity to everyone at work. Rather, what was important was to have good relations with close colleagues and

teammates with whom they had high-volume, high-density interactions. These were the people with whom they were more likely to discuss not only work-related matters, but also non-work subjects where personal information is more likely to be shared.

All our interviewees clearly delineated the LGBTQ identity as belonging to the private, personal sphere and thus not directly salient in the workplace. As such, we observed that they were generally discreet regarding when to “come out”, to whom and how in the job search process and once on the job. At the same time, they were keen to find work environments that were open and diverse, and in such workspaces, it was relatively easy and meaningful to open up about their LGBTQ identity. Even so, it was evident that they “came out” only

to a specific group of people – those with whom they had high-volume and high-density interactions. In this particular context, sharing personal information was perceived as useful to working effectively in the team. For our respondents, identifying the core group of work colleagues with whom to share their LGBTQ identities

so as to generate an inclusive group is key to their “coming out” strategy. Those who have succeeded in doing this report positive outcomes for themselves and their immediate team, such as feeling of self-enhancement, common membership and consequently team solidarity and trust in the team. ■

Footnotes

* Lesbian, Gay, Bisexual, Transgender, Queer.

** This applies to other diversity categories as well, for example people with disabilities, but to a much lesser extent for gender, and race and ethnicity categories, although intersectionalities add complexity to these as well.

*** This characteristic also applies to people with invisible disabilities, who experience the dilemma of reporting their disability (which is encouraged by firms in countries with disability quotas) or not, to avoid potential unequal treatment.

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INCLUSIVE FASHION



Delphine Dion is Full Professor of Marketing at ESSEC Business School. She holds the LVMH chair. She is the academic director of the LVMH chair program and the Luxury track of the Global MBA. She teaches the socio-cultural foundations of luxury and luxury brand management. She has received the 2023 special jury Teaching Award of the ESSEC Foundation. Her current research projects explore market dynamics in the luxury industry related to environmental and societal issues. In particular, she analyses market dynamics related to second-hand markets, new materials, craftsmanship and inclusivity. Her research has been published in many books and leading academic journals. She has received several awards for her scientific activities, including the 2018 Research Award of the ESSEC Foundation.

Consumers want to be heard – more than that, they want to be considered and represented. They struggle for inclusion and diversity. The fashion industry is evolving to meet the changing needs and wishes of its consumers: one way it is doing so is with the rise of inclusive fashion, i.e. sizing that fits a greater variety of people instead of just the tall and slim among us. We can see this change in muses and models and in the appearance of larger sizes in ready-to-wear collections. How did inclusive fashion come about?

At first, inclusive fashion was an afterthought in the fashion industry. Brands specializing in larger sizes were on the fringes of fashion, with dedicated brands, lines, and websites. Fashion and plus sizes didn't go together, with plus-size fashion looked down on and not seen as worthwhile.

There was little overlap between the two worlds and few fashion brands that sold plus sizes. The few that did only offered plus sizes on a limited number of collections. These collections were often out of stock, or when they were available, relegated to dusty corners of stores.

Women who didn't wear straight sizes felt left out of fashion, because they didn't have access to the same well-known, well-regarded brands.

American plus-size activists spearheaded the emergence of plus-size fashion in the US, with the torch eventually taken up by other countries. Thanks to social media, these activists changed people's preconceived notions on plus-size fashion.

First, plus-size activists got a lot of buzz on social media. Some became social media stars, especially in English-speaking countries.

They showed a new way of looking at bodies and beauty, highlighting new aesthetics that were far from what we are used to seeing from brands or in magazines. The idea of body positivity also gained traction, the idea that all bodies are beautiful and should be celebrated. Plus-size fashion became sexy and fashionable. What's more, we changed our way of talking about it, with plus-size fashion also referred to as size-inclusive fashion or curvy fashion, much more positive and flattering language. Second, these activists developed a new collective identity that was both positive



and sought-after. Plus-size women have often felt stigmatized and marginalized in the fashion world: now, they are valued and acknowledged. They feel like they fit in the world of fashion.

Third, these activists have broken into fashion, granting them greater access. Some have even worked with big names and appeared in fashion magazines. Still others, like Ashley Graham and Alva Claire, have become supermodels. Now, they are walking for big names like Versace, Fendi, and Salvatore Ferragamo. Rihanna also gave models bigger than a size 0 a platform when she had them model for her Savage x Fenty lingerie line.

