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# Why Diversity Matters

Why diversity matters. This special number presents the latest research from HEC professors and Ph.D. students on the impact of Human Resources policies and leadership on diversity and inclusion (D&I). These often throw up stereotypes in factors of discrimination and in shaping workplaces and society. Researchers explain their key findings in D&I and offer concrete insights and recommendations to better face management and career challenges. Hence, they attempt to answer certain crucial societal issues.

## STRUCTURE

### PART 1

#### **Why Diversity Matters**

Matteo Winkler is a law professor at HEC Paris, focusing an important part of his research on international human rights and on teaching Diversity and Inclusion. Professor Winkler also chairs the HEC Paris Diversity Committee. Eloïc Peyrache is a professor of economics. He began his research career with a study of gender diversity in admissions to French Grandes Ecoles. He was nominated Dean of HEC Paris in January 2021. Both professors share their insights on the stakes in Diversity and Inclusion, ways to address discrimination and proposals to include diversity through research. These, they say, are just some of a panoply of initiatives being explored at HEC Paris.

### PART 3

#### **Including and Managing Diversity: Interview with Researchers**

In this interview with Knowledge@HEC, a dozen of professors and Ph.D. students from HEC Paris share the key findings of their latest research on diversity and inclusion. They also share insights for managing one's career in challenging contexts and give analysis on how education and the new generations can change the workplace culture.

### PART 2

#### **Why Anti-Discrimination Laws Are Not Enough to Ensure Inclusiveness**

The EU has a comprehensive legal framework to combat discrimination. But where exactly does the letter of the law lie and how can corporations make their businesses truly inclusive? HEC Paris professor Matteo Winkler suggests going above and beyond the law to make workplaces genuinely diverse.

### PART 4

#### **Why Private Equity Firms Should Include More Women**

At the senior level, men outnumber women by a 10 to 1 ratio in the private equity sector. Considerations about gender equality notwithstanding, such a testosterone-only environment is not good for... the bottom line. A large-scale study of investment deals by HEC Paris professor of strategy and business policy proves that teams with at least one female member

## PART 5

**[“A \\$%^\\* Sexist Program”: Detecting and Addressing AI Bias](#)**

A major issue facing companies that use AI, algorithmic bias can perpetuate social inequalities — as well as pose legal and reputational risks to the companies in question. New research at HEC Paris offers a statistical method of tracking down and eliminating unfairness.

## PART 7

**[Unintended Consequences: When Minority Directors Get a “Pass” in Cases of Fraud](#)**

Companies are increasingly facing societal pressure to diversify their boards. However, these well-intended measures may have unforeseen consequences, a new study finds. Because of a perceived shortage of minority candidates, fraud-tainted minority directors — unlike their non-minority counterparts — enjoy some immunity from negative reputational consequences.

## PART 9

**[The Role of Citizens in Managing a Crisis by Including Migrants](#)**

The year 2015 marked a cesura in Europe’s recent history to “the largest migration movement of people that Europe has seen since 1945” (Financial Times, 2015). Private citizens quickly and efficiently organized to assist the settling of 20,000 of refugees crossing borders every day in Germany, compensating for the state’s initial inability to handle the situation (The Economist, 2015). Researchers have investigated the early organization that led to the quick response of those citizens to manage a crisis. In this interview, David Twardowski Crvelin, Assistant Professor of Accounting and Management Control at HEC Paris, discusses the conditions that help the inclusion of migrants in business and society.

## PART 11

**[Building Back Better: Why Gender Diversity Needs to Be at the Heart of the Innovation Agenda](#)**

Innovation thrives in teams where diverse thinking is not only encouraged but proactively encouraged. Gender diverse teams are shown to have improved performance. Despite the evidence demonstrating the impact of diversity, we still witness mixed reactions to gender diverse teams with the situation exacerbated following the pandemic. As organizations are rebuilding after the initial waves of the pandemic, we focus on why gender diversity needs to be at the heart of this transformation.

[dramatically outperform male-only teams. An interview with Oliver Gottschalg.](#)

## PART 6

**[Why So Few Women Occupy the Most Lucrative Jobs](#)**

Though women have made inroads into traditionally male-dominated sectors, gender gaps still exist in the most influential and best-paid jobs. Two authors looked beyond discriminatory hiring practices and women’s “self-selection” out of applying for highly desired jobs — and find explanations at the heart of corporate culture.

## PART 8

**[How Brands Can Fight Gender Stereotypes in Ads](#)**

Men and women value a product differently depending on whether it has a male or female brand representation — think Mr. Clean or Betty Crocker. Specifically, female-identified brands are less appealing to male shoppers. But researchers have found a relatively simple way to combat this gender bias.

## PART 10

**[The Uncertain Promise of Human Rights in Sports: Understanding the Caster Semenya Case](#)**

For the 32nd Olympic Games, one of South Africa’s modern icons, 800-meter champion Caster Semenya, will not be making the trip northwards. She has been barred from the Tokyo Olympics where she had hoped to defend a crown she won in 2012 and 2016. We discuss with Professor Matteo Winkler the legal, sociological and ethical implications of the Caster Mokgadi Semenya v. IAAF (now World Athletics) case. World Athletics’ regulations target female athletes like Semenya who are born with naturally high levels of testosterone, a characteristic that was labelled first as “hyperandrogenism” and then as “difference of sexual development”. Winkler and fellow academic, Doctor Giovanna Gilleri from the European University Institute published a 40-page study deconstructing the narratives surrounding the case and reflecting on the relationship between the law of sports, politics, gender and bodies – and the West’s sometimes uncomfortable position on femininity in the Global South.

## PART 12

**[Gender Difference on Crowdfunding Platforms: What Pitches Work?](#)**

On prosocial crowdfunding platforms such as Kiva, which benefit low-income entrepreneurs, women-led campaigns tend to be significantly more successful than men’s. To find out which specific gender dynamics explained this difference, HEC Paris professor Santosh B. Srinivas sought to sort out gender differences in the justifications for funding requests entrepreneurs made on the site.

## PART 1

# Why Diversity Matters

Published on:  
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**Matteo Winkler is a law professor at HEC Paris, focusing an important part of his research on international human rights and on teaching Diversity and Inclusion. Professor Winkler also chairs the HEC Paris [Diversity Committee](#). Eloïc Peyrache is a professor of economics. He began his research career with a [study of gender diversity](#) in admissions to French *Grandes Ecoles*. He was nominated Dean of HEC Paris in January 2021. Both professors share their insights on the stakes in Diversity and Inclusion, ways to address discrimination and proposals to include diversity through research. These, they say, are just some of a panoply of initiatives being explored at HEC Paris.**



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By [Matteo M. Winkler](#), [Eloïc Peyrache](#)

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## WHAT IS DIVERSITY & INCLUSION AND WHY IT MATTERS?

**Matteo Winkler:** In the last decade, we have witnessed increased attention for D&I at all levels – in the workplace, in family law and reproductive regulations, in public institutions and society at large. This is the result of two forces. First, the #MeToo and Black Lives Matter movements (I addressed the former on Forbes [here](#) and [here](#)) have made us more sensitive to discriminatory practices everywhere. Second, scholars have produced [research](#) on a massive scale regarding the set of microaggressions we are subjected to in our everyday lives. Our main challenge for the current decade is to reflect on the flaws that characterize the existing anti-discrimination legal arsenal. This will generate new ideas and tools that aim to prevent these microaggressions from taking place, which will be tested in real-life scenarios.

**We have come to realize that diversity is meaningless without inclusiveness.**

At HEC Paris, we believe this task cannot be accomplished without hearing the voice of all the stakeholders involved: not only corporate leaders and D&I experts, but also people offering first-hand experiences of vulnerability. To stimulate meaningful reflections in this regard, HEC Paris has put in place three programs:

- **Teaching D&I across programs:** we offer courses on D&I that helps students identify and deactivate biases, stereotypes, and prejudices in their thinking. They re-design decision-making processes accordingly.
- **Assisting school leaders in developing D&I-oriented policies:** we have a [diversity committee](#) whose goal is to contribute to setting HEC's values by anchoring our collective conversation about inclusiveness to the needs of the school stakeholders (students, employees and faculty, alumni and alumnae, corporate partners, etc.).
- **Modelling campus life:** we help students to speak out about their needs, wishes and ambitions, including sport and associations' activities. We propose pedagogical debates with corporate partners, student associations and D&I experts such as the [HEC DiversiTALKS\\*](#).

With these actions in mind (more information [here](#)), we have come to realize that diversity is meaningless without inclusiveness. Indeed, the multiculturalism reflected in our campus requires continuous and systematic efforts to encourage inclusiveness. In this way, we ensure that our students and employees enjoy a safe space where they can be themselves; where they can release the hidden potential they harbor; and where they can thrive. In a few words, where they feel that they belong. This is not just a matter of educating our students for them to make their future workplaces more inclusive, but for them to live their diversity right now, right here, on campus.

## WHY THIS IN-DEPTH NUMBER ON DIVERSITY & INCLUSION NOW?

**Eloïc Peyrache:** At HEC Paris, diversity is a key driver of the excellence of the institution. It is by nature multidimensional, from diversity of opinions to diversity of origins through gender and social diversities. Selecting talents from more than 100 different nationalities and being close to gender parity on campus is a great achievement but it's still not enough.

We first need to ensure a strongly inclusive environment based on tolerance, human respect and well-being. These are a necessary condition to unleash human magic on campus. At HEC, professors, staff, students are all involved in shaping the D&I strategy that has been defined. HEC is a leading school fostering social mobility in society through an ambitious equal opportunity policy in France. It has started to implement this beyond its borders. [DiversiTALKS conferences](#) are profound opportunities to learn and share on the matter. The HEC Diversity Committee contributes to driving many changes in the organization, from Charter to HR measures. (Learn more on "Diversity & Inclusion" initiatives at HEC Paris [here](#)).

Research on diversity at work has become even more important lately as the topic evolved into a major societal issue.

We also need to make sure that [research](#) produced by HEC faculty pushes back the frontiers of knowledge on the topic. Research on corporate D&I is not new. For decades, researchers have empirically analyzed correlations and causalities between various types of corporate diversity and indications of performance. But research on diversity at work has become even more important lately as the topic evolved into a major societal issue! As a core dimension of its mission, the [faculty](#) of HEC Paris is contributing to the understanding of the challenges brought by diversity, offering conceptual tools and providing solutions to be implemented.

\*Find live posts on the HEC DiversiTALKS sessions on Twitter [here](#).



