

PATH OF LEAST RESISTANCE: BARRIERS AND STRATEGY CONSTRUCTION
PROCESS FOR BLACK ENTREPRENEURS

A Dissertation

by

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ABSTRACT

This dissertation addresses: (1) The strategies Black entrepreneurs construct to navigate racist and discriminatory barriers in the market; (2) The role race, ethnicity, and other aspects of identity play in the strategy construction process; (3) Variation in the Black entrepreneurial experience based on location and social context; and (4) The experience of freelancing for marginalized freelancers with the support of theories on racialized and gendered organizations.

In this dissertation, I use literature on racial, ethnic and gender inequality, as well as organizational theory. To bridge these bodies of work, I depend on theories of racialized and gendered organizations. I test these questions with analysis from in-depth interviews of fifty-six Black entrepreneurs in Houston, St. Louis, and Austin, survey responses from twenty marginalized freelance workers, and content analysis from Upwork's freelance platform community discussion boards from March 2016 to July 2019. The findings reveal that freelancing and entrepreneurship offer the respondents a path to escape from the racism, sexism, and discrimination that occurs in corporate environments. However, entrepreneurship and freelancing both exist as part of their own racialized and gendered structures. Because of this, entrepreneurs – though they have more freedom than freelancers – must construct their own strategies to navigate the racism and discrimination that they experience at the hands of lenders, consumers, and organizations. The freelancers in this study exist in an environment that is devoid of many standard employment features, but what is meant to give them freedom also

constrains them. Specifically, freelancing platforms offer little to no support when users encounter racism and/or discrimination; when users turn to community boards for clarity, advice, or support, they are often gaslighted or silenced by the community board policies. Unfortunately for marginalized freelancers, moving away from corporate environments into freelancing often makes them more vulnerable to racist and sexist encounters. The hypervulnerability and constraints come from the mimetic isomorphism and decoupling that often occurs on these platforms, specifically the decoupling of anti-discrimination policies and anti-discrimination laws that protect freelancing platform *employees* but not *freelancers*.

These articles encourage further research on strategy construction among marginalized workers, whether entrepreneurs or freelancers, as they attempt to develop strategies to navigate barriers. This work also calls attention to freelancing platforms as racialized and gendered organizations which limit the agency of people of color and women and maintain the position of dominant groups in the society. I show that the entrepreneurial experience and freelancing experience for marginalized individuals is impeded by racialized and gendered organizations, such as larger corporations, banks, and business development organizations like business incubators.

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“Thank you, always say thank you; it’s the greatest gift you can give someone; because thank you is what you say to God.”

Maya Angelou

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“Dear Us: You were the rim of the world—its beginning. Primary. In the first shadow the new sun threw, you carried inside you all there was of startled and startling life. And you were there to do it when the things of the world needed words. Before you were named, you were already naming.

Hell’s twins, slavery and silence, came later. Still you were like no other. Not because you suffered more or longer, but because of what you knew and did before, during, and following that suffering. No one knew your weight until you left them to carry their own. But you knew. You said, “Excuse me, am I in the way?” knowing all the while that you were the way.”

Toni Morrison (1985)

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“She often spoke to falling seeds and said, ‘Ah hope you fall on soft ground.’”
Zora Neale Hurston (1937)

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“you will drown if you do not have boundaries. they are not optional. this structure counts on your inability to say no. mean no. they take no from our first breath. go back and return it to your mouth. your heart. your light. – swim | women of color”
Nayyirah Waheed (2013)

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“i am writing. of you. for you. breath | my people”
Nayyirah Waheed (2013)

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(Matt, 25:21 King James Version)

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1. INTRODUCTION

The articles in this dissertation analyze the experiences of marginalized entrepreneurs – both traditional entrepreneurs who own and operate small businesses, and freelancers, many of whom also consider themselves entrepreneurs. I define marginalized groups as those who experience historical and systemic exclusion from social, political and economic arenas. For these groups, the barriers that emerge are often based on their race, gender, age, and the public’s perception of each. For many respondents this means potential customers, lenders, and organizations who prefer to do business with a White person, man, or both, because of racial and gender stereotypes and stigmas. However, instead of centering my work on barriers to entrepreneurial success, I draw attention to the control these respondents possess. Marginalization, as noted by Douglas (2001), does not equate to powerlessness; it acknowledges that certain groups in the United States receive undue privilege. In this study of marginalized entrepreneurs, strategy construction, and barriers, I find that as my interview respondents encounters barriers, whether through freelancing platforms, lending institutions, or consumers, they use creativity to navigate them. For some the barriers cause confusion, frustration, and disappointment, but it also pushes entrepreneurs to explore of alternative paths. Instead of ignoring or downplaying the severity of the barriers, many respondents construct strategies to navigate the racist and discriminatory barriers.

This dissertation is written as three self-contained research articles. Chapter 2 introduces a qualitative framework exploring the ways in which Black entrepreneurs navigate racist and discriminatory barriers in the market. Using semi-structured in-depth

interviews from forty Houston-based Black entrepreneurs, I analyze how the respondents either emphasize or de-emphasize their racial identity to alter the public's perception of their business's racial identity. This framework employs literature on racial identification, racial structure, racial solidarity, strategy construction, intersectionality, and entrepreneurship, as well as an overview of literature on business barriers that Black owners face. In order to develop the questions for the semi-structured in-depth interviews, I identified five ways that businesses promote their identity from the literature on identity and entrepreneurship as well as business management. The five areas or domains consist of visibility, product/services, funding, vocalization, and social networks. Most respondents are intentional about their decision to emphasize or de-emphasize their Black-Ownership Identity (BOI), defined as the public's perception or knowledge that a business is Black-owned. These owners are not only aware of racism, stereotypes, and discrimination, but they report personal experiences with them, which influences the strategies they construct to alter their BOI. The findings illustrate similarities in many responses. For example, Black business owners described hiring White men due to the often unjust privilege given to them in business settings; the relationship between the public's ability to see that a business is Black-owned (e.g. having Black public-facing employees, using images of the owner online, or posting stock photos of Black people on the company website) and the public's assumption that a product or service is exclusively for Black people, even if it is not; and the benefit that corporate diversity and inclusion practices have on Black-owned businesses offering recruitment and placement services.

Chapter 3 extends the framework outlined in Chapter 2 with the inclusion of nine respondents from St. Louis and seven from Austin. The additional sites allow us to compare areas with a highly concentrated Black population (i.e. St. Louis) and rapidly decreasing Black population (i.e. Austin). In this chapter, I identify similarities and differences in responses in these different contexts, using the framework from Chapter 2. I also expand Chapter 2's discussion to include literature on isomorphism, legitimacy, and work on the Black immigrant experience, and note how immigration shapes my results. The findings from the three locations present similar themes. Specifically, the decision to de-emphasize BOI centers around the stereotypes and stigmas associated with Black businesses and the perception of White-owned as legitimate or the standard across contexts. Additionally, the findings reveal that many Black immigrant entrepreneurs construct boundaries around perceived cultural differences in order to differentiate themselves from U.S.-born Black entrepreneurs. This desire to separate themselves from the "Black-owned business" label derives from their prejudiced views and awareness of the stereotypes associated with Black businesses (e.g. poor customer services, poor quality). Unfortunately, the ethnic boundaries they construct eventually become the racial barriers they themselves encounter and navigate. Despite their participation in the racialization of Black businesses, Black immigrant respondents note that the Black-owned label brings racial solidarity, from which they also benefit from (i.e. Black consumers supporting immigrant Black-owned businesses).