All these steps taken by body-positive activists have made plus-size fashion more visible, sought-after, and well regarded.

Additionally, the rise of plus-size fashion and body positivity is part of a broader movement fighting discrimination and promoting inclusiveness, catalyzed by the Black Lives Matter movement launched in the US in 2013.

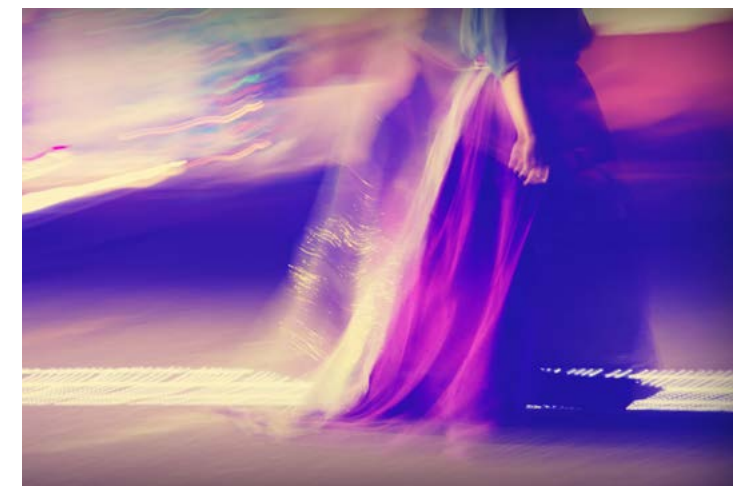
Initially, this movement focused on racism in the US, and has now grown to

include other kinds of discrimination and inequality, like those linked to gender, ethnicity, disabilities, sexual orientation, and body type. The conversation around inclusiveness has resonated in the fashion industry.

Many brands have thought about inclusive fashion and updated their practices, both in terms of their products and their communications. Plus-size fashion is increasingly becoming part of "mainstream" fashion, with the barriers between plus-size fashion and straight size fashion falling down. The name

"plus-size fashion" is also going out of style: now, the term "inclusive fashion", which includes all body types, is more à la mode.

That being said, this is just the beginning, and there is a lot of work to be done so that inclusive fashion becomes a fixture in retail. While plus-size fashion has gotten increased attention and legitimacy, it still needs to be expanded so that it's more often found in stores. Fashion also needs to expand its inclusivity, in particular considering disabilities when designing products. ■



DIVERSITY IN ADVERTISING



Marc Mazodier is Professor of Marketing at ESSEC Business School. He teaches Marketing Management and Marketing Research courses in the Executive, MBA and PhD programs. His academic research focuses on brand management and marketing communication efficacy. His work has been published in collective volumes and in leading academic journals such as *Journal of Marketing*, *Journal of Marketing Research* and *Journal of the Academy of Marketing Science*. In addition to his academic work, Marc has done consulting for companies from various sectors. He is Affiliate Researcher at the SAMS Institute (Sales & Marketing Strategy Institute). Marc has given several marketing research seminars in Europe, Asia, and Middle East. Marc is an Associate Editor of the *Journal of Advertising Research*, and a member of the Editorial Board of the *European Journal of Marketing* and *International Journal of Advertising*. He received his PhD at the Aix-Marseille Graduate School of Management.

We want to feel seen, heard, understood – and our relationship to advertising is no different. We want to see ourselves represented, and this includes in the ads we see – and if we see ourselves represented, we’re more likely to feel connected to an ad, making us more likely to make a purchase. This makes diversity in advertising a win-win. Marc Mazodier (ESSEC Business School), Conor M. Henderson (Lundquist College of Business, University of Oregon) and Jamel Khenfer (Zayed University) explored this in recent research¹, finding that minorities who view diverse ads report feeling more connected to the ad and that they are more interested in the advertised product. This means that brands who use diverse, inclusive ads can both contribute to a social cause and see results for their profit margin – an example of doing good while doing well.

We’re increasingly tuned in to the importance of paying attention to diversity and inclusion in policies, in workplace cultures, in hiring, and in business. The United Nations 2030 Sustainable Development Goals has identified the importance of promoting the “social, economic and political

inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status².”