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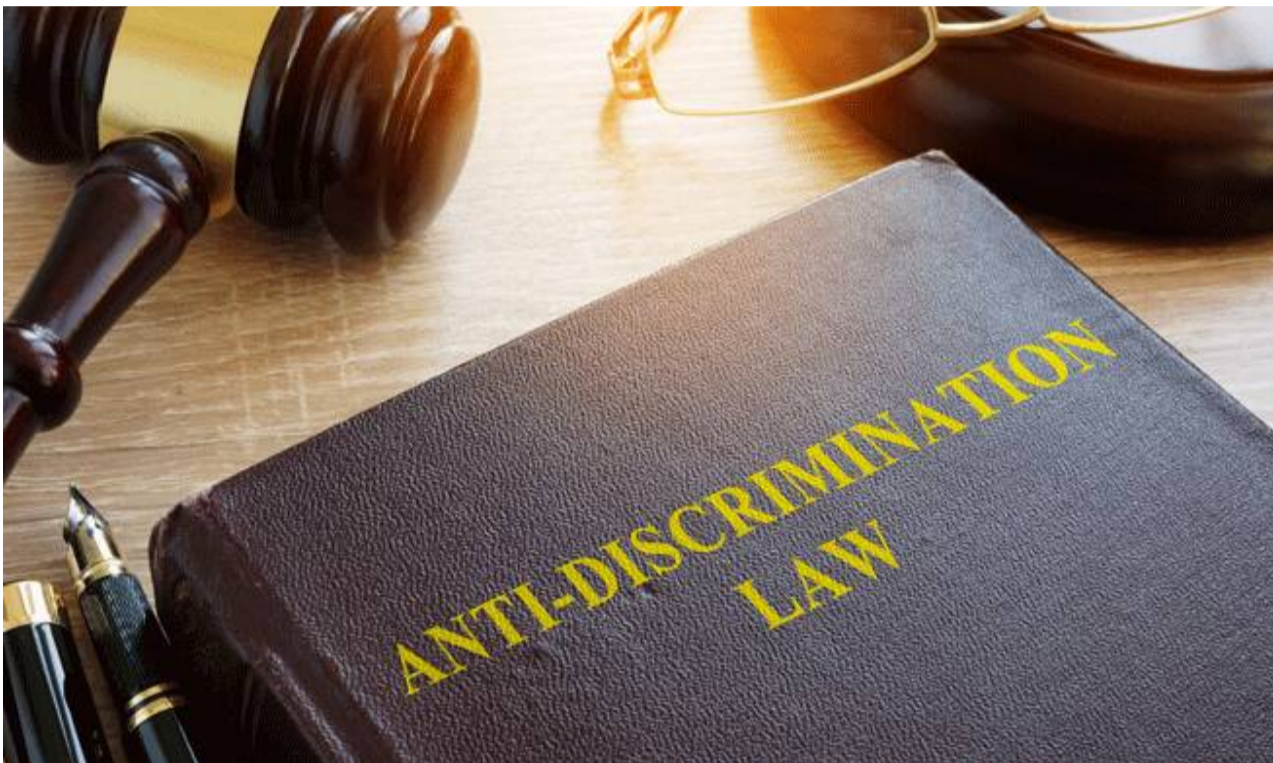
## PART 2

# Why Anti-Discrimination Laws Are Not Enough to Ensure Inclusiveness

DIVERSITY &amp; INCLUSION

Published on:  
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The EU has a comprehensive legal framework to combat discrimination. But where exactly does the letter of the law lie and how can corporations make their businesses truly inclusive? HEC Paris professor Matteo Winkler suggests going above and beyond the law to make workplaces genuinely diverse.



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In 1968, the day after Martin Luther King was assassinated, an American teacher conducted an experiment that has become a famous example of how people succumb to discrimination. [Jane Elliott divided her class by eye color](#), giving them arm bands based on their eye color and telling her students that eye color was an extension of race.

She placed the brown-eyed children in the front two rows and gave them priority for breaks and food. She observed that the brown-eyed children quickly became dominant, humiliating the blue-eyed children. She also found that the blue-eyed children became submissive and stopped learning.

It's not prejudice that causes discrimination, it's discrimination that causes prejudice.

The next day she reversed the roles and observed the children's behavior change. She observed that students who were left behind, in addition to being subject to humiliations, lost any motivation to learn. The experiment was widely reported and repeated in different contexts, showing the world that one can very easily simulate an environment that leads to prejudice. The experiment teaches us that it's not prejudice that causes discrimination, it's discrimination that causes prejudice.

## THE ROLE OF THE LAW

This presents us with a question, are anti-discrimination laws sufficient to fight prejudice? Indeed, are they the best way for us to approach the problem? To answer this question, we first need to understand what protections the law provides. If you were asked what exactly is prohibited under EU laws when it comes to discrimination, could you give a clear answer?

## Where and how the law offers protection is not an easy question to answer.

The answer may surprise you. European law prevents discrimination across 15 criteria: sex, race, color, ethnic origin, social origin, genetic features, language, religion or belief, political or indeed any opinion, membership of a national minority, property, birth, disability, age and sexual orientation. But where and how the law offers protection is not an easy question to answer.

To assess this, we look at four factors.

1. Firstly, we must consider the material scope of the laws. For example, many anti-discrimination laws specifically regard the workplace and barely apply to other contexts.
2. Secondly, we must consider procedural rules. We must establish who can sue and under what standard of evidence. Most of the times, victims refuse to file a complaint out of fear of retaliation or of revealing the reasons of the discrimination, and not in all countries can workers unions file complaints on their behalf.
3. Thirdly, we must take into account substantive provisions, and consider indirect discrimination and what exceptions apply. For example, people can be legally discriminated if the discrimination is based on a genuine occupational requirement.
4. Finally, we must consider incentives. Compensation must be relevant, which research tells us is hardly the case.

The best way to understand the limits of the law is to consider case studies.

### THE AIRWAVES, A HYPOTHETICAL WORKPLACE?

In Italy a very famous law professor and criminal lawyer named Carlo Taormina called gay people “genetic anomalies” and said “I don’t want them around; they make me sick” in a 2013 radio interview. This raised the question of whether this is a workplace and whether there is a victim. As the comments were not toward a specific individual or took place in a specific workplace, it might be wrongly assumed that the law doesn’t come into play in this instance. But that would be a false assumption. Indeed, the courts – in a long string of appeals all the way to the highest court in the [European Union](#) – [ruled against Taormina](#) and, accordingly, the Italian tribunals ordered him to pay €10,000 in damages.

### THE CASE OF DISCRIMINATION TOWARDS CUSTOMERS

Let’s look at another case. In 2013 [Guido Barilla](#), the pasta billionaire, spoke on Italian radio about his views of homosexuals, suggesting that they “eat another” pasta brand. “I would never do a commercial with a homosexual family, not for lack of respect, but because we don’t agree with them,” Barilla said on Italy’s most famous radio talk show. The statements provoked an international reaction and led to a major boycott. But rather than doubling down, Barilla met with [Parks Liberi e Uguali](#), a nonprofit dedicated to fostering LGBT inclusion, and the [Tyler Clementi Foundation](#), which aims to end bullying and online harassment.

The company [introduced diversity and inclusion](#) classes and unconscious bias training for the entire workforce and has become a model company when it comes to fighting discrimination and being an inclusive employer. In this case the law didn’t have to step in and the business was able to find a far more effective way of correcting its behavior.

### THE IMPACT OF MICRO-AGGRESSIONS

Since the 2000’s [microaggression theory](#) has been widely adopted as a way to analyze discrimination in the workplace. According to the theory, microinsults can occur when someone conveys insensitivity or a lack of respect to someone because they belong from a certain group. Microassaults occur when someone uses discriminatory statements to express societal disapproval. Microinvalidations occur when someone nullifies a person’s experience of being a woman, for example, by silencing voices or under-recognizing their skills. What is difficult is to use anti-discrimination laws to fight against microaggressions. As mentioned above, anti-discrimination laws require a victim to sue, whereas microaggressions, even while they undermine individuals, raise the issues of sufficient evidence and perception of having been actually denigrated.

### MOVING ON FROM RELIANCE ON LAWS

After investigating the role of the law in preventing discrimination, it has become clear that instead of relying on the law to act as a deterrent, the best way to foster diversity is to cultivate a culture that prevents lawsuits from ever having to happen in the first place.

**Instead of relying on the law to act as a deterrent, the best way to foster diversity is to cultivate a culture that prevents lawsuits.**

Companies must find ways to create a culture where the risk of microaggressions is mitigated and every employee has a sense of belonging. This must be done by adopting a holistic approach to inclusiveness and moving beyond training. We need to actually design inclusiveness into the workplace through real change. It's also crucial for companies to look beyond the business case for inclusivity and to show their employees that creating an inclusive workplace makes work and life a better experience for every single employee.

## LISTEN TO THE WEBINAR:

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### Methodology

Our research involved a literature review of legal texts and case law.

### Applications

Our research will be of value to businesses, both in helping ensure compliance with the law and in forming environments where employees can be happy and productive.

### HEC Paris Executive Education



[\(In French\) Retrouvez un programme court sur la diversité et l'inclusion.](#)



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## PART 3

# Including and Managing Diversity: Interview with Researchers

DIVERSITY & INCLUSION

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In this interview with Knowledge@HEC, a dozen of professors and Ph.D. students from HEC Paris share the key findings of their latest research on diversity and inclusion. They also share insights for managing one's career in challenging contexts and give analysis on how education and the new generations can change the workplace culture.



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By [Elena Lizunova](#), [Denisa Mindruta](#), [Roxana Barbulescu](#), [Valérie Gauthier](#), [Shaheena Janjuha-Jivraj \(education Track - Doha Campus\)](#), [Leandro Nardi](#), [Marieke Huysentruyt](#), [John Mawdsley](#), [Rodolphe Durand](#), [Bianca Crivellini Eger](#), [Thomas Åstebro](#)

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## KNOWLEDGE@HEC: FIRST, WHAT CHALLENGES DO WOMEN AND MINORITIES FACE AT WORK?

**Elena Lizunova and Denisa Mindruta:** In entrepreneurship, one of the most well-documented gaps is the gender gap: women are less likely to become entrepreneurs, less likely to attract external capital, and less likely to scale up their ventures. We wanted to know what drives these gender disparities, so we set out to study female entrepreneurs in male-dominated industries—industries where women are a minority and might face additional challenges. Our research shows that in the first three years after venture creation, women-led ventures perform financially as well as those founded by men. Yet, surprisingly, when it comes to male-dominated industries, female founders tend to leave entrepreneurship at higher rates than men.

Our research shows that in the first three years after venture creation, female founders operating in male-dominated industries tend to leave entrepreneurship at higher rates than men, although we do not observe these women underperforming.



We also observe that the entrepreneurial process unfolds differently for both genders. Women report encountering more challenges such as financing problems and difficulties recruiting qualified staff. As founders, they start with a disadvantage in terms of pre-existing connections with clients, suppliers, and former employers. It is interesting to note that in female-dominated industries, the exit rates for the two genders are similar and women do not report having more difficulties, although they also report having fewer connections than men.

**Roxana Barbulescu:** Women are often penalized in their career outcomes (think salary or promotions) relative to men, but this is not always the case. In fact, there are situations when at least some women have an advantage, and it is important for research to uncover the conditions in which this happens. In ongoing research, [Wooseok Jung](#) and I are using a large-scale longitudinal dataset on the careers of law firm graduates in the US. This allows us to see how the career outcomes for male vs female lawyers differed around the 2008 financial crisis. We find that while women lawyers were more likely than men to miss promotions and incur compensation decreases overall, this penalty reversed for female graduates of elite law schools. These women did better than their male equivalents at maintaining their promotions and compensation in face of the crisis.

There are situations when at least some women have an advantage, and it is important for research to uncover the conditions in which this happens.

However, and importantly, we also found that this advantage only occurred when the women worked in certain kinds of organizations and jobs – for example, firms with a high percentage of female workforce, and jobs with high autonomy and output responsibility. Thus, the advantage for women from the elite universities, while real, seems contingent on enabling features of the employing organization. In sum, our research suggests that only by considering several factors at different levels – the individuals’ educational background as well as conditions in the current employing organizations – can we fully understand what drives different career outcomes for diverse groups.

### WHY DID WOMEN FROM ELITE SCHOOLS MAINTAIN THEIR PROMOTIONS AND COMPENSATION BETTER THAN MEN DURING CRISES?

**Roxana Barbulescu:** Unfortunately, the data do not allow us to see very clearly why this is happening. If I were to guess, I would say that one or more of the following may be happening: the women graduating from top schools could be exceptionally good (at the margin, better than the equivalently trained men), or they may get hired by firms that have better career management tracks for women, or maybe they are treated with particular care by these firms because of their pedigree – they are “rare pearls” to have in the workforce. We are currently trying to disentangle these explanations. But what the data do tell us for sure is when this educational advantage is more or less strong.