Chapter 4 investigates the freelancing industry as gendered and racialized organizations and focuses on the experiences of marginalized freelancers. Many

freelancers consider themselves entrepreneurs due to the similar advantages of independence, freedom, and flexibility. Some scholars and professionals argue that freelancing is a form of entrepreneurship, the smallest form of entrepreneurial activity (Bogenhold and Klinglmair 2016). Others believe the difference between the two is the use of time and money. Specifically, freelancers sell their time for money, while entrepreneurs use other people's money and their own time to build a business. Individuals also lack clarity when self-identifying in these categories; some identify as freelancers, entrepreneurs, and contractors (Bogenhold and Klinglmair 2016). In this chapter I define freelancer as an individual who contracts their labor to another individual or organization. They are similar to entrepreneurs in some ways (they are not employees of an organization, and they decide when and how they work) and dissimilar in others (the organizations with which they contract decide their rate of pay and working conditions).

This chapter explores the literature on racialized and gendered organizations as well as the work on the ways in which technology is raced and gendered, because many of today's freelance jobs use technological platforms to assign work and wages. I use survey data as well content analysis of Upwork community board posts to explore the freelancing experience for marginalized individuals and determine the how freelancing aligns with the work on racialized and gendered organizations. The findings suggest some respondents turn to freelancing to gain freedom from many standard employment features in racialized and gendered organizations – often developed around the norms, behaviors, appearance, and even the bodies of White men. Unfortunately, stepping away

from standard employment opportunities leaves the respondents with little to no support, leaving them unable to count on the division of labor and organizational hierarchies to support them when conflict occurs, and eliminating the clarity about work and leisure time that comes from traditional employment. Freelancing platforms engage in isomorphism, creating diversity and inclusion statements that are very similar across organizations, but they also decouple those statements from practices on the ground level, thus leaving freelancers with no protection from racist and sexist encounters with clients or peers. As Ray (2019) argues in his work on racialized organizations, anti-discriminatory statements are adopted to “maintain legitimacy and appear neutral and progressive.” Some freelancers who use freelancing platforms turn to community boards for support and assistance to navigate their experiences. Unfortunately, they usually receive little to no support and instead experience gaslighting and victim blaming. Even though the freelancing industry removed many features of standard employment, the industry continues to operate as a racialized and gendered organizations.

I conclude with a chapter discussing the implications of this work for theories of racialized and gendered organizations, strategy construction, identity negotiation, and an extension of Roth’s (2016) concept of reflected race, or a person’s belief about how the public identifies them. The findings for each chapter differ, but a common thread is the respondent’s effort to identify the path(s) that decreases or eliminate their encounters with racism, sexism, and other forms of discrimination. The framework in Chapter 2 and 3 centers around the experiences of Black entrepreneurs, while the findings from

Chapter 4 expand to include other marginalized groups. The work overall contributes to the numerous fields, including organizations, race, and ethnicity, and gender.

2. “I DON’T WANT PEOPLE TO KNOW THIS IS A BLACK-OWNED BUSINESS. I’M SORRY”: EXAMINING STRATEGY CONSTRUCTION AMONG BLACK-OWNED BUSINESSES

2.1. Introduction

A recent article in the Chicago Tribune explores the intentional decisions Black business owners make to hide their racial identity on their website, and in person, due to experiences with and fear of lending discrimination, consumer discrimination, and racism (Jackson 2016). These Black business owners, like many minority business owners, struggle with racist and discriminatory barriers that create pressures to separate the business from the person. As the story in the Chicago Tribune illustrates, some Black owned businesses separate their race from your business, but this is only one path. This chapter highlights the agency Black entrepreneurs have as they develop strategies to navigate racist or discriminatory barriers. For some businesses this may mean choosing to highlight their race in order to gain support from Black consumers, organizations, and funding options specifically for Black businesses.

Through an analysis of in-depth qualitative interviews, I develop a theoretical framework analyzing the strategies that Black entrepreneurs construct to either emphasize or de-emphasize what I call Black Ownership Identity (BOI), in order to navigate racist and discriminatory barriers. Whether intentionally or not, all respondents in this study are involved in the process of identity negotiation characterized as the way individuals interact with others and define, alter, and challenge who they are to themselves and others. I examine the negotiation of identities among entrepreneurs when

they are faced with barriers, including the intersection of racism, sexism, and ageism; fear of lending discrimination; discrimination from both Black and non-Black potential clients; and difficulty gaining acceptance in predominantly non-Black business development programs.

With the support of literature and data from the multiple disciplines including sociology, economics, and marketing, I introduce five domains to categorize the strategies Black entrepreneurs construct as they attempt to emphasize or de-emphasize their BOI. The domains include visibility, product or service, vocalization, social networks, and funding. These domains are not weighted or ranked. Using the framework, I attempt to answer the following research questions: 1) *What strategies do Black entrepreneurs construct to navigate racist and discriminatory barriers in the market?* and; 2) *What role does racial identity, as well as other aspects of identity, play in the strategy construction process?* The findings indicate, for Black entrepreneurs, the business ownership experience is so intimately tied to their race that they must decide to either emphasize or de-emphasize their (or their business's) Black identity. I demonstrate the process of strategy construction, evaluation, and reconstruction that assists them in the process of altering the public's awareness of their racial identity. On a larger scale, this study shows that an entrepreneur's strategies for sustaining their business do not exist in a vacuum, but rather draw from racialized experiences.

2.2. Literature Review

Much of the literature on Black-owned businesses analyzes the presence of racist and discriminatory barriers, which impact the lifespan, failure rate, and funding available to Black-owned businesses (Bates 1974; Feagin and Imani 1994; Fairlie 1999; Fairlie and Robb 2007, 2008; Portes and Zhou 1999; Blanchflower, Levine, and Zimmerman 2003; Butler 2005; Bates, Jackson, and Johnson 2007; Blanchard, Zhao, and Yinger 2008; Bogan and Darity 2008; Bates, Lofstrom, and Servon 2013). However, this study moves beyond identifying the barriers and draws attention to the paths that Black entrepreneurs take and the strategies they construct in order to do so. The following section highlights literature that assists in the development of this framework including work on strategy construction, racial structure, racial solidarity, racial identification, intersectionality, bounded intentionality, and concludes with the introduction of key concepts for the framework.