It’s in the vested interest of businesses to do so: a recent report estimated that American purchasing power for non-white consumers has reached \$4.9 trillion – close to the combined GDP of France and Italy³. Despite this, advertising tends to depict primarily white, heterosexual figures until recently⁴, meaning advertisers miss out on reaching a substantial segment of the market. This is a pity not only for the consumer, who doesn’t see themselves in the media, but also for the advertiser themselves, due to the relevance of social proof in just how much an ad will sway our behavior.

We’ve all heard the saying “When in Rome, do as the Romans do” – this is just one example of how social proof impacts our behavior, since we tend to modify our actions to fit in with the crowd. We tend to buy popular brands and products – we figure that these brands are a reliable choice, and will go over well with those around us. If we’re buying soft drinks for a party, we’ll buy Coke. This is an example of brand leadership.



Inclusiveness in advertising, or integrated advertising, refers to the inclusion of individuals with different social identities and ethnic origins in advertising. People tend to be more likely to use products and support brands that they think represent a group to which they belong⁵. Consumers are also more likely to feel linked to society if they see ads that feature people that look like them, and millennials in particular appreciate inclusive advertising⁶. If brands use inclusive advertising, they subtly imply that everyone belongs to society, boosting societal identification.

Survey results from the US and the UK both suggest that respondents from minority groups felt underrepresented in advertising^{7,8}. This advertising homogeneity can also lead people to feel like ads represent how society sees their group⁸.

Studying diversity in advertising

The researchers conducted a series of studies to explore diversity and inclusion in advertising.

In the first study, they analyzed a database of over 600k consumer brand ratings and US census data. They found that those who identified as a minority and lived in racially diverse communities were less likely to want to purchase from mainstream brands.

In the second study, they delved deeper into the psyche of American consumers. They looked at perceptions of advertising inclusiveness – the level to which advertising includes a diverse demographic. When non-white consumers reported lower advertising inclusiveness, it predicted feeling less connected to American society, which itself predicted a decreased intention to purchase from mainstream brands. This effect was stronger among consumers from minority groups.

The third study looked at participants in the United Arab Emirates, comparing reactions to ads showing ethnically diverse models and ads showing ethnically homogenous models, finding a similar pattern to the American sample. When minority consumers saw inclusive ads, they felt more connected to society and more positive about mainstream brands. This suggests that more inclusive

advertising could boost how individuals identify with society, since they would see themselves included in how mainstream media depicts the society in which they live, and that this increased inclusiveness makes people more likely to want to purchase from the brand in question.

Takeaways

With a world in flux, brands need to adapt to the needs of 21st century consumers. One way they can do this is by increasing inclusiveness and including actors from myriad backgrounds in their advertising. This research suggests that minority consumers especially notice a lack of inclusiveness in advertising, and that boosting inclusiveness can also boost their connection to society. Inclusive advertising makes these consumers feel more positively about the brand and more likely to want to purchase from them to reward their diversity and inclusion efforts.

These findings indicate that inclusive, diverse advertising is a solution that can benefit both society and the company, addressing the needs of

multiracial societies and emerging social identities. In short, it offers a way for companies to do good (promote societal cohesion) while doing well (increasing consumer loyalty and purchases). A true win-win!

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Article written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge



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EXPLORING THE INTERSECTION OF SEXISM AND ABLEISM IN THE LABOR MARKET



Estefania Santacreu-Vasut obtained a PhD in Economics from UC Berkeley. She is Professor of Economics at ESSEC Business School and THEMA. Her research focuses on gender and institutions and has been published in outlets such as the Journal of Development Economics, Journal of Economic Behavior and Organization, among others. She is a consultant for the OECD, co-founder of the project Gender & Finance and the co-author, together with Tom Gamble, of the popular press book “The nature of goods and the goods of nature: why anti-globalization is not the answer”.