### WHY IS IT IMPORTANT TO HAVE MORE WOMEN IN MALE-DOMINATED INDUSTRIES?

**Elena Lizunova:** Women are known to care about social impact, so having more women in usually male-dominated industries could lead to more sustainable solutions. It would also lead to more inclusive solutions because when men (or any other group that is not diverse) come up with solutions, those solutions only address the needs of the group that found those solutions (men in this case), which excludes the different groups.

Women are known to care about social impact, so having more women in those industries could lead to more sustainable and inclusive solutions.

This is why we look at industries that have a high potential for growth and innovation, because most of them are male dominated and because they impact the world. For example, industries like programming are male dominated and use technologies that could have a lot of impact on the world, but women are underrepresented there (about 10% of all founders are women).

**Roxana Barbulescu:** Almost half of the discrepancy in income among women and men comes from the allocations of people to jobs – men and women take jobs in different occupations. On average, male-dominated industries or occupations pay more (sometimes, a lot more) than their women-dominated counterparts, and the highest paying jobs and occupations in our society are all male dominated. So it is also important to have more women in male-dominated industries to decrease the inequality in our society between women and men in terms of pay and wealth.



Roxana Barbulescu, Associate Professor of Management & Human Resources at HEC Paris.

## WHAT IS THE ROLE OF HUMAN RESOURCES IN RECRUITING DIVERSITY?

**Shaheena Janjuha-Jivraj<sup>(1)</sup>:** The Diversity & Inclusion agenda is a change agenda and so responsibility for momentum across this area runs across the organization. D&I cannot sit solely with Human Resources (HR), in fact when this happens, D&I initiatives are less likely to succeed. HR is perfectly placed to mobilize the D&I agenda, by ensuring the hard-wiring is in place. The robust policies are established but more importantly, the soft-wiring, in other words an inclusive culture where leaders become more comfortable working with diverse teams. Using an evidence-based approach is critical for successful D&I strategies. Policies implemented need to have clear KPIs in place that provide interim measures that shape behavior and attitudinal change – with a particular focus on middle managers to unlock the pipeline.

**Roxana Barbulescu:** I agree with Shaheena. People's career decisions are not instantaneous but rather shaped by long-lasting impressions of different employers and the anticipation of how their careers will unfold in different workplaces. For instance, in one of my [papers<sup>\(2\)</sup>](#) I studied the job search process and decisions of 1,200 MBA participants from an international program. I looked in particular at the extent to which women and men's different post-MBA job outcomes were due to differences in application behavior and/or differences in offers received. The findings revealed strong application differences by gender. Overall, women were less likely than men to apply to jobs in finance and consulting, and more likely to apply to jobs in general management.

**The reputation of their workplace among potential employees requires sustained, long-term efforts to improve and maintain their internal culture and career management practices to appeal to diverse talent.**

These differences were explained by women's explicit preference for jobs with better anticipated work-life balance, their lower identification with stereotypically masculine jobs, and their lower expectations of job offer success in such stereotypically masculine jobs. Women were also less likely to receive job offers to any type of job once they applied, meaning that their application behavior directly shaped the final job outcome differences, with relatively fewer women than men in this setting entering finance and consulting jobs. For the employers, the lessons are sobering. Organizations cannot reasonably expect that cosmetic changes to their recruiting campaigns, for

instance, will translate into immediate results in diversity hiring. The reputation of their workplace among potential employees requires sustained, long-term efforts to improve and maintain their internal culture and career management practices to appeal to diverse talent.

### WHAT IS AN INCLUSIVE LEADERSHIP?

**Shaheena Janjuha-Jivraj:** Inclusive leadership is a conscious approach to creating stronger connections within diverse teams. Recruiting diversity is the first step in building diverse teams. The real value from diversity occurs through innovation which happens when colleagues form strong bonds of trust leading to creative thinking. An inclusive leader will nurture an environment where teams feel safe and willing to take risks with their thinking, challenge group think and ultimately emerge with strong, new ideas. Building inclusive leadership leads to a pluralistic form of leadership, where cognitive diversity flourishes.

**Valérie Gauthier:** Human beings are fundamentally relational beings. The fear of what is different, of the unknown, of the stranger tends to push humans towards what is similar to them. However, in our current research we find that the further apart two individuals are on paper (cultural, age, race, gender or educational differences), the more efforts each one of them has to make to understand the other, and the more each individual will learn about her/himself on the way. Because all human beings have something in common: they are human. Therefore, training towards opening up to others, welcoming their diversity, and valuing their differences becomes an asset in a leadership style that creates the conditions for those differences to work together with respect and understanding. This training has a name and a methodology: the [Savoir-Relier](#)<sup>(3)</sup>. And it works!

The further apart two individuals are, the more efforts each one of them has to make to understand the other, and the more each individual will learn about her/himself on the way.

### WHAT MAKES BOARDS MORE DIVERSE?

**Valérie Gauthier:** Organizations that create an environment where different profiles collaborate and have room for initiative and self-expression will perform better. Introducing processes whereby a deep understanding of the other person whatever the difference will enrich the quality of work and performance. Leading by example, when boards make conscious efforts to bring diversity inside by recruiting diverse profiles, the rest of the organization will follow. Those efforts include developing women and culturally diverse people inside the organization as well as recruiting internationally and outside the educational stream they are used to working with. A company that includes interdisciplinary profiles with mixed gender and applies methods to generate collaborative and genuine understanding of the way each individual operates, will be more successful.

### WHAT MAKES COMPANIES MORE OR LESS INCLUSIVE TO EMPLOYEES WITH DISABILITIES?

**Marieke Huysentruyt and Leandro Nardi:** There is not much research in management or strategy on inequalities concerning persons with disabilities. So we are excited to start a project (with [Thomaz Teodorovicz](#) of Harvard University) to understand what makes companies more inclusive to employees with disabilities. We use a very large dataset containing every formal labor contract in Brazil. We will explore several firm characteristics that may explain these superior capabilities, including companies' inclusiveness in other dimensions (such as gender, race, income).

We need to understand whether some firms are “better” at employing persons with a disability.

In essence, our project exploits the introduction of a series of measures that the Brazilian government undertook to increase firms' demand for individuals with a disability. We have access to the population of all formal labor contracts at the firm-individual level, meaning we can really

track how people's labor market situation evolves over time to understand whether some firms are "better" at employing persons with a disability: "better" in terms of the wage inequality, increasing wages, upward career trajectories, etc.

### CAN YOU SHARE SOME INSIGHTS ON HOW TO MAKE THE BEST OF OPPORTUNITIES IN VARIOUS ORGANIZATIONS?

**Valérie Gauthier:** Learn to question yourself and remain open to different, diverging and opposing views by coming down your ladder, dropping the mask and working outside your prejudices, beliefs and assumptions. Listen to the music you don't like, eat the food you don't know, discover the art you perceive as crazy and engage in conversations with people who think differently from you with a genuine openness. You will learn from those differences and you will build your own style in your own and unique differences with the serene confidence of being who you are, bringing your own value and building sense for yourself and the organization.

**Shaheena Janjuha-Jivraj:** Through my [research and extensive work with companies](#), I have found two things that are game changers for women's careers; championing by a senior leader and the opportunity to take on a stretch role (Ed, jobs for which you perhaps have most of the required experience but not all). Championing is less transactional than sponsorship and occurs when senior leaders invest in identifying talented individuals who don't have a strong presence in leadership roles. Champions see the potential in individuals, and work with them to take on new roles. Championing works well with stretch roles, where individuals take on opportunities that are beyond their comfort zone but help to build confidence in their abilities for their career progression.



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**John Mawdsley and Rodolphe Durand:** Many scholars and industry practitioners outline a "business case" for diversity whereby improving diversity, as one form of prosocial action, can improve a firm's reputation and help it attract new employees and customers. It's a sad story, (and [may not even provide](#) the anticipated benefits to firm or worker) but essentially, a firm's drive for higher profits can lead to opportunities for women and minority workers.

In our latest [research](#)<sup>(4)</sup> in the US corporate legal services sector, we find that most large US corporate law firms increase their number of female partners in response to the clients of their rival law firms increasing gender diversity in their executive team. These law firms, we propose, do this to send a "signal" to those clients that they share the same pro-diversity values. But, our findings indicate that law firms may manage their diversity levels in a calculated, strategic way. While we might prefer career opportunities to not be influenced by client and customer preferences, many firms often look first to improving profits rather to improving prosocial action.

### IN THAT CONTEXT, WHAT DO YOU RECOMMEND TO WOMEN AND MINORITIES FOR THEIR CAREER?

**John Mawdsley:** It seems that for women and minorities, the expectations or preferences of clients and customers for greater diversity can provide career opportunities for women and minority workers in firms that provide products and services to clients and customers that they may not have otherwise received. I invite you to check Professor Sarah Kaplan's [Institute for Gender and the Economy](#) online.

### GENDER TRAITS STEREOTYPES: WHAT IMPACT ON GENDER EQUALITY AT WORK?

**Shaheena Janjuha-Jivraj:** We have enough evidence to demonstrate the impact of systemic biases that impact career progression for women. A great deal of work has focused on addressing the policies and structural inequalities at work, but we need to pay more attention to cultural attitudes. The global pandemic has impacted career progression for women and the companies that have embedded D&I into their DNA are more agile and likely to retain women employees. We need to remember the focus needs to stay on fixing the organization rather than fixing the women.

**The global pandemic has impacted career progression for women and the companies that have embedded D&I into their DNA are more agile and likely to retain women employees.**

Education is critical both in the formal sense leading to qualifications and information through experiential opportunities. Learning new knowledge, testing it and developing new ways of behavior – these create the opportunity for individuals to develop their confidence as they apply leadership in different contexts. Our world today is filled with complex problems, so-called wicked problems, where we don't have a simple solution and need creative solutions and trust in our thinking to speak up and share different thoughts.

**Bianca Crivellini Eger:** First, I believe that, based on research<sup>1</sup>, traits don't have a gender. But the assumption that a certain gender holds specific traits is alive and well, and this is fundamental in social perception and judgment. In my current research<sup>(5)</sup>, I find that even in male-dominated industries, the closer males are to 25 years old, the more comfortable they are displaying traits that are stereotypically feminine, but also, the more they get marginalized.

Despite consolidated research<sup>2</sup> showing that the most effective leaders are not hegemonic leaders but hold a lot of "feminine" traits, many of the barriers of the advancement of women and men said "feminine" in the workplace are still the consequences of gender stereotypes. Allowing these gender stereotypes to survive is counterproductive for professional women, for the new professional men, and for companies alike.

### **WHAT CAN COMPANIES DO TO PREVENT THIS MARGINALIZATION BASED ON GENDER TRAITS STEREOTYPES AND TO CONTRIBUTE TO THE ACHIEVEMENT OF GENDER EQUALITY?**

**Bianca Crivellini Eger:** Companies should leverage the [new mentality](#) being fostered by society, the image of the new more "feminine" man. If companies could normalize and encourage what is defined as feminine traits, hence removing the assumptions tied to gender stereotypes, this could go a long way to promoting gender equality in the workplace and to leave behind the traditional [Don Draper-type professional alpha male](#), who is already becoming obsolete in society.

Concretely, a simple implementation like reframing the requirements and description of leadership positions and other job descriptions could be very powerful in changing the optics tied to gender in the workplace. If companies begin to highlight the essential "female" qualities that a leader should possess and display, this would quickly cascade to the lower levels of the corporate ladder, fostering a mentality of inclusiveness and gender equality.

**Reframing the requirements and description of leadership positions and other job descriptions could be very powerful in changing the optics tied to gender in the workplace.**

In fact, if leaders are explicitly encouraged and expected to be sensitive, accountable, and empathetic, lower-level employees (men and women alike) displaying these traits would feel comfortable displaying them and would not be discriminated against. This would result an inclusive workplace.