2.2.1. Strategy Construction

Systemic racism¹ and discrimination in this nation create barriers that limit and prevent the allocation of resources to subordinate groups. This study gives attention to the barriers in place that are designed to limit resources for the development, sustainability, and overall success of marginalized entrepreneurs, such as women

¹I use Feagin's (2009) definition, which categorizes systemic racism as the discriminatory and oppressive practices by White people that target people of color. It includes the institutionalization of economic and social inequality and the white racial frame that ensure the privilege and power of White people over people of color.

entrepreneurs; low-income entrepreneurs; and Black, Latinx, and Native entrepreneurs. These barriers are systemic, thus deeply embedded into the fibers of the business ownership experience in the United States. The presences of barriers for Black entrepreneurs date back to the early eighteenth century with the marginalization of slave inventors; many of whom lead in the creation of numerous inventions but the slaveowners acquired the patents for the inventions. The barriers continued following the emancipation of slaves in 1865, as state sanctioned discrimination, racism, and murder took form under the Jim Crow laws, Vagrancy laws, and Black Codes. This also included open market exclusion of Black people, which had a profound and distinct impact on the Black entrepreneurial experience. While other ethnic and racial minorities could establish mainstream businesses with limited resistance, Black business owners, by law, operated exclusively within their own community and patronize other Black-owned establishments (Butler and Wilson 1988; Butler 2005; Jewell 2007).

Strategy construction is not a new concept; we see it in any group that encounters barriers. Qualitative research often highlights these strategies, because while sharing their personal stories about racist and discriminatory experiences, the respondents are often also sharing strategy construction processes (Waters 1999; Lamont 2000; Nakano-Glenn 2002; Wingfield and Taylor 2016; Wingfield 2017, 2019). Some scholars acknowledge this process by other names, such as coping mechanisms, tactics, or decision-making. For example, strategy construction processes and their use are visible in the work of Holder and colleagues (2015), as the authors explore the coping mechanisms of Black women in the workplace. Specifically, they examine the ways in

which Black women navigate “racial microaggression experiences” (barriers) within corporate environments. Using qualitative methods, the authors identify “coping strategies” the respondents develop, such as alterations to their physical appearance, speech, and attire; focusing on religion and spirituality; and identifying sponsors and mentors (Holder et al. 2015). Whether exploring their creation or use, the literature on strategy construction reveals the decision-making processes of everyday individuals as they attempt to navigate complex experiences at work, home, or in politics.

2.2.2. Race: Structure, Solidarity, and Identification

My framework takes into account the influence the racial structure has on the respondent’s lives, decisions, and experiences as entrepreneurs. This racial hierarchy operates on all levels – social, political, economic, and ideological (Bonilla-Silva 2015). Entrepreneurship is a combination of the abovementioned levels, operating collectively. If we begin with the economy, we see that historically, Black business owners faced restrictions (e.g. segregation, economic detouring, and Black Codes) which limited their economic growth through limited access to consumers, lending, commercial real estate, and exclusion from certain industries (Butler 2005).

The response to these restrictions often leads to group solidarity for ethnic or immigrant groups. In his analysis, Lovell-Troy highlights the collective approach of “clans” or “immigrant entrepreneurs” and the ethnic solidarity that results among these groups (Lovell-Troy 1980). In the case of Black-owned businesses, historically, economic, social, and political exclusion resulted ethnic solidarity. A key example is the Buy Black movement, which emerged as a response to the Harlem Riots of 1935 by self-

proclaimed Black nationalist, Carlos Cooks. During a 1955 speech, Cooks introduced and coined the phrase “Buy Black,” to encourage Black people to start businesses and buy from Black-owned businesses (Scott 2012). In his speech, Cook outlines the campaigns purpose and requirements:

This program is the “Buy Black” campaign. It demands Black consumers to adhere to this program of racial economic necessity and is dramatized by a reorientation of our shopping habits to the extent that we patronize those people belong to our ethnic group. The “Buy Black” campaign demands that the Black consumers be clannish in their patronage as all other racial groups are (quoted in Harris et al., 1992).

Cooks believed the “Buy Black” campaign could correct this problem and would “transfer businesses in the Black communities from present alien parasites to their rightful owners – Black people” (Harris et al. 1992). Today, as intended in the late 1950s, the Buy Black campaign is a form of racial contestation – a call for Black consumers to shift their support from non-Black businesses to Black-owned businesses – in order to gain legal and political power through collective economic activity with the hope of creating systemic change. The recent rise in the visibility of violence against Black people at the hands of police resulted in the emergence of social movements including the Buy Black campaign, as well as Black Lives Matter and the Bank Black movement. The state sanctioned violence toward Black people gathers little to no legal or political rectification, but it drives ethnic solidarity; specifically, encouraging Black consumers to support Black businesses and lending institutions, as they strive for political, “social and economic justice” (Edwards 2017). Lovell-Troy’s collectivist approach draws attention to the internal business support found among ethnic groups and

the choice of many entrepreneurs in this study to emphasize their BOI to signal their business as Black-owned, thus gaining in-group support.

In this study, the public's perception that a business is Black-owned incorporates two essential concepts: racialization and reflected race. Racialization is defined as the process of classifying, othering, or giving racial meaning to a person, object, group, act, relationship, or in the case of this study, business (Miles and Brown 2003; Omi and Winant 2015). Othering and categorizing businesses as Black-owned carries with it stereotypes and stigmas that result in real consequences for businesses, business owners, and potential consumers. For many Black-owned businesses this includes the perception of poor customer service, low return on investment (ROI), and poor quality, which translates to consumer discrimination, lending discrimination, and short business lifespan (Butler 2005).

In this chapter, I introduce the concept of BOI, inspired by Roth's (2016) discussion of "reflected race," defined as a person's belief about how the public racially classifies them. Here BOI addresses the entrepreneur's beliefs about how the public racially categorizes their business. Their beliefs influence how they navigate the perceptions and negotiate their identity as entrepreneurs. However, it is imperative that we do not assume all Black entrepreneurs *want* their business to be known as Black-owned. For this reason, I use qualitative research to uncover the entrepreneur's decisions to identify as a Black-owned business, or not, which is often influenced by prior experiences with racism and discrimination, both personal and professional. Additionally, the strategies that these respondents construct vary based on numerous

factors including, their desire to emphasize or de-emphasize their BOI, their industry type, and target audience.

In order to understand my framework, specifically the strategies entrepreneurs develop to either emphasize or de-emphasize their BOI, I refer to the concept of racial passing² as an example; specifically, from the work of Nella Larsen. Larsen's novels *Quicksand* (1928) and *Passing* (1929) illustrate historical examples of the two approaches. Larsen follows the lives of fictional Black women, some whom make the choice to pass as White and others who decide not to. For some, letting others perceive them as White is a survival tactic, a method of upward mobility, and a path to avoid or lessen the very real consequences that many Black people faced. For these characters, the process of passing (or not) includes numerous factors such as residential choices, marital choices, acquaintances, occupation, and physical appearance. One aspect of my study explores the decisions made by some Black entrepreneurs to cloak their racial identity, often rooted in a desire to avoid racism and discrimination. Other Black entrepreneurs gain support from the Black community and may have personal feelings and experiences that drive them to emphasize their BOI despite their awareness of the barriers many Black entrepreneurs face.

² This example is not meant to indicate that the concept of racial passing and my concepts of emphasizing and de-emphasizing are the same. Rather, I use the concept of "passing" in order to illustrate the similarity in the decision-making process of some Black entrepreneurs to cloak (or simply fail to disclose) their racial identity in certain contexts to avoid the racism and discrimination that many Black-owned businesses encounter.