Recent years have seen increased discussion about fighting discrimination in all forms, including types of discrimination that have previously flown more under the radar, like ableism (discrimination against those with disabilities). We are also more sensitized to intersectionality theories, which explain how social identities (like gender) reinforce each other. We are all much more than a sum of our parts, and our different experiences shape who we become and how we experience the world - and how the world treats us. In a new study, Estefania Santacreu-Vasut (ESSEC Business School) and Huali Wu (PhD Candidate in Economics at ESSEC Business School) explore the intersection of disability and gender in the Chinese labor market, finding that disabled women had the lowest annual earnings and that this could be traced back to being disabled and a woman - and that this effect was greater than the sum of disadvantages from disability and gender.

Disability and gender: 1+1 does not equal 2

In France, the government estimates¹ that 5.7 million people - 14% of the working population - live with a disability. With an aging population and more chronic diseases (including long Covid), this number could increase in coming years. Disability is not only damaging to one's health, but also to one's economic prospects. European Union data² estimates that 21.1% of the population with a disability faced poverty, compared to 14% of the able population. Data also suggests that this tends to be worse for women, with a 2018 British study³ showing that median hourly pay figures were £13.2 for non-disabled men, £11.67 for disabled men, £11.05 for non-disabled women, and £9.93 for disabled women. Are disabled women exposed to an extra penalty, beyond the sum of penalties associated with gender and with disability?

To explore and quantify the intersection of disability and gender, the researchers provide a conceptual framework, as existing empirical literature in economics tends to treat sexism and ableism separately. This is likely due in part to the difficulty of exploring and empirically



quantifying intersectionality, but it is essential information so that policy-makers can draft policies that benefit vulnerable populations at the lowest cost.

The research team used an inter-categorical approach to compare outcomes for different combinations of identity dimensions, for example comparing disabled women with non-disabled women, disabled men with non-disabled men, etc. This allows for a more complete picture of how both gender and disability impact people's experiences. Using statistical methods, they were able to break down how much of the differences in labor earnings was attributable to different factors, like disability and gender but also factors including education, origin, and occupation. They compared the outcomes for different groups to the earnings of non-disabled men - the reference group. By comparing outcomes, it's possible to understand the “intersectionality penalty” - what happens when you have multiple identities that face discrimination.

The case of China

To look at this in the “real world”, the research team studied the Chinese labor market, as inequalities due to gender and disability are drastic. It's a particularly interesting case as there are 85 million disabled people in China as of 2019⁴, a large gender wage gap, and fewer policies to combat sexism and ableism. They used data from the 2010 China Family Panel Studies⁵ - a biannual, longitudinal survey run by the Institute of Social Science Survey of Peking University. To measure disability, they examined whether individuals reported they could do certain activities independently (like walking 300 meters, cooking, taking public transportation, and household chores): if they answered no to these questions, they were classified as having a disability.

As they predicted, non-disabled men had the highest average earnings and the highest rates of advanced education. They found that disabled women had the lowest salaries and experienced the most discrimination on the job market. They also had the least education and were largely in lower pay jobs and living in lower-income areas. Disabled women faced significant barriers to access even

middle manager jobs, while disabled men bumped against this glass ceiling when it came to senior manager jobs. Additionally, disabled men with similar educational backgrounds and jobs to non-disabled men earned similar income levels, but this was not the case for disabled women.

What's more, even after statistically controlling for education, occupation, and industry, disabled women still faced a wage gap, suggesting the negative effect of ableism and sexism in play. With non-disabled women also facing a significant wage gap, the data suggests that gender discrimination was stronger than ableism - this is where the intersectionality penalty comes into play. This demonstrates the importance of taking people's different social identities into consideration to get a full picture of how our multidimensional identity impacts our lives.

Takeaways

- Policy-makers should consider intersectionality when drafting policies to ensure just outcomes for all citizens- and gender identity needs to be part of the package.
- Initiatives for integrative disabled people into the workforce need to take gender into account, rather than being gender-blind, given the additional obstacles disabled women face.
- While policies should include skill-building support for disabled individuals, this is not enough to eliminate the pay gap, and so policies should also address the “demand” side of the equation by having legislation that focuses on employer hiring and promotion practices. ■

Article written with Julia Smith,
Editor-in-Chief of ESSEC Knowledge

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GLOBAL TALENT MANAGEMENT



Jean-Luc Cerdin teaches *Human Resource Management in the MSC, Executive, Global BBA and PhD programs*. He researches, publishes and consults in primarily three areas: *human resource management in multinational organizations, management in international mobility and management of careers and talents* and has been published in the *Journal of International Business Studies, Journal of Organizational Behavior* and the *Journal of Human Resource Management*, amongst others. He holds a diploma from the London School of Economics and a PhD in management sciences and a *Habilitation à Diriger des Recherches* from the Université de Toulouse.