### **HOW TO IMPLEMENT CHANGE THROUGH TRAINING AND EDUCATION?**

**Valérie Gauthier:** More than training, education is the source of change, as long as the right mindset is in place for people to learn not only from science and other subjects but also from each other, from different perspectives and ways of understanding, from introducing more sense and

sensibility in the way we teach and learn. Therefore, rather than formatting people, education settings must be interdisciplinary and sensible to create collaborative environments where individuals can express their original perceptions and not just their opinions and thoughts and be respected for them.



Students at HEC Paris.

**Thomas Åstebro:** Your family background has probably the largest impact on your future career, education comes second to that. Education can forever change individuals' opportunities, releasing them from the shackles of poor socio-economic conditions. First, education trains you - you acquire skills. [Research](#) by Abhijit Banerjee, Esther Duflo and Michael Kremer (learning the 2019 Nobel Memorial Prize in Economic Sciences) shows that access to basic education in developing countries such as India and states in Sub-Saharan Africa is key to those nations' future success. It also provides a signal of ability, and that signal may be as powerful as the training, especially if you go to a highly reputable school.

The type of training also matters, but probably less so. If you want to become an entrepreneur, whether you go through an Entrepreneurship Master or a Marketing Master is likely to matter much less than the difference between getting a Master's degree and not getting one.

**A small nudge at a young age may have a pivotal impact on careers.**

Women in science are severely underrepresented, and this has to do more with deeply rooted norms in society and subjective beliefs than preferences. A small nudge at a young age may then have a pivotal impact on careers. Indeed, Thomas Breda at Paris School of Economics and colleagues showed that a one hour visit by a woman scientist to a Paris high school had a significant impact, increasing the likelihood that a young female would change her career choice to apply and get admitted to a [STEM-based university program](#). And young female high school students in [Ecuador](#) who watched a one-and-a-half hour set of videos of women scientists and entrepreneurs showed a 13% increase in interest in studying science at university.

### HOW CAN WE IMAGINE THE FUTURE OF WORK WITH MORE D&I?

**John Mawdsley:** The increased adoption of remote work and [Working from Anywhere](#) (WFA) organization policies has the potential to increase diversity and inclusion. WFA especially (where employees work remotely and can live in any geographic location) can provide huge benefits. For example, in dual career couples it is often the wife's career that is compromised through the family moving to a new location because of the husband's job. WFA would allow the wife to keep her job regardless of where the family moved to. Similarly, women are not constrained by location when applying for jobs in companies with WFA policies, so it could open more career opportunities.

**Remote work can provide greater flexibility to fit work around important family commitments, and allow more workers in general, and women in particular, to remain with their employer rather than having to quit work.**

In addition, remote work can provide greater flexibility to fit work around important family commitments that might be difficult otherwise. This should allow more workers in general, and women in particular, to remain with their employer rather than having to quit work. So, D&I policies could increase as companies downsize their office footprint and allow employees to perform their role remotely. (See the [presentation](#) by Prithwiraj (Raj) Choudhury of Harvard Business School on WFA, in [this seminar](#) I moderated.)

**Shaheena Janjuha-Jivraj:** D&I is no longer “nice to have”, it’s a business imperative; progressive companies are moving beyond diversity recruitment issues towards building equity, inclusions and even pluralistic cultures.

Diversity is about being invited to the party, inclusion is being asked to dance, pluralism is when everyone learns each other’s dances – when we learn new things, we make new connections, and the quality of our thinking improves.

**Diversity is about being invited to the party, inclusion is being asked to dance, pluralism is when everyone learns each other’s dances.**

\*\*\*

<sup>(1)</sup> Shaheena Janjuha-Jivraj (HEC Paris), author of “[Championing Women Leaders](#)” and upcoming “Futureproofing Your Career” (Fall 2021). See her [Forbes article](#).

<sup>(2)</sup> Roxana Barbulescu (HEC Paris) and Matthew Bidwell (Wharton University), “[Do Women Choose Different Jobs From Men?](#)” (Organization Science, 2013). Summary on [Knowledge@HEC](#).

<sup>(3)</sup> Valérie Gauthier (HEC Paris), author of “Leading With Sense: The Intuitive Power of Savoir-Relier”, Stanford University Press 2014. Learn more and read the [interview with Valérie Gauthier](#).

<sup>(4)</sup> John Mawdsley (HEC Paris), Lionel Paoella (Cambridge Judge Business School, PhD at HEC Paris) and Rodolphe Durand (HEC Paris), “[A Competitive-Based Conformity Explanation of Firms’ Prosocial Behavior: The Case of Gender Diversity in Professional Service Firms](#)”.

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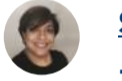
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## PART 4

# Why Private Equity Firms Should Include More Women

DIVERSITY &amp; INCLUSION

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🕒 7 minutes

**At the senior level, men outnumber women by a 10 to 1 ratio in the private equity sector. Considerations about gender equality notwithstanding, such a testosterone-only environment is not good for... the bottom line. A large-scale study of investment deals by HEC Paris professor of strategy and business policy proves that teams with at least one female member dramatically outperform male-only teams. An interview with Oliver Gottschalg.**



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By [Oliver Gottschalg](#)

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## PRIVATE EQUITY: IS IT A MAN'S MAN'S MAN'S WORLD?

At board level, private equity appears to be trailing by a ratio of 2:1 in gender diversity compared with the broader financial services industry. Women occupy only 9.4 per cent of senior jobs in private equity. And this glass ceiling has thickened in the past two decades. Audited performance data on deals completed between 1986 and 2015 shows a drop in the number of women leading deals in the final decade (from 5 per cent before 1995 to 1 per cent between 2006 and 2015).

## PASSING THE MICROPHONE TO THE DEVIL'S ADVOCATE: DOES IT MATTER?

Gender diversity in private equity is not only about morality; it is also a contributor to successful transactions. Our large-scale research reveals that gender diversity produces higher returns and a lower risk of failure than all-male teams.

**Gender diversity in private equity is not only about morality; it is also a contributor to successful transactions.**

When the private equity executive [Lise Fauconnier led Ardian's investment in logistics specialist Staci last October](#), acquiring a majority stake, it was not just another feather in the cap for an experienced investor with an impressive record. The managing director's success was also another example of the efficacy of gender diversity in executive teams in buyout and growth operations. We expect that, diversity in all forms — ethnicity, nationality, gender, professional backgrounds and experience — enhances efficiency in private equity buyouts.

## EXACTLY HOW MUCH MORE EFFICIENT ARE GENDER-DIVERSE TEAMS?

Fauconnier's ability, and that of other female investment managers, came as no surprise to me and my colleagues at HEC Paris. With unprecedented access to data, we showed that buyout teams with at least one woman outperformed all-male teams across three widely recognized private equity deal performance indicators ([PERACS Alpha](#), total value to paid in, and internal rate of return or IRR). Committees with at least one female member outperform all-male committees by an average 12 per cent of IRR and a remarkable 52 cents per dollar invested. Gender diversity also brought down the average capital loss ratio of a fund by 8 per cent to 12 per cent.

Women led buyouts are found more often in biotech and IT but less in industrials, business services and technology, media and telecoms. Deals made by women also tended to have longer holding periods, which can be a sign of more fundamental transformation at the company, or an indication of deals not being sold prematurely, but held until full value creation potential has been realized.

## HOW WERE YOU ABLE TO DEMONSTRATE SUCH A STRIKING EFFECT?

As a strategy professor at HEC Paris, since 2010 I have run the [Private Equity Observatory](#), a research program financed by several private equity companies and advisory firms. This allowed me to gather a vast amount of data shared in confidence by investors in private equity. In partnership with [MVISION](#), I have investigated over the past 12 months the relationship between gender diversity and performance in the mature private equity markets of Europe and North America. My data set was 2,454 realized deals executed by 51 fund managers across 220 funds over 20 years. Based on these deals, the study made informed assumptions about the gender composition of investment committees using the data available to us. Other research has suggested these effects, but our study is the first to prove empirically that performance of gender-balanced investment teams correlates with higher returns in private equity.

## SO WHY ARE PRIVATE EQUITY COMPANIES UNABLE OR UNWILLING TO IMPLEMENT GREATER GENDER BALANCE?

The question arose when I presented my findings at a panel discussion at the [National Arts Club in New York in June](#), an event featuring several senior female private equity executives. During the debate, private equity investor [Sheryl Schwartz](#) — one of [Mergers & Acquisitions magazine's "most influential women in mid-market M&A"](#) — asked rhetorically: "With better performance and lower loss rates, why wouldn't private equity firms put women on deal teams?" Our conclusions indeed make her question appear a no-brainer.

The answers hypothetically could be at several levels: there is an underrepresentation of women graduates from business schools; of these graduates, [a small proportion goes into the financial industry](#). Furthermore, private equity is a sector with long working hours and a heightened culture of competition that are not easily compatible with family life. Finally, women may still be forced to be twice as tough and streetwise as men to make it to partner or directorship levels — another compromise to a healthy work/life balance which male counterparts appear more willing to accept.

## WHAT COULD BE DONE TO INCLUDE MORE WOMEN IN PRIVATE EQUITY TEAMS?

There are solutions: mechanisms to make jobs more compatible with what women seek, allowing a flow of qualified women into private equity. We also believe men need to come on board in driving gender diversity: they should know it is likely that male leaders provided many of the career opportunities given to the women observed in our research. The evidence suggests men must become involved in the debate, not as a token gesture but as a matter of financial logic.

**The evidence suggests men must become involved in the debate, not as a token gesture but as a matter of financial logic.**

Private equity firms should find ways to implement diversity systematically at all levels of their investment structures. In this way, role models such as Fauconnier and Schwartz may multiply in the same proportions as the number of women found in firms' key decision-making bodies. We are trying to do our share at HEC to attract women to private equity and some signs are encouraging: The elective on Management Buyouts I am currently teaching in the [CEMS program](#) has 52% female participants, some of which already completed internships in the private equity industry!

[Why it Pays to Sell Corporate Assets to Private Equity Buyers](#)

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## PART 5

# “A \$%^\* Sexist Program”: Detecting and Addressing AI Bias

ARTIFICIAL INTELLIGENCE

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7 minutes

A major issue facing companies that use AI, algorithmic bias can perpetuate social inequalities — as well as pose legal and reputational risks to the companies in question. New research at HEC Paris offers a statistical method of tracking down and eliminating unfairness.



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By [Christophe Pérignon](#)

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Soon after Apple issued its Apple credit card, in August 2019, urgent questions arose. A well-known software developer and author, David Heinemeier Hansson, reported in a [Tweet](#) that both he and his wife had applied for the card. "My wife and I filed joint tax returns, live in a community-property state, and have been married for a long time," Hansson wrote. "Yet Apple's black box algorithm thinks I deserve 20x the credit limit she does." He called it a "sexist program," adding an expletive for good measure.

If a credit-scoring algorithm is trained on a biased dataset of past decisions by humans, the algorithm would inherit and perpetuate human biases." (Photo ©Siberian Art on Adobe Stock)"  
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Goldman Sachs, the issuing bank for the credit card, defended it, saying that the AI algorithm used to make determinations of creditworthiness didn't even take gender into account. Sounds convincing, except that this ignored the fact that even if specific gender information is removed, algorithms may still use inputs that correlate with gender ("proxies" for gender, such as where a person shops) and thus may still produce [unintended cases](#) of bias.

Even Apple's cofounder Steve Wozniak reported that he and his wife had experienced this bias. Wozniak was judged worthy of 10 times more credit than his wife, despite the fact that he and his wife shared assets and bank accounts. The ensuing melee resulted in an investigation of the Apple Card's algorithm by New York regulators.

## BIASED DATA LEADS TO BIASED RESULTS

AI/machine learning can process larger quantities of data more efficiently than humans. If applied properly, AI has the potential to eliminate discrimination against certain societal groups. However, in reality, cases of algorithmic bias are not uncommon, as seen in the case of Apple, above.