2.2.3. Intersectionality and Entrepreneurship

For Black entrepreneurs, racism is just one of many barriers. Though the respondents in this study all share similar racial identities as Black entrepreneurs, each of them encounters additional barriers that operate simultaneously based on other characteristics. However, the experiences of Black entrepreneurs differ, especially for Black women who face forms of discrimination and exclusion that differ from that of Black men and other women. The obstacles they encounter require them to construct intersectional strategies that are context-specific, meaning some Black women may navigate ageism and sexism in addition to racism. Interestingly, despite the intersectional barriers of racism and sexism, Black women represent 20% of all women-owned businesses and 59% of all Black-owned businesses. Additionally, four out of ten Black women entrepreneurs are 34 years-old or younger (American Express 2018).

As Feagin (2006) discusses in his work on the white racial frame – the dominant racial frame that ensures the power and privilege of White people through the institutionalization of racial oppression – Black women in corporate environments experience hidden barriers, stereotyping, and covert actions used to isolate, separate, and deter them (Feagin 2006, 2009). Black women make up less than 1% high-level management positions in corporate America (e.g. CEO, CFO), causing them to become hyper-visible resulting in both professional and psychological impact on the individual (Taylor and Nivens, 2011; Holder et al., 2015). Black women in corporate America experience microaggressions, ghettoization, exclusion from career opportunities, and stereotyping including aggressiveness (Bell 2004; Feagin 2006, 2009; Holder et al.

2015). In an attempt to cope, Black women identify supportive networks, mentors, challenge stereotypes, and other forms of counterframing.³ In this study, I explore the coping strategies Black women construct to navigate similar microaggressions and barriers as business owners. Entrepreneurship itself is in fact one of the tactics that Black workers use to deal with these barriers. Wingfield and Taylor find that discrimination is the catalyst for many Black workers to turn to business ownership. This transition to business ownership is not based on experiences with racism alone but also with classism, sexism, and other forms of discrimination (Wingfield and Taylor 2016). For this reason, I placed no restrictions on respondent recruitment beyond racial identity (i.e. Black or African American). The study was open to Black business owners of all genders, adult ages,⁴ years in business, and all other social categories as well as industry type. This allows me to identify the construction of strategies for entrepreneurs with intersecting identities.

2.2.4. Approaches: Emphasize and De-emphasize BOI

The first approach, to de-emphasize, is the attempt to cloak or conceal one's identity from the public. De-emphasizing a BOI attempts to limit the public's knowledge of the business owner's racial identity. For example, owners may wish to enter industries dominated by non-Black-owned businesses, so they construct strategies to decrease

³ The authors do not explicitly use the term counterframing when discussing the coping mechanism but they correspond with Feagin's work on counterframing. Specifically, bringing the white racial frame to the frontstage, addressing the actions of their colleagues directly and attempting to alter the stereotypes of Black people, women of color, and Black women.

⁴ Eighteen and older. This does not include respondents who are 18 and younger (i.e. "Kidpreneurs" or "teenpreneurs").

indicators of their race to avoid stigma from competitors and customers. Furthermore, an owner may de-emphasize BOI to avoid the stereotypes and treatment associated with Black-owned businesses and navigate barriers that many Black entrepreneurs experience (e.g. lending discrimination). Racialization underpins this approach due to the stereotypes and stigmas associated with Black-owned businesses and the owner's awareness of these stereotypes and stigmas.

Conversely, entrepreneurs who develop strategies to emphasize their BOI attempt to bring attention to their identity, such as actively participating in a “Buy Black” campaign. As previously mentioned, I use the work on Lovell-Troy's (1980) collectivist model for the attention it gives to solidarity and within group support among marginalized groups. Emphasized BOI allows Black entrepreneurs to signal themselves as a Black-owned business, thus gaining the support of Black consumers and access to resources specific to minority entrepreneurs.

The literature in this section and the introduction of new concepts not only help to develop the framework I used to analyze the results, but also assist in answering the research questions posed in this study. Specifically, I identify the strategies Black entrepreneurs construct and reconstruct, as well as the role other forms of oppression play in the strategy construction process (i.e. sexism, ageism).

2.3. Methods

Using the framework introduced in this study, I analyze the strategies Black entrepreneurs employ – which they emphasize or de-emphasize their BOI – to navigate racist and discriminatory barriers. In order to test the framework and answer the research

questions, I needed a sample of respondents from a location that allows sustainable business growth for various industries and a site which is racially diverse, allowing business owners to potentially reach both Black and/or non-Black consumers. For these reasons, I use Houston, Texas as the research site for this study.

As of 2018, Houston, Texas ranks as the most diverse metropolitan area in the United States, allowing business owners accessibility to a diverse target market. The population is 23% Black, 45% Latinx, 25% non-Latinx White, and 7% Asian. Over 50% of the population is working age (over eighteen and under sixty-five-years-old). Of the 260,000 firms in Houston, minority-owned firms comprise 155,000 (60%), and 102,000 firms (39%) are women-owned (U.S. Census 2017). In this study, I use organization-based and snowball sampling to interview N=40 respondents who identify as either Black or African American. Of the forty interviews⁵ conducted from April 2017 to December 2018, 14 identify as men and 26 identify as women. See Appendix A for respondent demographics.

With the support of the Greater Houston Black Chamber of Commerce, the recruitment information went out via email to their e-blast subscribers. The subscription list includes members, non-members, business owners, corporate professionals, and politicians, ranging in industry type, gender, profession, age, and racial or ethnic group. Additionally, recipients of the e-blast and respondents shared the recruitment material with other Black entrepreneurs in their network. To qualify for my study, respondents

⁵ I use pseudonyms throughout this dissertation.

must live and do business in Houston, identify as an entrepreneur and as either African American or Black.

Interview methodology was the most useful method for answering the research questions because it allowed me to understand how people make sense of and respond to discrimination in ways that shape their business decisions. Conducting interviews reveals “thick description” about the ways in which people come to understanding, act, and take control in their everyday life (Miles and Huberman 1994). Collecting data through interviews illustrates the complexity occurring in the daily decision-making and strategy construction process of the respondents. The participant phone interviews lasted from thirty minutes to two hours in length. The questions cover a range of topics including: describe your business; what funding method did you use to start your business; what organizations do you belong to (formal and informal); and did you experience any resistance in any of the organizations to which you’re affiliated? As the respondents answer questions, I probed using follow-up questions in order to uncover rich content. Additionally, the open-ended questions allow respondents to share further details, often introducing unexpected strategies. Entrepreneurs received no compensation for their participation.

I stopped collecting new data when I reached 40 respondents, because this sample size allows me to gather sufficient content for each domain. Sufficiency here refers to data saturation or the point in the data collection process reach an understanding the entirety of each domain and allow the reader to understand the strategies conducted in any one domain (Smith et al. 2009; Mgozoli and Duma 2019). It is important to note

that data saturation does not indicate the generalizability of the findings. Responses from these respondents assists in a full understanding of the strategy construction possibilities.

The data analysis process for this chapter follows the interpretative phenomenological analysis (IPA) outlined by Smith et al. (2009). Specifically, the six-step coding process which begins with meticulously reading and re-reading the transcripts while making notes of significant content. Next, I reviewed the notes and identified themes throughout the transcripts, I often repeating the terms and phrases used to describe a theme that occurs in multiple places, in order to easily group the themes. Following this stage, I find connections between the themes, thus clustering the themes. Smith and Osborn (2015) illustrate this stage as “a magnet with some of the themes pulling others in and helping to make sense of them.” After reexamining the transcripts to confirm the clustering, I then review all the transcripts and indicate any repeating or new patterns that emerge.