In 2019, the United Nations estimated that there are approximately 272 million migrant workers¹, and this number has increased in recent years: this tells us that employers need to consider migration in their broader talent management strategies. In a recent chapter in *The Routledge Companion to Talent Management*², Jean-Luc Cerdin (ESSEC Business School), Chris Brewster (Henley Business School), Lovanirina Ramboarison-Lalao (EM Strasbourg) discussed global talent management.

Who exactly is a migrant worker? It's complicated. Organizations like the UN, the International Labor Organization, and the Organization for Economic Cooperation and Development^{3,4,5} consider a "long-term migrant" someone who moves to another country for at least a year, and a short-term migrant someone who moves to another country for at least three months but less than twelve months (except if their purpose is related to tourism, medical treatment, business, or religious pilgrimage). However, many people also use the term "expat" to refer to the same populations, and there isn't a consensus on what differentiates a "migrant worker" and an "expat". Further complicating this is the fact that human migration is studied

by academics in different fields, from economics to anthropology - although it has not been studied in depth by human resource management scholars, showing the need to study this talent pool to learn how to better manage it.

Immigration itself remains controversial - look at Brexit, in which immigration played a key role in the UK's decision to leave the European Union, or the 2022 French presidential election, with Eric Zemmour spouting a "Zero immigration" strategy. It often leads to emotionally-charged political debates about how best to handle an influx of people: while its detractors argue that migrants put pressure on local social systems and drive down wages, there are undeniable advantages, like boosting the local economy with young, energetic workers and bringing in new skills. The money that migrants send back to their home countries - called remittances - also play a huge role in global trade, with ⅓ of this money going to developing countries⁶.

There are myriad factors that can lead someone to leave their homeland: war, climate change, better opportunities, simply wanting a new experience... In the European Union, citizens of the member countries can freely move around and



work in any member country. Dr. Cerdin and the research team suggest that it's key to look at individual, organizational, and macro-social factors in migration.

These can include:

- Individual factors: type (skill level), country of origin, gender.
- Organizational factors: the origin and size of the company and their experience with migrant workers.
- Macro-social factors: legislation, the country's history, and migration trends. All of these factors are intertwined.

Understanding migration: the individual level

One key distinguishing factor is a migrant worker's qualifications and skill level. Talent management tends to focus on highly qualified migrants: those who have higher education degrees and in-demand skills. However, migrant workers without higher education can also have in-demand skills that add to the country's talent pool. A worker's skill level will impact their experience in their host country. For example, highly qualified migrants may not have their qualifications recognized or may

experience discrimination. A person's motivations, career orientations and level of integration in their host country can also impact their experience. Organizations need to consider these to best support their employees and implement effective onboarding policies, like help with visas and language lessons.

The story is a little different for migrants who aren't highly qualified. "Medium-qualified" migrants have essential skills (manual skills may fall into this category), though there is not a lot of research on this category. Migrants with less education may face a more challenging integration experience, as they may not speak the local language, have difficulties obtaining work papers, and may face discrimination from the locals. To help with this integration process, organizations need to be aware of the specific challenges they face in order to implement policies to maximize their potential.

Levelling up: organizational factors

Talent management needs to consider organizational factors as well. Migrants can often benefit their organization: not

only do they contribute to the talent pool, but research has linked diversity and innovation. However, the opposite isn't always true: the organization can actually have a negative impact on migrants. One study found that migrants experience issues like restricted physical mobility, poor working conditions, and discrimination in the workplace⁷. Many migrants move searching for a better life, but not all of them attain this: one study found that immigrant nurses face professional and personal challenges and difficulties getting their credentials recognized⁸. This means organizations need to implement policies to break down these barriers.

The bigger picture: The macro environment

Of course, none of this happens in a vacuum: borders and immigration policies play a huge role on who can enter and access certain jobs. The European Union provides an interesting example, since its nationals can freely work in the EU country of their choice. When it comes to non-EU immigration, member nations can control the flow according to their own laws. This means that legal residents from non-EU countries tend to

have different rights than EU nationals, like access to voting.