**If a credit-scoring algorithm is trained on a biased dataset of past decisions by humans, the algorithm would inherit and perpetuate human biases.**

The reasons for this bias are various. If, for example, a credit-scoring algorithm is trained on a biased dataset of past decisions by humans (racist or sexist credit officers, for example), the algorithm would inherit and perpetuate human biases. Because AI uses thousands of data points and obscure methods of decision making (sometimes described as a [black box](#)), the algorithmic biases may be entirely unintended and go undetected.

When machine learning techniques, which are often difficult to interpret, are poorly applied, they can generate unintended, unseen bias toward entire populations." (Photo ©Nuthawut on Adobe Stock)" data-embed-button="embed\_image" data-entity-embed-display="view\_mode:media.embed\_image" data-entity-type="media" data-entity-uuid="3ef7f16f-02f0-4373-811a-936cea8ec061" data-langcode="en" class="embedded-entity">



In credit markets — the focus of our work — this lack of fairness can place groups that are underprivileged (because of their gender, race, citizenship or religion) at a systemic disadvantage. Certain groups could be unreasonably denied loans, or offered loans at unfavorable interest rates — or given low credit limits. A lack of fairness may also expose the financial institutions using these algorithms to legal and reputational risk.

## A "TRAFFIC LIGHT" TEST FOR DETECTING UNFAIR ALGORITHMS

My fellow researchers, Christophe Hurlin and Sebastien Saurin, and I established a statistics-based definition of fairness as well as a way to test for it. To ensure fairness, decisions made by an algorithm should be driven only by those attributes that are related to the target variables, such as employment duration or credit history, but should be independent of gender, for example. Using statistical theory, we derived a formula to compute fairness statistics as well as the theoretical threshold above which a decision would be considered fair.

## We established a statistics-based definition of fairness as well as a way to test for it.

When dealing with an actual algorithm, one can first compute the fairness statistics and compare them to the theoretical value or threshold. It is then possible to conclude whether an algorithm is “green” (when the fairness statistics are greater than our established threshold) or “red” (when the fairness statistics are less than the threshold).

Second, if there is a problem, we offer techniques to detect the variables creating the problem — even if the algorithm’s processes are impenetrable. To do so, we developed new AI explainability tools. Third, we suggest ways to mitigate the problem by removing the offending variables.

## We developed new AI explainability tools to detect the variables creating the problem of unfairness.

From a purely practical, business perspective, it is important that banks understand the implications — and potential unintended consequences — of the technology they are using. They may risk running afoul of both the justice system and public opinion — and it goes without saying that reputation and trust are key in the banking industry.

### APPLICATION ACROSS DIVERSE FIELDS

While our focus has been on credit scoring, our methodology could potentially be applied in many other contexts in which machine learning algorithms are employed, such as predictive justice (sentencing, probation), hiring decisions (screening of applicants’ CVs and videos), fraud detection and pricing of insurance policies.

Our methodology could potentially be applied in many contexts in which machine learning algorithms are employed, such as predictive justice, hiring decisions, fraud detection and pricing of insurance policies." (Photo ©artinspiring on Adobe Stock)" data-embed-button="embed\_image" data-entity-embed-display="view\_mode:media.embed\_image" data-entity-type="media" data-entity-uuid="e174834e-f7ee-4e52-ae6c-b2a082804979" data-langcode="en" class="embedded-entity">



The use of machine learning technology raises many ethical, legal and regulatory questions. When machine learning techniques, which are often difficult to interpret, are poorly applied, they can generate unintended, unseen bias toward entire populations on the basis of ethnic, religious, sexual, racial or social criteria. The opportunities and risks that come with machine learning

techniques undoubtedly call for the implementation of a new form of regulation based on the certification of the algorithms and data used by companies and institutions.

[\[In French on The Conversation\] « Un \\$ % de programme sexiste » : comment détec...](#)

### Applications



In the short term, we aim to help companies and institutions that use AI to better understand the decisions of their algorithms and to detect potential unintended consequences. In the longer term, we hope to contribute to the discussion about guidelines, standards and regulations that public administrators should institute.

### Methodology



Drawing on work conducted over 15 years on risk model validation, we developed new statistical tests that detect a lack of fairness. This “traffic light” test statistically analyzes whether an algorithm’s decisions are fair (“green”) or unfair (“red”) against protected societal groups. If an algorithm’s decisions are found to be unfair, we suggest techniques to identify the variables responsible for the bias and to mitigate them.

Based on an interview with Christophe Pérignon and his academic article “[The Fairness of Credit Scoring Models](#),” co-written with [Christophe Hurlin](#) and Sébastien Saurin, both from the University of Orléans.



**Christophe Pérignon**  
Professor



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## PART 6

# Why So Few Women Occupy the Most Lucrative Jobs

DIVERSITY & INCLUSION

Though women have made inroads into traditionally male-dominated sectors, gender gaps still

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JULY 15TH, 2022

🕒 7 minutes

**exist in the most influential and best-paid jobs. Two authors looked beyond discriminatory hiring practices and women’s “self-selection” out of applying for highly desired jobs — and find explanations at the heart of corporate culture.**



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By [Roxana Barbulescu](#)

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A large factor in the persistent gender pay gap is the fact that men and women tend to work in different occupations and sectors, with men in consistently higher-paying positions and industries. Major banks, for example — which offer some of the highest salaries available — have a stunningly poor record in promoting gender parity. They rank among the companies that have paid the most in damages for workplace discrimination and harassment cases in the US. [One recent study](#) found that Bank of America, and its subsidiary Merrill Lynch, had paid \$210 million since 2000, the most of any large corporation. Morgan Stanley was fourth on the list, at \$150 million, and Wells Fargo ninth, at \$68 million. Altogether, the financial services industry has paid a whopping \$530 million in penalties.

### SOCIETAL PENALTIES FOR DISCRIMINATION

Meanwhile, in this #MeToo era, regulations that aim to equalize or at least illuminate gender pay gaps are increasingly being imposed. In the UK it is mandatory for companies with 250 or more employees to disclose their gender pay gap. Some European countries and US states have a “diversity mandate” for corporate boards.



So obeying the law and avoiding penalties alone would be sufficient reason to question why there are so few women in some of the best jobs today. In addition, it has been widely demonstrated that a diverse workforce benefits companies with an enlarged talent pool, greater innovation and improved performance. So why the persistent glass ceiling? Are some companies offering women fewer positions at less pay, as some studies have found? Or is it that women are not applying for certain jobs? It is difficult to say without looking closely at the entire timeline of the employment search.



## FIRST-EVER STUDY OF THE COMPLETE JOB-APPLICATION PROCESS

We sought to study the way in which equally skilled men and women go through the job-application process in order to understand gender segregation in the workforce — and the concomitant earnings gap between men and women. We conducted the first study of its kind, surveying more than 1,000 students from a large European MBA program. We examined the thoughts and expectations of applicants at different points during the job search, as well as employment outcomes.

**Our analyses provided the first direct evidence that similarly qualified men and women will sometimes apply to different kinds of jobs, based on the effects of their gender role beliefs.**

We noted that three factors determine which jobs applicants pursue: how individuals evaluate the rewards provided by different jobs, whether they identify with those jobs and whether they believe that their applications will be successful. To our knowledge, at the time of publication, our analyses provided the first direct evidence that similarly qualified men and women will sometimes apply to different kinds of jobs, based on the effects of their gender role beliefs. Our study has since been acknowledged as having addressed an important gap in understanding the gender pay gap, and is now a key reference for subsequent related research.

## WOMEN SEEK WORK-LIFE BALANCE AND AVOID “MASCULINE” JOBS

Specifically, our findings indicated that women are less likely than men to apply to finance and consulting jobs, which offered the highest incomes in the cases we studied, and are more likely to apply to general management positions. These differences are partly explained by women’s preference for jobs with better anticipated work-life balance, their lower identification with stereotypically masculine jobs (particularly in finance) and their lower expectations of job offer success in such stereotypically masculine jobs. Contrary to stereotypes about women, women in our sample were just as motivated by high salaries as men. Also interesting to note: though they were less likely to apply to finance jobs, women were in fact more likely than men to have worked in finance jobs prior to the MBA program.

Surprisingly, despite their lower expectations of receiving job offers, we found no evidence that women were less likely to obtain job offers in any of the fields studied once they applied. These results point to the ways in which gender differences can become entrenched through assumptions that job candidates carry with them into the application process.

## THE “WEAK PIPELINE”: A WEAK EXCUSE

Even though in our study gender segregation is largely a consequence of application behavior, much of that application behavior ultimately reflects facets of the job that employers have control over. For example, practices that reduce conflicts between work and family could encourage more women to apply. It is also possible that a long record of discrimination has shaped the way that women identify with and expect to succeed in jobs in finance and other sectors.

**Practices that reduce conflicts between work and family could encourage more women to apply.**

In short, organizations must address deep-seated organizational issues to encourage female applicants and channel them into their talent pipeline. They may check off all the legal boxes, and reduce bias in hiring. But if they do not change the culture at their organizations, women may not apply at all. As an introduction to our work put it, “Organizations tend to use the weak pipeline as a justification for why they have not made more progress, but they tend not to look into the ways that their practices might actually be producing the pipeline problem.”

**Attracting more women in traditionally masculine settings involves more than changing the photos in a brochure.**

**[In French in The Conversation] Pourquoi si peu de femmes occupent-elles les po...**

### Applications



Society is increasingly imposing regulations and sanctions in the area of workplace gender parity. Therefore, understanding your company's position in this regard, and making necessary corrections, could be crucial. However, beyond avoiding negative legal or regulatory outcomes, there are positive benefits to encouraging diversity: it enlarges the potential talent pool, and encourages innovation and a broader viewpoint. Yet attracting more women in traditionally masculine settings involves more than changing the photos in a brochure. It requires shaking up the entire corporate culture to reduce conflicts between work and family, and — perhaps less tangible — transforming the atmosphere, the level of aggressiveness, and the language used in meetings and internal documents.

### Methodology



We collected data from three classes, 1,250 students total, in a large European MBA program over two years as they searched for new jobs. We divided potential jobs into three categories: finance, consulting and general management. We surveyed the students at the beginning, middle and end of the process about their preferences (salary, work-life balance), how much they identified with certain jobs, the jobs they applied for, their expectations of getting an offer, the offers they received and the offer they accepted. We analyzed the data to determine differences in viewpoint and outcome for male and female job seekers.

### HEC Paris Executive Education



(In French) Leadership au féminin

Based on an interview with Roxana Barbulescu and her article "[Do Women Choose Different Jobs From Men?](#)" (Organization Science, May-June 2013), co-written with Matthew Bidwell of Wharton University. The article was part of a virtual special issue of [Organization Science on gender and organization science](#) in October 2018.



**Roxana Barbulescu**  
Associate Professor



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## PART 7

# Unintended Consequences: When Minority Directors Get a “Pass” in Cases of Fraud

STRATEGY

Published on:  
MAY 17TH, 2021Updated on:  
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Companies are increasingly facing societal pressure to diversify their boards. However, these well-intended measures may have unforeseen consequences, a new study finds. Because of a perceived shortage of minority candidates, fraud-tainted minority directors — unlike their non-minority counterparts — enjoy some immunity from negative reputational consequences.



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The company Enron has to make anyone’s list of accounting scandal “greatest hits” of the past two decades. The commodity and energy service company hid billions of dollars in debt, ultimately resulting in a shareholder loss of \$74 billion, the implosion of “Big Five” accounting firm Arthur Andersen and [Enron’s bankruptcy](#) filing in 2001. Founder Kenneth Lay and CEO Jeffrey Skilling were convicted of fraud and conspiracy, among other charges.