Before moving along to the data analysis, Table 2.1 provides a brief overview of the domains, definitions and supporting literature. See Appendix A for respondent demographics.

Table 2.1 Domains and Descriptions

Domains	Description	Supporting Literature
Visibility	Entrepreneur’s decision to use images of themselves online, in marketing material, and use images or hire employees that share their identity. Focuses on the images used by respondents.	Becker 1971; Borjas and Bronars 1989
Product or Service	Whether businesses offer products that appeal to the general public or ethnically-targeted products (e.g., natural hair care products).	Grier et al. 2006; McKinney 2005

Table 2.2 Domains and Descriptions. Continued

Domains	Description	Supporting Literature
Vocalization	Disclosure of identity (e.g., race, gender, age) on lending applications, government forms, in conversations, promotional material and online, etc. Focuses on the words used by respondents.	Blanchflower et al. 2003; Scott 2012; Qualman 2010; Scott 2015; Crockett and Willendorf 2004; Lipschultz 2017
Social Network	Business or business owner’s affiliation with institutions, organizations, or informal groups.	Aldrich and Zimmer 1986; Portes 1987;
Funding Options	Source of funding including bank loans, investors, small business grants, personal funds, funds from friends and family, or grants for minority-owned businesses.	Sherry 2015; Hetzel 1971; Blanchflower et al. 2003

2.4. Analysis

The results reveal that personal and professional experiences with racism and discrimination drive the respondents to construct strategies to alter their BOI. These experiences range from experiences of racism and sexism in corporate America, to childhood experiences with racism. Themes include respondents seeking business grants targeting Black entrepreneurs after being declined for bank loans; and a need for freedom which drives many respondents to use their personal funds instead of seeking investors. Additionally, respondents who identify as Black women recount stories of discrimination and difficulty interfacing with clients, so they hire White men to work under them but as the face of the firm. Industry-specific strategies emerged in the data as respondents with staffing and/or recruitment firms, used the current diversity and inclusion trend to their advantage as they decided to emphasize their BOI through visibility and vocalization (e.g. using phrases such as “multicultural staffing agency”).

The following section analyzes the responses in order to illustrate the organizational strategies Black entrepreneurs construct and employ to alter indicators that their business is Black-owned.

2.4.1. Visibility

Visibility refers to the entrepreneur's decision to emphasize or de-emphasize their BOI through images or in-person interaction. This includes the use of (or avoidance of) images on websites, social media, and marketing material of themselves or people identified as Black. Consumer discrimination is, in part, a result of personal contact and heavily influences the choices of business owners in this domain (Becker 1971; Borjas and Bronars 1989). Deeper than consumer discrimination, the findings from this study draw attention to racialized organizations and the common practices created by and based off the norms of White people. The findings suggest that common practices in some industries do not work to the advantage of the Black respondents.

For Brian, the co-owner of a residential real estate firm, implementation of a standard real estate practice made his business vulnerable to discrimination. Brian and his business partner – also a Black man – serve as the face of the firm and employs forty-two Black real estate agents. Initially, Brian emphasized his BOI through visibility online and in marketing material. However, he recently learned that images of him and his partner on their real estate yard signs and other marketing material make it difficult in “White spaces”.

During his interview, Brian shares the story of an attempt to sell an investment property for a Black client in a predominately White neighborhood. After many months,

the client fired Brian's firm and hired a White-owned real estate firm and a White female realtor to oversee the selling process. When Brian confronted his now former client, he learns that the client believed the yard sign with images of two Black men (i.e. Brian and his business partner) is the reason the home remained on the market for nearly 6 months.

It was mind boggling. So, he said, "man we're going to go in another direction" so he fired me. So, I had a conversation with him about it. He said "look, me and the wife had a conversation about it and we feel because I had this (points to real estate sign with him and his partners face on it) on the property." The comment I had is, I probably wouldn't feel as bad if you were to go work with another Black realtor but you... went and picked some White realtor that don't have nearly as many listings as we have. Then [the client] says 'the reason I didn't go with another Black realtor is because we felt like when people saw the sign... in a predominately White neighborhood that, that was probably the reason we weren't selling it.' As soon as he said it, I said 'man you know what? I never considered that and that is probably exactly why we didn't sell this house.'

Brian's experience draws attention to industry norms that may have an adverse effect for Black business owners within industries dominated by non-Black individuals.

Additionally, it speaks to the racialization of his business (i.e. a Black-owned real estate firm) and the stereotypes the public attaches to his business. Fortunately, Brian's client vocalized his concern, drawing Brian's attention to the barrier, which results in the construct of a strategy to overcome it. Specifically, Brian and his business partner de-emphasize their visibility on all marketing material beginning with the elimination of all yard signs with their images on them and replace them with generic signs, including only the company name and logo. For other respondents, the practices and procedures of racialized organizations, specifically anti-discrimination and diversity and inclusion practices, work to the advantage of businesses offering business-to-business staffing and recruitment services.

With the rise of diversity and inclusion policies and practices in corporate America along with the dwindling number of Black professionals in c-suite positions, many organizations seek the services of Black-owned staffing and recruitment firms to assist in identify Black and/or minority applicants. William, the owner of an executive search firm embraces his Black-owned title by strategically making his race visible on marketing material including his online information sources.

When you look at corporate America and you look at the makeup of corporate America and people in some companies who are in management or leadership position, who have budget approving capabilities, the majority of those people are not going to be Black. So [having majority White clients] isn't intentional... that's just the nature of the beast.

Although William emphasizes his visibility, he estimates that he attracts “60% - 70% White” clients. This high percentage of White clientele is due to the service William’s firm offers – identifying and placing racially “diverse executives” in Fortune 500 and 1000 firms. William’s largely White client base seeks him out specifically because of his racial identity and connections to other Black professionals. The racial barriers that exist within major corporations create a void that his business addresses. The race, ethnicity, and gender barriers that persist in c-suite positions (CEO, CFO, etc.) within corporate America shape William’s client base: majority White and majority male. Additionally, the need for diverse executives increased as many organizations look to increase the diversity and inclusion within their businesses.

Thomas is an outdoor event curator and shares his decision to change his strategy of using images of Black people on his social media and recently decided to incorporate images of non-Black people. Though he shares this plan, he notes that he is hesitant to

implement the new strategy because he fears he may lose the support of his Black clients. Thomas' fear of expanding his reach to non-Black clients through the inclusion of images of non-Black people is valid and visible even for larger Black-owned corporations. In 2017, Shea Moisture, a Black-owned beauty and personal care brand worth over \$33 billion globally, launched a marketing campaign using non-Black models. As a result, Black women expressed feelings of anger, disappointment, and the belief that the company encouraged cultural appropriation. Thomas is not alone in his struggle to expand his target audience through marketing techniques and his fear of upsetting Black consumers. Due to the connection in the visibility and product and service section, I will discuss this fear further in the products and service section.