Applications for talent management

Taken together, this means that organizations need to consider the situation of their migrant employees: what is their situation, what is their motivation for moving, how long they have been in the country, what kind of support do they need. There are a few tactics for approaching this:

- Keep records on international employees' experiences abroad, language abilities, and knowledge of the local culture.

- Identify the specific barriers facing employees to pinpoint the support they need: for example, professional mentorship for those who migrated out of a desire to live in that country, and language lessons for those who moved to escape a bad situation.
- Foster an environment that promotes diversity.
- Establish professional mentoring programs for migrant employees.
- Encourage managers and coworkers to welcome and integrate these employees, and provide cultural intelligence workshops and management when needed (for example, supporting a new salariée who has fled a war-torn country).
- Ensure that migrant workers are properly recognized and paid for their work and promoted in due course.

Bringing together talent management and migration research is no easy feat: it requires identifying who is a migrant worker, a challenge in and of itself, and implementing specific talent management policies depending on the type of worker in employment. Migrant workers are a huge part of the global talent pool, and optimizing their integration can pay off big time for organizations. ■

Article written with Julia Smith, editor-in-chief of ESSEC Knowledge

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THE ALGORITHMIC FRONTIER FOR LGBTQI+ RIGHTS



Guillaume Chevillon is Professor at ESSEC Business School and Academic Co-Director of the ESSEC Metalab for Data, Technology & Society. He is Co-Director of the ESSEC/CentraleSupélec Master in Data Sciences & Business Analytics. His field of research is econometric theory with applications to forecasting and statistical learning in economics and finance. Applications include monetary policy, business cycles, financial bubbles, energy forecasting and climate control. Guillaume has an MPhil and a DPhil in Economics from the University of Oxford and an MSc in Engineering from Ecole des Mines de Paris. He is a member of the OECD network of experts on AI, and has been a visiting scholar or professor at the universities of Oxford, Brown, NYU, Keio, UNSW Sydney and the NY Federal Reserve.

In 1993, the United Nations created the position of High Commissioner for Human Rights, whose work has increasingly been devoted to ensuring that these universal rights are not restricted along “nationality, sex, national or ethnic origin, color, religion, language or any other status”. Today, this also includes sexual orientation, and hence LGBTQI+ individuals in particular. For this reason, a number of governments have decided to appoint Special Advisors, Envoys or Ambassadors for the rights of LGBTQI+ identifying persons (for example Argentina, Australia, Britain, Canada, Costa Rica, Italy, Thailand, and the US). France recently joined this group when the Prime Minister Elisabeth Borne created the post of LGBT+ ambassador and appointed Jean-Marc Berthon. The presence of ambassadors or envoys is interesting, as it shows that many of the issues pertaining to discrimination are not limited to national borders nor to basic civil rights, but also encompass economic and social rights brought about through diplomacy. This is also the case on our continent, where the European Commission aims for a “Union of Equality” that brings about a European Union where LGBTQI+ people flourish like others.

Moving here towards this Union of Equality in Europe may also percolate outside our continent, judging from the European Union’s success in creating international standards. For instance, the General Data Protection Regulation (GDPR) has impacted legislation on digital privacy in many countries worldwide, and it has brought significant improvements in governance, monitoring, awareness, and strategic decision-making on the use of consumer data. The Internet, social networks – soon metaverses: their extensions into virtual or augmented reality – and their algorithms are indeed the next frontier to be secured, as hate and discrimination cross national protections. The time has come to address these issues, now that the European Commission (EC) has been implementing regulations on digital markets and services² over the last few years, and is now considering an Artificial Intelligence Act³.

As the 2022 Social Network Security Index⁴ published by GLAAD in the United States purposefully shows, LGBTQI+ populations face specific issues online that require targeted responses. Indeed, the Internet plays an educational and socialization role for LGBTQI+ that differs substantially from that of other



communities: LGBTQI+ individuals are mostly born to heterosexual parents and, very often, neither the latter, nor other members of the family, are educated for, or capable of accompanying their children in this discovery. The Internet has become the default liberating and socializing tool for personal development that provides access to information and discussions with others.