It’s only logical to expect that the members of the board of directors at a corrupt firm such as Enron — people who were supposed to be monitoring the company and protecting shareholders’ interests — should suffer reputational consequences. (Enron is admittedly an extreme case. In many other cases of corporate fraud, responsibility is not as easy to assign.) Indeed, past studies have shown that directors of such companies do in fact lose board directorships and/or fail to gain new directorships after the misconduct is discovered. However, we specifically studied the outcomes for female and ethnic-minority directors — and found that sanctions were not applied equally to these groups.

## AN “EFFICIENT” PROCESS SOMETIMES BREAKS DOWN

The evidence, found in finance literature, of [reputational penalties for directors associated with financial misconduct](#) is often used to support the notion that there is a well-functioning labor market for managers and directors: when negative organizational outcomes occur, individuals working at the firm are penalized for these outcomes, often losing current board positions or failing to win future ones.

We theorized, however, that although biases against minority directors still exist, the higher demand for such directors — because of social and institutional demands for board diversity and perceptions of their relative scarcity — could cause these sought-after directors to experience, relative to their white male counterparts, a degree of reputational immunity. Our hypothesis was borne out by our study, which, in addition to Enron, examined [other cases of corporate accounting fraud](#), including [AIG](#), [Halliburton](#), [WorldCom](#), [Morgan Stanley](#) and many others, publicized from 1996 to 2012.

## PRESSURES TO DIVERSIFY MAY NULLIFY CONSEQUENCES

We emphasize that, in studying the outcomes for minority and women directors, we do not dispute the historical and continuing discrimination against such directors. Instead, we are suggesting that the evolving social norms regarding preferences for board diversity have increased the perceived value of minority directors.

Firms often cite a lack of qualified candidates as a reason for slow progress in increasing board diversity. Boards are reluctant to appoint candidates who are not currently board members and/or do not have executive experience. Given the underrepresentation of minority directors among boards and top management teams, few minorities can fulfill this requirement.

**Fraud-tainted minority directors experienced 20 % less loss of outside directorships than did their white male colleagues in the three years after an instance of fraud became first known to the public.**

We argue that the perceived value of a director is influenced by demand and the perceived supply of directors. The increased interest in hiring and retaining minority directors means that the value of a fraud-tainted minority director is likely to be higher than his/her fraud-tainted white male counterpart, suggesting a relatively greater likelihood that a fraud-tainted minority director will be hired or retained.

For our sample of 2,030 fraud-tainted directors, in the three years following the revelation of misconduct, we compared how many board seats were won and how many lost. We found that fraud-tainted minority directors experienced a 21.65 percent lower net loss of outside directorships than did their white male colleagues in the three years after an instance of fraud became first known to the public, confirming our main hypothesis.

## OTHER FACTORS AFFECTING HIRING AND RETAINING FRAUD-TAINTED MINORITY DIRECTORS

We found other factors that affected the fortunes of minority directors who served on boards of firms that cooked the books. Specifically, our data suggests that women and ethnic minority directors faced fewer negative consequences — in terms of the net loss of outside directorships — compared to their white male colleagues when the media discourse on board diversity was higher. (We took account of the number of articles on board diversity in leading business media 12 months prior to and 36 months after the public revelation of fraud.)

**Women and ethnic minority directors faced fewer negative consequences compared to their white male colleagues when the media discourse on board diversity was higher.**

We also found that a non-fraudulent firm's likelihood of retaining a fraud-tainted minority director depended on the level of diversity on its board. In other words, the more diverse the board, the less likely the board was to retain a fraud-tainted minority director. A fraud-tainted director who was the only minority director serving on the board of a non-fraudulent firm had a 20.02 percent probability of exiting the board. This probability increased to 22.54 percent when one additional minority director served on the board and to 48.28 percent if there were two others.

In sum, our findings indicate that institutional pressure to diversify boards can have unintended effects. Combined with a perceived shortage of minority candidates, it leads to a reputational immunity effect for women and ethnic minorities. Undoubtedly, as minorities continue to penetrate the labor market for directors, the increased supply of female and ethnic minority directors will ultimately allow for a more homogenous level of sanctions against fraud-tainted directors.

The more diverse the board, the less likely the board was to retain a fraud-tainted minority director.

[In French on The Conversation | Les dirigeants issus de minorités bénéficient-i...](#)

### Applications

When looking to hire female and ethnic minority board members, firms often operate under the assumption that there are few qualified candidates. This, in our view, false belief has led to what our study has found to be a reputational immunity for minority board directors associated with financial misconduct. Indeed, because of discrimination, women and ethnic minority candidates might not be found in the usual recruiting grounds. Firms must therefore look outside of traditional sources (to nonprofit organizations and educational institutions, for example) for a broader pool of qualified candidates.

### Methodology

For our main finding, we examined large U.S. firms implicated in cases of documented corporate accounting fraud, which became public from 1996 to 2012. Using a proprietary dataset on financial misconduct and directors demographic characteristics, we identified women and ethnic minorities (African Americans, Arabs, Asians and Hispanics). In the three years following when the fraud became known, we looked at the difference between how many board seats a director won and how many the director lost. For our final sample of 2,030 fraud-tainted directors, we compared the employment outcomes of minority and non-minority directors.

Based on an interview with Georg Wernicke and his article "[Last to Come and Last to Go? On the Complex Role of Gender and Ethnicity in the Reputational Penalties for Directors Linked to Corporate Fraud](#)" (Academy of Management Journal, June 2019), co-written with Ivana Naumovska and Edward J. Zajac. In 2022, the authors were awarded a Best Paper Award from the [VHB](#) (German Academic Association for Business Research). Find the description of the Award [here](#) (in German only).



**Georg Wernicke**  
Assistant Professor



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## PART 8

# How Brands Can Fight Gender Stereotypes in Ads

MARKETING

Published on:  
MAY 12TH, 2021Updated on:  
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Men and women value a product differently depending on whether it has a male or female brand representation — think Mr. Clean or Betty Crocker. Specifically, female-identified brands are less appealing to male shoppers. But researchers have found a relatively simple way to combat this gender bias.



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Men are hopeless at caring for infants. But they're aces when it comes to space exploration and athletic exploits. Women, on the other hand, are good at making sandwiches, doing the laundry and sitting on park benches next to baby carriages.

Or at least that's what's implied in two ads banned in the U.K. in 2019 for gender stereotyping. The ads, for Philadelphia Cream Cheese and the VW Golf, were the first to be found to [have violated the then-recent ban on "harmful gender stereotypes"](#) enacted by the country's [Advertising Standards Authority](#).

Gender bias may be cued, more or less consciously, by marketing initiatives. The U.K. ban, similar to ones in other countries, forces companies to reflect on their own explicit or implicit biases. Our research shows that consumer bias makes brands identified as "female" less appealing for male shoppers. But we also prove that marketers have tools to change the stereotypical narrative and rise above outmoded ideas.



[Betty Crocker brands](#)

### MARLBORO MAN VS. MRS. BUTTERWORTH

Our studies of gendered brand representations (such as the [Marlboro Man](#) or [Mrs. Butterworth](#)) support previous research that shows that consumers tend to favor male brand names over female. Specifically, we find that men devalue brands with female names or representations (such as logos or spokespeople), whereas women do not. Conversely, men have a stronger connection with brands with a masculine representation, though women do not show a marked preference.



Domy Towarowe "Centrum" by Cezary Piwowarsk

Men tend to exhibit a stronger brand connection with "masculine" brands when they have a more conservative attitude toward societal roles — when they view women as suited for domestic roles and men for more active roles in competitive markets.

**Men tend to exhibit a stronger brand connection with "masculine" brands when they have a more conservative attitude toward societal roles.**

In our work, we present strategies to mitigate the gender bias by men against female brands so that male and female brands can eventually be valued equally within the marketplace. In doing so, we provide tools for the many 21st-century organizations that are retreating from archaic narratives about gender and race.

### GREEN TEA AND MONOPOLY EXPERIMENTS CONFIRM SEX-ROLE BIAS

We conducted three online experiments using three gender-neutral products: green tea, the Monopoly board game and Pringles chips. In the first, we randomly assigned subjects one of three tea brands: one that was gender-neutral (Harney Premium Green Tea), another that had a male brand name (Harney & Sons Premium Green Tea) and a third that had a female brand name (Harney & Daughters Premium Green Tea).



Mrs. Monopoly

As we expected, brands with male or neutral names resulted in higher purchase intentions. Further, men devalued the female brand, while women showed no preference.

In a second experiment, participants were presented with the Monopoly board game logo, Mr. Rich Uncle Pennybags, or a redesigned female logo, Ms. Rich Aunt Pennybags.

The results confirmed those of the first experiment. Men were more likely to devalue the game with a female representation, while women showed no preference. Men felt a stronger brand connection to the game with a male representation.

### LANGUAGE MATTERS

Finally, in our Pringles experiment, we studied whether female brands could benefit from “agentic positioning,” that is, whether assertive, confident language paired with a female brand would mitigate men’s negative bias.



Mrs. Pringles



We told the all-male participants that Pringles had a new logo, and they were presented with either a male or female version of the logo. The participants were either given no accompanying text, an assertive brand statement (the brand is “driven to be an assertive market player”) or an expressive brand statement (the brand is “driven by consumer well-being”).

The results reproduced those of the first two experiments, but also found that men’s decreased intentions to purchase female brands can be influenced with agentic, “male” positioning. When assertive language was used, men were actually more likely to purchase brands with female representations than those with male representations. The communal, “feminine” text did not influence purchase intentions.

## A WAY FORWARD

Our research breaks down what happens when brand names have male or female representations. If a brand is given human qualities (such as a first and/or last name), consumers will naturally form humanlike relationships with them. Unfortunately, that also includes the gender bias that often accompanies human relations. Yet, our research also points out some ways of decreasing this bias.

**Instead of merely capitulating to gender bias, our research found that the use of assertive language with a female brand name nullified the bias.**

Instead of merely capitulating to gender bias, as other researchers suggest —recommending the use of male brand representations over female — our research found that the use of assertive language with a female brand name nullified the bias.

We feel it is time to implement new strategies in marketing in order to reduce the disadvantage that female-identified brands experience in the marketplace. Instead of contributing to the dominant discourses of masculinity, we argue it is instead fruitful to try to change it.

[\[In French on The Conversation\] Comment les marques peuvent-elles lutter contre...](#)

### Applications

This research has implications for brand management, marketing communications and public policy. While we found that men do have biases against female brand representations, we would not suggest that established brands change their marketing. Instead, they can use active, self-confident language in association with an existing female brand representation to appeal to male consumers. Similarly, for new brands, if a female name is chosen, marketers can choose competitive, self-confident slogans and descriptions to reduce gender bias.

### Methodology

In the three experiments described above, we used online panels who participated for a nominal fee. We examined gender-neutral product categories (tea, a board game, chips) to which we assigned male or female brand representations. In the first experiment, 229 American male and female panel members participated; in the second, 210 American men and women; and in the third, 228 American men.

Based on an interview with Tina M. Lowrey and her article “[Real Men Don’t Buy](#)”

[‘Mrs. Clean’: Gender Bias in Gendered Brands](#)” (Journal of the Association for Consumer Research, vol. 6, no. 2), co-written with Nathalie Spielmann and Susan Dobscha.



**Tina M. Lowrey**

Professor



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## PART 9

# The Role of Citizens in Managing a Crisis by Including Migrants

ACCOUNTING

Published on:  
JUNE 03RD, 2021

Updated on:  
FEBRUARY 14TH, 2022

The year 2015 marked a cesura in Europe’s recent history to “the largest migration movement of people that Europe has seen since 1945” ([Financial Times, 2015](#)). Private citizens quickly and efficiently organized to assist the settling of 20,000 of refugees crossing borders every day in Germany, compensating for the state’s initial inability to handle the situation ([The Economist, 2015](#)). Researchers have investigated the early organization that led to the quick response of those citizens to manage a crisis. In this interview, David Twardowski Crvelin, Assistant Professor of Accounting and Management Control at HEC Paris, discusses the conditions that help the inclusion of migrants in business and society.