2.4.1.1. De-emphasizing Visibility: The Trojan Horse

As previously mentioned, consumer discrimination is influenced by personal contact, as well as the ability to assume the identity based on images online. For many, operating virtually is an essential tool, which also gives business owner's more control over visibility; meaning the business continues to run even though clients cannot see them. William, the owner of the executive search firm shares, "my company is mainly operated via phone and computer. I can be anywhere, any place, anytime." Steven shares a similar response, "it's mostly virtual anyway. I mean I don't have an office to come to necessarily, so I'm much more of a digital nomad." However, some respondents must meet with clients, but for Jessica and Brian they construct a strategy to combat the discrimination they experienced when meeting clients face-to-face; hire a White man.

The findings reveal that most respondents are aware of the racial and gender hierarchy which allocates undue power and privilege to White men; the respondents use this to their advantage. It is important to note that the respondents do not sell their business to White men or hire a White man to head the company. The White men they hire act as the face or the visible exterior that allows the business – internally Black-owned – to enter spaces from which they are often restricted, like the story of the Trojan horse. As mentioned above this strategy is employed by respondents who engage in face-to-face meetings, but also respondents in predominately White industries: retail technology, real estate, business-to-business consulting.

Jessica, the owner of a retail tech firm, originally assumes her gender is the root of the resistance she experiences when interacting with clients, so she hires a Black man to meet with clients but later decides to hire a White man.

So, I'm actually hiring on another guy... he went to business school and he is actually White. I need to get more American clients. How do you get more [White] clients? You hire somebody that is the All-American White guy that can speak their language.

Jessica came to this decision because she believes her visibility as a Black woman “could jeopardize” her business, but this strategy is not specific to Black women. As previously mentioned, Brian has all Black employees (i.e. forty-two Black agents) and as, he estimates, 100% Black clients. He desires to enter the non-Black market but has reservations about networking in White spaces in order to drive business to his company. His plan to attract non-Black customers includes hiring a White man to attract White and non-Black homeowners and homebuyers.

I want to be in organizations with people who share my experience and where I feel comfortable. So, I'm not going to join these organizations where nobody looks like me just to get White clients. I got to get me a White boy. If we have White agents, we'd have White clients, it's the sphere of influence.

Both Jessica and Brian belong to industries with a large presence of White-owned or operated firms. As a result, the respondents believe hiring a White male to represent their brand can afford them access to new markets and attract non-Black consumers.

The Trojan Horse strategy, as I call it, is the decision to hire a White male to enter spaces where the owner may experience discrimination based on their social identity. The racial hierarchy that exists throughout the society is also present in the business world and it operates through dominant mechanisms of sexism and racism often placing White males in roles of power and legitimacy, even legitimacy in business (Martinez Dy et al. 2017) This strategy is rooted in the power dynamic between White men and non-Black men and women. However, not every respondent who is aware of discrimination implements this strategy. Unlike her business partner, also a Black woman, Carol, the owner of a consulting firm, does not shy away from emphasizing her BOI through visibility. She shares that her business partner prefers to use a “stock photo of a White man” instead of their own headshots for their website. Carol convinced her business partners that it is in their best interest to use their own images in marketing materials and online due to their plan to host a video podcast series.

2.4.1.2. Age of Competence: Age and Visibility

Just as Carol and her business partner decide to emphasize their visibility despite their awareness of strategies to eliminate barriers, Annette, 31, faces discrimination and stereotyping due to the perception that she is young and therefore lacks competence, but

decides to emphasize her BOI but alters aspects of her appearance. Annette owns an advertising firm and similar to Carol and Jessica, her experience as a Black entrepreneur is linked to other aspects of her identity, specifically her age and gender. Her experience as a millennial entrepreneur includes older clients, most often White women, questioning her skill and knowledge even after hiring her services. When other forms of oppression intersect with racism and sexism, specifically ageism and its stereotypes about competency and skill, they shape the entrepreneurial experience for young Black women business owners.

Annette makes the choice to de-emphasize the visibility of her BOI because she looks young and is avoiding the stereotypes associated with youth, specifically level of expertise. She refrains from using her image on any marketing material to avoid stereotypes about her age and intentionally dresses “professionally” even in cases where the meetings are “super casual.” Annette goes on to explain her efforts to establish her client’s trust in her capabilities through her attire: “I’ve actually had people ask me, ‘Are you old enough to do this job?’” Annette’s attempt to alter her appearance with the hopes of improving the public’s perception of her as a competent business owner, speaks to the work by Oh, Shafir, and Todorov (2020) on the correlation between clothing and competence. The study explores economic status and perceived competency, the findings reveal that faces with “richer” or “expensive” clothing were perceived to be more competent.

The effect persisted when faces were presented very briefly (i.e., 129 [milliseconds]), when information was provided related to the person’s profession and income, when formal clothing was replaced by more casual clothing, when participants were advised to ignore the clothing, when they were

warned that there was no relationship between clothing and competence before choosing rather than rating faces, and when participants were offered a monetary reward for accuracy (2020: 14).

It is important to note, Annette does not believe she encounters racism, but instead discrimination based on her gender and age. In the process of de-emphasizing her gender and age, she de-emphasizes all aspects of her identity by reducing their visibility.

Therefore, visibility for some respondents carries an intersectional meaning; they may unintentionally de-emphasize their BOI when attempting to cloak other aspects of their identity.

2.4.2. Product and Service Selection

Whereas some businesses design *products or services* to appeal to the general public (like accounting firms), others may offer an ethnically-oriented product, or a product which targets customers from a specific ethnic group. For example, a Black-owned business producing natural hair care products may market their product specifically to Black consumers (Grier et al. 2006). However, many products *transition* from being ethnically-oriented products to becoming general products or services, also known as “ethnic crossover.” Targeting non-Black groups as a marketing scheme, if implemented effectively, can be financially beneficial for the business, because it expands the potential consumer base significantly.

For some ethnic entrepreneurs, the need arises to target a larger and more profitable audience. Grier et al. (2006) describe ethnic crossover as a business owner’s decision to provide a product initially intended for their ethnic group, but they either expand their target audience or over time the reach of the product extends outside their

ethnic group. Examples are rap music, sushi, and soul food, all products which, at one point, were intended for a specific ethnic group but eventually crossed over to consumers outside their ethnic group.

The findings reveal that the respondents fall into four groups regarding product crossover: those who market to everyone, those who market to Black consumers only, those who desire to expand their target market, and those who initiated the process. Of the latter, no respondents successfully initiated the process of product crossover. Why? As previously mentioned in the section on visibility, upsetting Black consumers is a major concern for respondents with a large Black consumer base. Meaning, if the products/service is intended for Black consumers or not, if Black consumers think it is for Black people due to their awareness of the business being Black-owned, there is a tendency to label the business owners as a “sellout.”

Rose creates travel wear using traditional fabric from Africa. In addition to online sales, she participates as a vendor at local pop-up markets in Houston, where she finds that both Black and non-Black people purchase her products. She recently posted an image of a White woman wearing her product at an event and the response from her Black following was one she has become all too familiar with. Rose shared the comments, which I later confirmed on Instagram:

Commenter 1: Who is this white woman?

Commenter 2: Exactly Brother. We learn to live, love, and do business without Crakkas being there. It's like we will die if [we] don't have them in our communities. I just lost all my respect for the so-called [Black] business.

Commenter 3: And their ignorant ass response just proved your point. “Our people” love being house negros!

