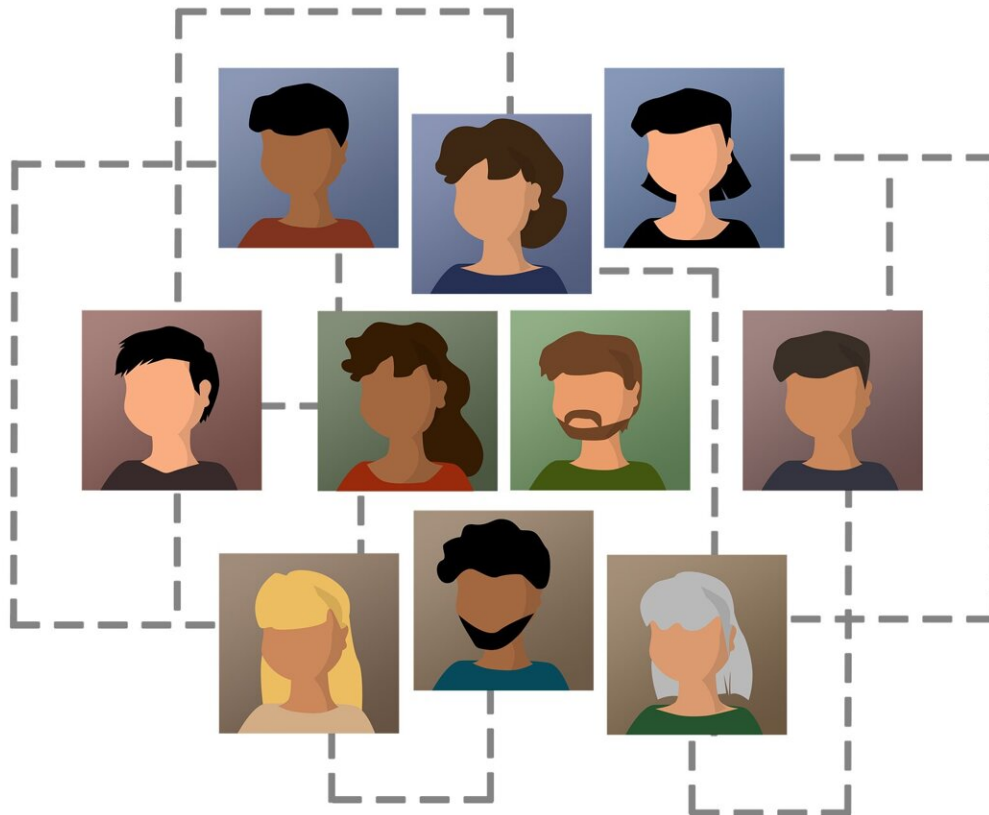


When firms internalize political stigma

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The Unite the Right Rally in Charlottesville, Va., in 2017 stigmatized local employers by creating the impression that strongly anti-diversity

attitudes put on display by white supremacists were widespread in the community. Employers sought to counteract this "stigma by association" by dramatically increasing the extent to which they included pro-diversity language in their job advertisements.

This is according to research by Assistant Professor of Management and Organization Reuben Hurst at the University of Maryland's Robert H. Smith School of Business. The study is [published](#) in the journal *Administrative Science Quarterly*.

Hurst explains, "One of the most fascinating phenomena of the contemporary business world is that companies speak up on divisive social issues far more so than they have in the past. This is especially puzzling in light of evidence that firms generally have fared better by staying silent on these issues. Idiosyncrasies of Unite the Rally meant that I could cleanly test the theory that this positioning often arises as a defensive response to counteract perceived association with controversial political actors."

Through interviews with hiring managers in the Charlottesville area, Hurst first learned that following the rally, local organizations had begun to hear concerns from [prospective employees](#) that the anti-diversity views of the rally's demonstrators existed broadly in the community. This motivated employers to make pro-diversity claims in their job postings to counteract the presumption. Post rally, "firms normally neutral, or not even pro-diversity were more likely to 'speak up' as 'pro-diversity' in their recruiting and hiring processes," he explains.

Motivated by this qualitative evidence, he then found evidence of this pattern with a dataset of more than 60 million job ads where he compared job ads in Charlottesville to ads in other parts of the country.

"What's more," he adds, "the rally seems to have caused a wage

premium, pressuring employers to offer [higher wages](#) to offset potential employees' misgivings regarding Charlottesville. But this premium was lower when employers made pro-diversity claims. In other words, those efforts to counteract that anti-diversity stigma by association seem, to some extent, to have worked."

The paper has received multiple best paper awards, including from the Academy of Management and Strategic Management Society. The study reflects Hurst's broader interests in how employers adjust recruiting strategies in response to growing demographic diversity and political polarization and how these strategies contribute to labor market segregation by gender, race, and political partisanship.

The findings surrounding "Unite the Right," he says, add insight to employers' strategic sociopolitical positioning whereby they make calculated appeals to stakeholders. "This contrasts with related research showing that firms use social claims to combat negative evaluations resulting from their own actions or to differentiate from competitors," he adds.

"For example, we've all heard about the diversity training Starbucks implemented after some of their employees mistreated racial minority customers. A big part of that was to signal to people that, despite the actions of these employees, they would not tolerate racism in their stores. What's different about this case is that Charlottesville's employers hadn't done anything to indicate sympathy with white supremacy. It was simply their proximity to these rioters that suddenly made it important for them to speak up and explicitly affirm their commitment to diversity."

Hurst says his study also "suggests opportunities for further research investigating, for example, additional motivations for firms' socio-political positioning, how positioning might evolve in the context of

growing political polarization, and how positioning might relate to workplace inequality and diversity."

More information: Reuben Hurst, Countervailing Claims: Pro-Diversity Responses to Stigma by Association Following the Unite the Right Rally, *Administrative Science Quarterly* (2023). [DOI: 10.1177/00018392231203008](https://doi.org/10.1177/00018392231203008)

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