Pro-refugee demonstration in Berlin, August 31, 2014. Placard reads: “Refugees welcome.” [[Montacruz Foto/Flickr](#)] (Source: [Euractiv](#))

By [David Twardowski Crvelin](#)

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First, to give you an idea of the importance of the mobilization of citizens, every 10th German citizen were active in assisting refugees, according to estimates of the German newspaper Die Zeit. In terms of groups or networks, there were around 300 emergent response groups operating in Bavaria alone (the federal district that we studied).

## WHAT EARLY ACTIONS WERE TAKEN IN GERMANY TO HELP MIGRANTS TO SETTLE IN, AND DID IT REALLY HELP?

The vast majority of refugees were unaccompanied minors. At least, a primary concern among emergent response groups at alter stages were language trainings, homework assistance and additional training in disciplines ranging from mathematics to history. What can be confirmed at that point is that those younger refugees who were assisted by emergent response groups were performing better in school than those who were lacking this assistance. Our experience shows that, on average, 70 % of refugees who continued attending the trainings given by volunteers throughout their education will have a graduation certificate. But this is a primarily number (estimate) based upon our observation. We need more data to fully confirm this.

**Younger refugees who were assisted by emergent response groups were performing better in school than those who were lacking this assistance.**

To understand how such educational assistance can facilitate migrant's entrepreneurial spirits one only needs to consider the BioNtech/Pfizer COVID vaccine which had been developed to a great extent by the German couple [Ugur Sahin and Ozlem Tureci](#) – both with Turkish migration histories.

## CAN INCLUDING MIGRANTS DEVELOP BUSINESSES?

It is too early to tell because currently the percentage of social-welfare dependent refugees and migrants that settled into Germany in the aftermath of 2015 is quite high (app. 1 million). But here the vast majority of them were unaccompanied minors, so they need to finish high school and potentially higher education before taking on jobs (or develop their own business). We see that from last year a larger population of the 2015/2016 generation of refugees has now completed their educational path and is about to enter the workforce. So we believe that soon we will have more robust data on this.

**We see that from last year a larger population of the 2015/2016 generation of refugees has now completed their educational path and is about to enter the workforce.**

## WHILE STUDYING THE ORGANIZATION OF NETWORKS OF CITIZENS THAT TRY TO ASSIST REFUGEES, YOU FIND THAT IT INFLUENCES THE IDENTITIES OF BOTH REFUGEES AND VOLUNTEERS. CAN YOU EXPLAIN?

We discovered "lightweights of organizing" among the emergent response groups in Germany and we find that they were significant in constructing identities of refugees but also volunteers. For both refugees and volunteers in order to remain recognized it was important to become a "listable item", which is to say an item that can be moved between different lists that existed among sub-groups of the networks just like a "plug-and-play architecture". However, this encouraged a certain anonymity and depersonalization. Friendships, personal histories and everything that could not be articulated as a list of predefined items disappeared over time. Both refugees and volunteers often expressed their discomfort of being reduced to a listable item saying that it really hinders personal friendships. At the same time, they seemed to be aware that within being an item on a list that could be moved to a logistical object, such a coordinated response would not have been possible. It was, so to speak, a trade-off.

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Interview of David Twardowski Crvelin (HEC Paris) based on the research paper, "[Commensuration by form: Lists and accounting in collective action networks](#)" co-authored by [Lukas Loehlein](#) (WHU - Otto Beisheim School of Management & Euromasters), published in February 2022 on *Accounting, Organizations and Society*).



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## PART 10

# The Uncertain Promise of Human Rights in Sports: Understanding the Caster Semenya Case

LAW

Published on:  
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For the 32nd Olympic Games, one of South Africa's modern icons, 800-meter champion Caster Semenya, will not be making the trip northwards. She has been barred from the Tokyo Olympics where she had hoped to defend a crown she won in 2012 and 2016. We discuss with Professor Matteo Winkler the legal, sociological and ethical implications of the Caster Mokgadi Semenya v. IAAF (now World Athletics) case. World Athletics' regulations target female athletes like Semenya who are born with naturally high levels of testosterone, a characteristic that was labelled first as "hyperandrogenism" and then as "difference of sexual development". Winkler and fellow academic, [Doctor Giovanna Gilleri](#) from the European University Institute published a 40-page [study](#) deconstructing the narratives surrounding the case and reflecting on the relationship between the law of sports, politics, gender and bodies – and the West's sometimes uncomfortable position on femininity in the Global South.



Caster Semanya ©Citizen59 on Flickr

By [Matteo M. Winkler](#)

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**Daniel Brown: Matteo Winkler, you have published a paper entitled “Of Athletes, Bodies and Rules: Making Sense of Caster Semenya”. It’s been accepted for the Journal of Law, Medicine & Ethics (forthcoming in winter 2021). Clearly, you’re tapping into a subject that has touched a lot of people. In South Africa, for example, the government is strongly backing her case in the [European Court of Human Rights](#). What first brought your attention to her case?**

**Matteo Winkler:** The first time I dealt with this case was when I answered a call for papers at the EUI in November 2019 and I had to study for the award and the related litigation. What I found to be absolutely amazing was that the case touched upon many of the subjects that I’ve been studying in the last few years, such as gender binarism, sexual orientation and gender identity. The case synthesizes all the subjects that I’ve been studying: the application of law to the bodies, the relationship between body and rules, how we conceive our bodies as machines – a very good metaphor in sport. Also, how regulation can change the perception of gender, gender identity, sexual orientation and, in this case, as it applies to sports. My coauthor, Giovanna, was priceless in helping me understand all these aspects.

## A BODY THAT IS IN PAIN

**DB: How does your article compliment and enrich the debate?**

**MW:** Our article is original in the sense that we look at the case from the angle of the narratives and try to deconstruct them. The case is a very difficult one to break down: Caster Semenya is a woman and, as such, was eligible to run within the women’s category by World Athletics. She won in 2009 in Berlin and her body was immediately subject to hyper scrutiny. These monitoring actions took place because of the way she looks. She’s muscled, tall, she doesn’t have much breast and a body outline which, according to certain standards, appears to have the shape of a man’s. For the [Court of Arbitration of Sports](#), however, there is no doubt about her being a woman.

This reflects how our bodies are in fact subject to scrutiny and social control. The particularity was that Semenya was not within the categories of transgender or intersex which had been legally considered by the sport authorities. Her striking victories generated debate and World Athletics wanted to regulate cases like hers. It implies that, if you have too much force in your muscle and in your body, you shouldn’t compete with women who are considered, through their body shape and body nature, not as strong as men.

**We argue that this case creates four narratives which, in the future, will drive the lives of many people resembling Caster Semenya.**

We argue that this case creates four narratives which, in the future, will drive the lives of many people resembling Caster Semenya. The Court of Arbitration said that when World Athletics is ruling on an athlete’s eligibility, it is *not* deciding about his or her sex and gender. For them, it’s not determining whether Caster Semenya is a man or a woman, it’s simply deciding on her eligibility in terms of testosterone level. But the problem is that, at the end of the day, the tribunal says, yes, Semenya is a woman – which is kind of contradictory, as regards the premises of this reasoning.

The second narrative concerns testosterone. The question here is whether testosterone is or is not an accurate predictor of athletic performance. The tribunal says yes. All the scientific evidence brought in by the tribunal says yes. But, in fact, there are just a couple of studies that connect the level of testosterone with athletic performances. We argue that these studies have been tainted by scientific bias and by inaccurate methodologies and these inaccuracies and biases have been highlighted by other researchers which we summarized in our article.

The third narrative is that the required testosterone suppression treatment is safe and harmless for an athlete’s body. But this is simply not the case. World Athletics regulations impose athletes with above-average testosterone to undergo testosterone-suppressing treatment, which is very painful and has non-negligible side effects. In fact, you are obliged to compete with a body that doesn’t respond any longer to your own actions. It is a body that is in pain because of this treatment and of course it is a body that cannot be efficient in practicing the sport of one’s choice.

Finally, we tackle the most difficult of these narratives, which reflects the argument that the Semenya case will protect women. The arguments advanced by scholars is that, basically, if you exclude Semenya from eligibility, you allow other women who are weaker than her to compete, and

this will enlarge the population that could compete.

The real question here is at what cost do we allow the majority of women to run by excluding a minority of women based on their biological characteristics?

Now, the real question here is at what cost do we allow the majority of women to run by excluding a minority of women based on their biological characteristics? This is a real problem.

**DB:** Many, including yourself, have made parallels with Saartjie Baartman. Your references to Bourdieu and other major sociologists suggest that Semenya is the latest example of “anti-Black, anti-South, anti-gay, colonialist-like prejudice”. Could you elaborate?

**MW:** Saartjie Baartman was born in 1789 in South Africa and was brought to Europe to be exhibited, often completely naked, for years. Her body was systematically examined by anatomists, zoologists and physiologists. She lived until 1815, then her genitalia and brain were excised and preserved in formaldehyde in Paris. It was only in 2002 that her remains were returned to South Africa. So, if we allow for the different geopolitical and historical contexts between Semenya and Baartman’s cases, what remains is the fact that the physical aspect of bodies has been of interest, especially in Western countries.

Those from the Global South are something exceptional and worthy of scientific interest, as if these bodies come from another planet. And in fact, the problem of hyper scrutiny is very well known in sociology especially when we talk about the relationship between body and space. We find this in our times: Black Lives Matter, for example, where policemen target African Americans because they are perceived to be out of their place in certain context. So, we find this relationship between body and space in both cases of Baartman and Semenya.

The idea is that we dehumanize the black body and we portray it. When I say “we”, I’m talking about Western societies.

The idea is that we dehumanize the black body and we portray it. When I say “we”, I’m talking about Western societies. We portray it as dangerous, as fearful and at the same time full of fascination, something that creates surprise. The way Baartman was treated, literally cut into pieces and her pieces preserved to be seen by the public is very much similar, metaphorically, to what Caster Semenya - who happens to be from South Africa, and who happens to be black -, is suffering right now.

You can read Matteo Winkler and Giovanna Gilleri’s paper, “*Of Athletes, Bodies and Rules: Making Sense of ‘Caster Semenya’*”, [here](#).



**Matteo M. Winkler**  
Associate Professor



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## PART 11

# Building Back Better: Why Gender Diversity Needs to Be at the Heart of the Innovation Agenda

DIVERSITY &amp; INCLUSION

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Innovation thrives in teams where diverse thinking is not only encouraged but proactively encouraged. Gender diverse teams are shown to have improved performance. Despite the evidence demonstrating the impact of diversity, we still witness mixed reactions to gender diverse teams with the situation exacerbated following the pandemic. As organizations are rebuilding after the initial waves of the pandemic, we focus on why gender diversity needs to be at the heart of this transformation.



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By [Shaheena Janjuha-Jivraj](#)  
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Research shows gender diverse teams demonstrate 25% above average profitability ([McKinsey, 2020](#)) and a 38% increase in innovation revenue ([BCG, 2018](#)). These indicators create a clear business rationale for gender diversity to achieve improved business performance. The consequences of the pandemic - working from home, schooling from home, supporting the needs of older, more vulnerable, family members – all these combine to create greater domestic responsibilities that are inevitably picked up by women. Within the workplace this situation leads to greater pressure of women. In France for example, research by BCG shows that 20% of women with children aged 12 years old and under are more likely to leave their jobs to focus on the family. Now that organizations are rebuilding, we investigate why and how gender diversity is at the heart of innovation.