Rose then shares that she decided to forego her plan to incorporate non-Black models in her marketing campaign but expresses her concern with non-White consumers assuming the products are for Black people only.

I have had several white people reach out to me to ask if it is okay for them to purchase a backpack. My answer is always, of course, and I appreciate them for asking. I'm sure there are several people who don't ask and automatically assume, they cannot buy from our store. Our products are functional and appeal to a wide audience.

Rose's story illustrates the desire that many Black entrepreneurs have to reach a larger audience, but due to the potentiality of Black consumer backlash, she does not take any action. In contrast, some respondents do not desire to expand their target market beyond Black consumers. Carl owns a podcast network targeting and hosted by people who identify as Black or African American. His company host over ten podcast series, which cover topics ranging from gaming, law, politics, fashion, and entertainment. On his website and in the description of his services, Carl uses the phrase "for African Americans." When asked about expanding his target audience, Carl explains the company intentionally targets Black consumers and he has no plans to market to non-Black consumers. However, many racial minority entrepreneurs make the decision to expand their reach to target larger and more profitable audiences. As previously mentioned, Jessica, Brian, and Thomas discuss plans to adjust their business model to target clients outside of their own racial group. Despite offering general products/services, their customers are currently primarily Black, due to emphasizing their BOI through social networks, visibility, and vocalization.

Mike owns a “multicultural” public relations agency where he represents individuals who identify as racial minorities but, as he estimates, “75%” of companies that hire his firm are White-owned. As he states, the White firms – usually owned by White women – strategically identify minority publicists who represent Black clients because they struggle to “reach our Black demographic.” Mike takes advantage of the firm’s area of weakness: “I can provide counsel and expertise. I have the contacts in place, I can do what they can’t do because they don’t know how to speak the language.” Mike’s experience is similar to that of William, the owner of the executive search firm, because both respondents offer a service that targets racial minorities; Mike’s use of the term “multicultural” publicist and William’s use of “diverse executives” in Fortune 500 companies. Companies led by White owners hire Mike and William for their ability to provide a service, which is the identification and placement of Black people and other racial minorities.

2.4.3. Vocalization

Vocalization refers to the choice to disclose characteristics such as race, gender, and age in a range of contexts such as lending applications, government forms, in conversations, in promotional materials, and online. It is important to note, that vocalization based on words in conversation, business descriptions, and identification on forms, this domain should not be confused with visibility, which relies on images. Some businesses de-emphasize BOI vocalization by opting out of identifying on forms or applications. Others may use general terms or phrases online that are not related to their racial identity in any way (e.g. #SmallBiz, #Handmade, or Veteran Business Owner).

Additionally, indicating Minority Business Enterprises (MBE) status⁶ is often an indicator of an individual's race, especially on lending applications, which influences the loan decline rate among Black small business owners (Blanchflower et al. 2003).

With the increased use of social media for promotion, vocalizing on social media is a vital strategy. The use of social media for economic, political, and social influence is the focus of Qualman's (2010) book, *Socialnomic*. Qualman argues that social media takes the place of word-of-mouth through "world of mouth" and tools such as hashtags, which are text used to help social media consumers find a conversation about a topic of interest, like #BuyBlack (Scott 2015). As large-scale social change occurs, such as the rising cases police brutality, it drives ethnic solidarity and the Buy Black movement (Crockett and Wallendorf 2004; Scott 2012) and the use of hashtags assist in locating Black-owned businesses or Black services. A case study on social media movements following the murder of Trayvon Martin reveals that two of the top ten hashtags that appeared alongside #BlackLivesMatter were #BlackBusiness and #BuyBlack (Lipschultz 2017). This illustrates ethnic *business* solidarity occurring online, not solely as a political issue but also as economic solidarity, with important implications for business owners.

The use of racially or ethnically specific hashtags was the norm for the participants, even those who indicated they did not promote themselves as Black-owned. The contradiction comes from the assumption that vocalization is only powerful in

⁶ This is usually a question on a form (e.g. Are you MBE or W/MBE certified?)

conversation or marketing material (e.g. website, brochures), despite the vital role of social media in locating Black-owned businesses. Additionally, the companies in recruitment and staffing often used the terms and phrases such as “multicultural,” “minority,” “diversity,” and “inclusion” in the description of their business on all platforms. Only two participants used the term African or African American in the description of their company; Carl the owner of a podcast network is one.

When asked to describe his company, Carl explained that the services he offered were specific to Black consumers and he makes this known by using the phrase “for African Americans” on his website, social media, and all marketing material. However, during his interview, Carl presents an inconsistency that occurs under the vocalization domain for numerous respondents. Carl notes he would not disclose his ethnicity on forms and, if questioned, he would not disclose that he is the owner of the business in conversation with any potential consumers.

I think I would let the work speak for itself, more so than put myself, my race at the forefront...I'd say 'hey check out [business name]. Meet the [company] and then come up with your own assumptions afterward. At my core, it shouldn't matter if the shit's Asian-owned or whatever, if the content is good and it speaks to you, to me that's what should matter.

Yet, Carl reveals he often uses hashtags to endear his business to the Black community such as #BlackExcellence and #BlackLivesMatter. The unintentional contradiction Carl exhibits is the same struggle other respondents experience. Carl uses “for African Americans” in the description of his product and he uses hashtags to target the Black community but will not disclose he is the owner of the company on forms or in conversation. This contradiction centers around the decision to either de-emphasize or

emphasize their BOI, knowing that it is not possible to accomplish both within one domain. For Carl, the rationale is simply, “it” being the race of the business owner, “shouldn’t matter.”

Thomas, the event curator, desires to reach clients of all racial and ethnic backgrounds, but his strategy of emphasizing his BOI through the vocalization, social networks, and visibility domains makes it difficult for him to gain clients outside his own racial or ethnic group. As previously mentioned, Thomas altered his strategy and limits the use of images with Black people and what he calls “pro-Black” hashtags online. He reconstructed his strategy surrounding hashtags such as #Melanin and #Hood and began to incorporate hashtags such as #Fitness, #SmallBusiness, #Exercise, #Volunteer, or #HoustonEvents.

2.4.4. Social Networks

The *social network* domain consists of a business or business owner’s affiliation with institutions, organizations, or informal groups. In this study, the focus is on the affiliations Black entrepreneurs have with personal, professional and/or business development organizations. These organizations can range from industry-specific organizations such as a Realtor Association to ethnic-specific institutions like the Black Chamber of Commerce or Historically Black Colleges and Universities (HBCUs). There are organizations that are both racially- and industry-specific, such as the National Association of Black Accountants.

As current studies demonstrate, social networks for entrepreneurs are important for the transfer of information and resources as well as establishing expectations

(Bonacich and Modell 1981; Portes and Sensenbrenner 1993; Alba and Nee 2003). Social networks provide access to resources and relationships, which in turn offer support and knowledge. Too often entrepreneurs rely on strong ties to identify customers, resources, and provide information. Unfortunately, and unknown to some entrepreneurs, strong ties or connections to people such as family, friends, or people of the same race or gender, generates redundancies in information (Granovetter 1973; Young 1998). In contrast, weak ties or rare interactions and distant relationships such as acquaintances introduce different and new information; they promote diversity in information, resources, and customers. As this relates to African American entrepreneurs, Young (1998) examines two categories within social networks: support and resources. The findings indicate a lack of diversification in the social networks of African American entrepreneurs (Young 1998).