It is in fact likely that the apparition of the Internet constitutes one of the main causes leading to enhanced self-affirmation and LGBTQI+ visibility: according to a study by Gallup⁵ carried out in the United States in 2020, 21% of members of Gen Z (born with the Internet between 1997-2002) define themselves as non-heterosexual, but only 10% of those born before 1945 do the same (though the AIDS epidemic, having affected predominantly the Baby Boomer to Gen X among LGBTQI+ cohorts, is also to blame).

This increase in visibility has a dark side: social media algorithms are potentially capable of identifying sexualities and classifying them. In theory, this is not explicitly done via defined categories, as neither the European legislation nor national Data Protection regulators

allow for recording an individual’s sexual orientation. However, as they can analyze people and their interests, all social networks identify profiles and use them for commercial purposes. In a sense, they know who is gay (or other) without even asking! So even if sexual orientation is not a category officially used in their algorithms, ads on Instagram, Twitter or Netflix suggestions can implicitly target LGBTQI+ identities, bringing for example the benefit of recommendations aligned with their interests. This constitutes a negative consequence of what has been termed surveillance (or targeted/behavioral) advertising.

This implicit classification needs to be closely monitored because of its potential dangers. The primary risk is that of bias and algorithmic discrimination. Indeed, statistical and machine learning tools are based on the analysis of past behaviors and can therefore reinforce prejudices. For example, if many users find two men kissing offensive, a poorly calibrated algorithm will follow the opinion of the majority and ban such images (this has been the case with Instagram⁶). Similarly, if the designers of an algorithm force a classification of women/men, non-binary people (about 14% of the adult population – 18

to 44 years old – in France according to a YouGov-L’Obs study⁷) will probably face discrimination.

In order for the Internet and social networks – metaverses tomorrow – to be fully respectful of individual rights, if not to constitute safe spaces, it is necessary to identify how they implicitly classify sexual identities and to grant everyone true control over their data. This must be done with legal oversight and on the basis of information that is truly understandable (contrary to the agreements we often grant on the use of our cookies on the web). We can then imagine that social networks might explain to everyone which of our past actions lead to specific recommendations. This would allow us to delete only a fraction of our data and give us effective means to really control our analyzed profile.

We also need to find new ways to control the use of implicit categories, and this cannot be done only by new algorithms. The solution may not lie in the brigades of moderators currently employed by Meta/Facebook (or others) to filter images and who are so traumatized by the content to which they are exposed that they have won

lawsuits for mistreatment by their employers⁸. This oversight could be done directly within social networks and based on enhanced valuation and positive algorithmic discrimination. The 2021 GLAAD report proposes to increase the visibility and impact of users with a benevolent outlook – those acting as beacons illuminating and guiding the decisions of others. For such “beacons” to emerge and influence others, we must all question our own values and learn to communicate them online.

It has always been known that the fight against hate and discrimination cannot only be carried out nationally but that it transcends frontiers. Yet, it must be brought also on the ether, the digital world that unites us all, with its own local weapons, those of algorithms. ■



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Julia Smith is the Editor-in-Chief of ESSEC Knowledge and the Research Communications Officer at ESSEC Business School. She received her MSc in Industrial & Organizational Psychology from the University of Calgary and her Bachelor's in Psychology from Queen's University. Julia's background is in management research and science communication.

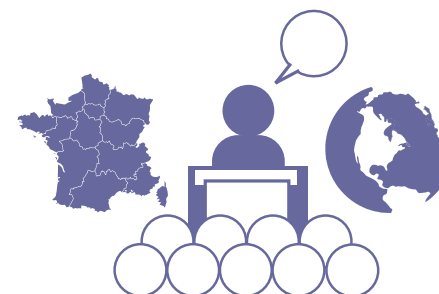
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■ ESSEC Business School

3 avenue Bernard-Hirsch
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France
Tel. +33 (0)1 34 43 30 00
www.essec.edu

■ ESSEC Executive Education

CNIT BP 230
92053 Paris-La Défense
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Plage des Nations - Golf City
Route de Kénitra
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Morocco
Tel. +212 (0)5 37 82 40 00
www.essec.edu

■ ESSEC Knowledge, Editor-in-chief

Julia Smith
Tel. + 33 (0)1 34 43 98 25
smith@essec.edu