## INNOVATION NEEDS OUT-OF-THE-BOX THINKING

“Innovation” is the prevalent term organizations adopt when discussing strategy and performance. Our world today has more complex problems that are not easily solved by applying thinking that has worked before. As we adjust to the volatility of the global pandemic, business leaders are finding different ways to anticipate and plan for successive waves of disruption. Innovating is about identifying an opportunity that others have missed or not considered in their deliberations. Out-of-the-box thinking that creates innovation doesn’t happen by chance. In fact, contrary to the perception of stumbling across brilliant ideas, successfully creating new ideas is the result of diverse teams, nurtured cultures, and conscious leadership.

Her Excellency [Reem Al Mansoori](#), Undersecretary at the Ministry of Transport and Communications in Qatar, and HEC EMBA alumna, highlights the importance of innovation; “*Knowledge is the fuel for innovation, and since women represent almost 50 percent of our society, we need educated, capable, and motivated women in the workforce to turn our society’s challenges to opportunities by becoming our future entrepreneurs, innovators and artists.*”

Our world today has more complex problems that are not easily solved by applying thinking that has worked before.

### HOW INCLUSIVE LEADERSHIP TRIGGERS INNOVATION

Innovation thrives in teams where diverse experiences and thinking combine for solutions. Building a diverse team is important, however the role of the leader is paramount. Leaders who create inclusive cultures allow colleagues to feel safe in expressing different ideas. Inclusive cultures are built on the idea of safety and trust, allowing individuals to share new thinking, and challenging group think – as the most senior person the rest of the team will defer to the leader. Creating opportunities for team members to ask questions and find solutions themselves helps to address group think.

Leaders who create inclusive cultures allow colleagues to feel safe in expressing different ideas.

Biases: we all have them, and they are part of our ability to function effectively, but if they go unchecked, they can lead to group think (where team members follow the leader's thinking) and in turn stifle innovative thinking. In his book "[The Art of Thinking Clearly](#)", Rolf Dobelli describes ninety-nine biases and provides concise insights into how each one impacts our decision making. We can't become a walking encyclopedia of biases but if we understand which ones predominantly affect our thinking, we can mitigate for our biases in our decision making.



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### IN QATAR, A STRONG POPULATION OF FEMALE STUDENTS FORECASTS DIVERSE AND INNOVATIVE TEAMS

There is of course a bigger piece to this puzzle, creating a robust pipeline of qualified women who can advance into leadership roles. Qatar has a strong base, with 58.6% female labor participation ([World Bank, 2021](#)) and the highest figures in the Arab World, the foundations for transformation are strong. The book I co-authored on "[Championing Women Leaders](#)" (with Chisholm in 2015) identifies two important resources for women to succeed into leadership positions; the support of a champion – a senior leader advocating for the individual – and the opportunity to move into new roles that provide different opportunities.



The impact of role models, and in particular women in senior leadership positions, is essential to help adjust how we see successful teams. Women achieving leadership roles is not straightforward, but the biggest shift comes through two areas; changing mindsets and specific resources to support women.

[Sheikha Alanoud](#), Deputy CEO and Chief Business Officer of [Qatar Financial Centre Authority](#) (QFC), and currently a participant on the EMBA program at HEC Paris in Qatar, explains the impact of advancing women into leadership roles, *“I was given the chance, as the first female and the youngest person in this executive role by my CEO. I’ve translated that opportunity into the highest growth trajectory consistently. This is a good thing for the organization, my performance is also about bringing in different perspectives.”* QFC has a commitment to gender diversity through policies leading to 13.5% of senior level positions in QFC companies held by women, compared to 8.2% of Qatar’s financial sector ([KPMG, Qatar 2021](#)). She continues, *“It’s not just about strong female leaders that inspire others, but it’s also a testament to the changes in society. Reforms guided by Her Highness [Sheikha Moza bint Nasser](#) in terms of human and community development through education, equal opportunities, family welfare and regulation have seen women establish themselves as a formidable part of the workforce in Qatar. Working in leadership positions means deserving respect from male colleagues for our contribution to the economy. We see more women in leadership positions today and this is not due to a quota system. Women are being given the chance because they are performing well, and the country benefits from this talent.”* Expansion in the female workforce outperformed overall growth in [QFC employment](#) between 2018 and 2019, with nearly 11% increase.

**Women are being given the chance because they are performing well, and the country benefits from this talent. - Sheikha Alanoud**

Diverse teams and inclusive leadership create the framework for innovation, and agile thinking is an essential part of this equation. Creative and agile thinking is learned through education, and with a strong population of female students, Qatar is well placed to nurture an entrepreneurial thinking among its students and to create the foundation for effective innovation among diverse teams.

[Hend Zainal](#), Executive Director of Strategy, Management and Partnerships in the Higher Education Division at Qatar Foundation and [HEC EMBA alumna](#), is an advocate of agile thinking in leadership. Through her work she is bringing to life the notion of ‘multiversity’ education, providing students with the opportunity to cross-fertilize their thinking by combining courses from different universities and providing exposure to different approaches to thinking: *“We need a new way to consider leadership, a renaissance approach, where current and future leaders combine different disciplines to find innovative solutions. Higher education leadership has been a male-dominant sector throughout history, despite the fact that the oldest continually operating university in the world, The University of Al-Qarawiyyin, was founded by a woman, Fatima AlFihri. Women in higher education and other business sectors have the ability to bring empathetic and multidisciplinary perspectives and a different understanding into the needs of all users, whether they are students or customers and create systematic and innovative change that effectively addresses their needs.”*

Successful innovation needs to spread across society, and this requires organizations with diverse teams to lead by achieving the ambitions set in the 2030 Vision. HE Reem Al Mansoori underscores why women need to be at the heart of this transformation, *“Women are powerful advocates for the voice of our society and have deep understanding of the challenges. Having a diverse work-force, therefore, will enable Qatari organizations to be creative and deliver innovative solutions that make everyone’s life better.”* Gender diversity in leadership is at the heart of progress and provides the momentum for our economy and society to innovate and prosper creatively – providing a win-win for everyone.

[On Forbes | Building Back Better Needs A New Approach To Feminism](#)



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## PART 12

# Gender Difference on Crowdfunding Platforms: What Pitches Work?

HUMAN RESOURCES

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On prosocial crowdfunding platforms such as Kiva, which benefit low-income entrepreneurs, women-led campaigns tend to be significantly more successful than men's. To find out which specific gender dynamics explained this difference, HEC Paris professor Santosh B. Srinivas sought to sort out gender differences in the justifications for funding requests entrepreneurs made on the site.



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Ellen in Mount Barclay, Liberia, is seeking \$325 to buy fish and other food products to sell in her market. Amphai, who lives in an area in Thailand with few banks, is seeking \$1,875 for her silk weaving business. Abed Al Azez, a refugee living in the West Bank, is asking for a \$3,000 loan to build a car park.

The profiles of Ellen, Amphai and Abed Al Azez appear on the microfinancing site [Kiva](#), along with their requests for loans. Donors (or "lenders," as the site puts it) can loan amounts as little as \$25, and when it is paid back, as it is in 96 % of cases, according to the site, donors can lend their money to a different entrepreneur or withdraw it.

Prosocial crowdfunding platforms play an important role in providing equitable access to capital to early-stage entrepreneurs, particularly women.

Though there is a demonstrated gender gap in access to finance, a [2017 PricewaterhouseCoopers study](#) reached the surprising conclusion that in 2015-16, women-led crowdfunding campaigns were 32 % more successful in obtaining financial backing than those led by men. I sought to find out what differences there might be in how men and women present their loan requests on prosocial crowdfunding sites, the effect of different pitches and — from the opposite end — how male and female donors may react to entrepreneurs' requests on the site.

## THE IMPORTANCE OF HOW PEOPLE JUSTIFY THEIR ACTIONS

Much of the work in my dissertation is based on French sociologists [Luc Boltanski and Laurent Thévenot's research](#) on the way individuals justify their actions to others. They find that people's justifications fall into six categories.

1. Inspired justifications might center on an entrepreneur's passion for a project.
2. Domestic justifications put an emphasis on family, perhaps how a craft or business has been handed down over generations, how the venture is part of a family heritage and that it will help the family.
3. Civic justifications will emphasize the positive effect a project will have on a community.
4. Justifications based on fame might focus on the entrepreneur's public recognition and success, that the person has been featured in the media or is popular on social media.
5. Market justifications emphasize financial aspects, such as buying, selling and profits.
6. Finally, industrial justifications attempt to show the efficiency of a venture, the professionalism of the entrepreneur and/or how funding will help improve productivity.

**The choice of words used to justify requests for funding is important.**

## THREE STUDIES TO DETERMINE GENDER DIFFERENCES

According to information on its website, the prosocial organization Kiva has funded more than \$1.6 billion in loans in 77 countries, and has attracted 1.9 million lenders. Based on 1.2 million pitches provided by Kiva, I conducted three studies.

The first examined entrepreneurs' use of different justifications, by gender. Using a sample of U.S. pitches, I found that justifications generally followed gender-role expectations. Women entrepreneurs were more likely than men to use inspired and domestic justifications and less likely to use market and industrial justifications in their pitches. Somewhat surprising, women were less likely to use civic justifications than men.

The second study, perhaps the most interesting, used pitches from multiple countries to look at the effectiveness of justifications used by women and men. I found that women and men are both more likely to be successful in quickly obtaining funding if they counteract certain stereotypical gender expectations.

**I found that women and men are both more likely to be successful in quickly obtaining funding if they counteract certain stereotypical gender expectations.**

Potential donors are more likely to see women entrepreneurs as facing more structural barriers, and therefore to have a legitimate need for financial resources. At the same time, prosocial donors — who are not looking to make a profit but to make a social contribution — want to make an impact. Therefore, women entrepreneurs are more likely to be successful in attracting investment when they emphasize their desire to create change — to be proactive — and justify the potential of their venture (by using, for example, inspired and market justifications).

Men, on the other hand, are more likely to improve their chances when they can demonstrate a legitimate need (by emphasizing that their projects aim to contribute to the collective welfare rather than their own economic betterment, using civic justifications).

## MALE AND FEMALE DONORS SHOW NO MAJOR DIFFERENCES

In the third study, using a random sample of 38,907 Kiva investors, my results showed, contrary to expectation, that male and female prosocial investors on crowdfunding platforms do not differ much in their preferences for certain justifications. In addition, women investors do not prefer to fund women entrepreneurs, for example.

While past crowdfunding research has focused on the attributes of entrepreneurs and the characteristics of successful campaigns, there has been a lack of attention to how the nature of justifications employed in crowdfunding pitches influences potential backers. These studies attempt to address this issue.

Moreover, this research adds to other studies that suggest that gender dynamics in crowdfunding are different from those in a traditional funding context.

### Methodology

Using 1.2 million crowdfunding pitches made available by Kiva, I developed a dictionary composed of words that indicate six different justifications, based on French sociologists Luc Boltanski and Laurent Thévenot's work. I first evaluated the six justifications' validity using a sample from crowdfunding platforms, including DonorsChoose.org and GlobalGiving.org, and then scored each pitch for each of the justifications. I evaluated the success of the pitches based on the speed in which they received funding and the role different justifications played in a pitch's success.

### Applications

My research confirms that prosocial crowdfunding platforms, such as Kiva.org, play an important role in providing equitable access to capital to early-stage entrepreneurs, particularly women. In addition, it shows that the choice of words used to justify requests for funding is important. It is therefore recommended that entrepreneurs seek inspiration for their pitches by looking at successful past ventures for the language that was used.

Based on an interview with Santosh B. Srinivas and his dissertation, "[Gender and the Crowd: Differential Effectiveness of Justifications Used by Entrepreneurs in Their Crowdfunding Pitches.](#)"



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