Of the forty respondents in my sample, only one did not belong to at least one racially- or ethnically-specific organization. The respondents often mention their informal affiliations, such as fraternities, sororities, and churches, when discussing topics like access to funding, training, marketing, and overall support, which reinforces the findings on the benefits of social networks regarding resource accessibility (Portes 1987). Those who struggle to acquire business loans through banks, share either their knowledge of or participation in Black and minority business grant competitions. Additionally, when discussing social networks participations shared the small business development courses they attend through the local Black Chamber, local community college and universities. However, when comparing respondents who were involved in

mostly Black organizations against those who were in diverse organizations, I found that those who were affiliated with Black organizations had limited knowledge of venture capital (VC) funding and tech incubators. Of the respondents, only seven expressed knowledge of these resources. Jamie, an app developer was one.

Jamie believed the lack of African Americans in the tech industry required him to move away from Black organizations and seek out predominantly White social networks when looking for a tech accelerator to join. Unfortunately, while pitching his product, an app to assist users who are working on paying off debt, to an accelerator, the board of directors repeatedly questioned the need for this product despite patent approval, prior funding, and similar apps on the market. After answering redundant questions, Jamie asked a board member about the difficulty of the process, to which she stated, “the [CEO] doesn’t understand your business, he doesn’t understand that people have debt.” Jamie believed his status as the first Black applicant, presenting to a predominately White board (i.e. ten of the twelve board members), explained why they did not understand the usefulness of the product. Jamie argues, “*You have this White society, that don't understand that lower-income and middle-class people struggle with debt day to day.*” Despite the resistance, Jamie eventually received an offer to join the program and joined “for another Black boy or girl that may want to come through this program.”

Jamie’s experience also aligns with the work on boundary protection and the desire to maintain homogenous social networks (Lamont and Molnar 2002; Jewell 2007). Although Jamie met the requirements to join the organization, he experienced resistance due to his race. More importantly, Jamie’s experience relates to the product

and service domain, and leads to the question of who determines if a product is ethnically-oriented – the entrepreneur or the public? The CEO’s inability to understand that debt is a common experience for all racial groups leads him to view Jamie’s app as only beneficial for people of a certain race and class.

2.4.5. Funding Options

Funding options include bank loans, investors, small business grants, personal funds, funds from friends and family, or grants for minority-owned businesses. This domain addresses the barriers of funding, which are well researched as it relates to Black business owners and lending institutions. The findings in this domain suggest that respondents, even those who de-emphasize, turn to funding sources targeting Black businesses. For example: Black organization grant opportunities, Black-owned banks, but due to industry norms some respondents have to fight the barriers in the funding domain.

Bates et al. (2007) find that 84% of Black businesses believe access to capital is a major barrier for business ownership. This leads entrepreneurs to explore other routes of funding, such as bank loans and “angel investors.” Unfortunately, Blanchflower et al. (2003) report Black-owned firms are 28% more likely than a White firm to have a loan application declined despite creditworthiness and education. The decline rate for Asian/Pacific Islander, Native American, and Hispanic owned firms is 16%, 15%, and 6%, respectively (Blanchflower et al. 2003).

Due to the high rate of rejection, some Black business owners refrain from even applying for bank loans (Bates and Lofstrom 2013). Other funding options such as

venture capital opportunities prove to be no different. A recent study by the Kauffman Foundation found that businesses with at least \$100,000 of startup capital are 23% less likely to fail, compared to businesses that start at \$5,000. 82% of White firms start with \$100,000, but only 13% of Asian firms, 4% of Latino firms and 1% of Black firms (Ewing Marion Kauffman Foundation 2016).

The attention given to credit discrimination is the catalyst behind the decision made by some African American business owners to seek funding with minority or ethnic-specific funding opportunities such as minority business grants. Many small businesses work with organizations led by the state and the government to obtain business-related funding. Unfortunately, with strict guidelines of these small business grants require, for example, a minimum number of years in business and revenue limitations, the process filters out many applicants; in most cases the applicants are racial minorities. Hetzel (1971) explores how these barriers hinder minority grant applicants in programs such as the SBA 8(a), OBE and HUD and result in the disproportionate allocation of minority business grants (Hetzel 1971).

This leads us to question how Black entrepreneurs fund their businesses. According to multiple studies, Black businesses acquire funding through the bootstrap technique, characterized as the use of personal credit, funds from friends or family, taking a second mortgage, or reducing expenses through strategies like operating a business out of the home (Harrison et al. 2004; Kim et al. 2006). As of 2017, 70% of Black business owners use personal/family savings, 18% use personal credit cards, 12%

use personal/family assets, and 7% use personal/home equity loans (Stanford Graduate School of Business 2017).

Jamie, unlike most respondents, received funding from a tech incubator for his app development. Like the literature on funding among Black business owners indicates, the majority of my respondents used personal savings from their previous and current careers to fund their business. More importantly, the finding from this domain explain why. Annette, owner of an advertising firm, used savings from her previous career and admits it is due to her lack of knowledge of business grants and loans. She shared that she is depleting her savings, which drives her to explore and educate herself about other funding options. Many respondents use personal funds but this is due to the “low overhead cost” associated with their business⁷, while others prefer to avoid traditional bank loans or investments in order to maintain their “control” and “freedom.” Jessica is the only respondent that openly shared she does not want to be known as Black-owned but she also acknowledged the benefits of Black organizations when seeking funding. After numerous failed attempts to gain business loans from banks, Jessica participated in a Black business pitch competition – hosted by a local Black business organization – where she won a business grant.

Steven, the owner of the investment firm and practicing physician, introduces the importance of class privilege in allowing him to de-emphasize his BOI in the funding domain. Many of Steven’s responses indicate class privilege, at one point in the

⁷ This is due to most respondents offering services and also operating out of their homes, thus not requiring a brick and mortar.

interview mentioning his “pedigree,” financial stability, and the amount of capital he raised for his company. While discussing visibility, Steven shared a story of applying for a business loan online, arguing that he believed the visibility of an entrepreneur’s race has no impact on their business.

We have a fair amount of personal assets and good personal network and we have good credit. We apply over mail or electronically so they don’t get to see us, so a lot of the stuff gets locked in and there is a personal assumption made. I’ll give you a perfect example, right now we are refinancing property and everything was done electronically and the loan application came back and had it checked off as White as an applicant. And that was the assumption they made and it wasn’t until we sent copies of our driver’s licenses that they were like, ‘oh I guess not.’

His response refers to class privilege, racial stereotyping, and banking discrimination.

After completing an online loan application and not racially identifying on the form (i.e. de-emphasizing vocalization), the bank accepts his application and returns the form with the “White” racial category selected in the application. Steven acknowledged that his income and residence may shape the bank’s assumptions about his race but was adamant that race is not a factor in business loan acceptance or denial. Even though Steven sent a copy of his identification to correct the bank’s assumption, he directly benefits from his class position as he de-emphasized his BOI.

2.5. Conclusion

In this article, I demonstrate the ways in which Black entrepreneurs navigate long-standing racism and discrimination by developing strategies to emphasize or de-emphasize their BOI in context-specific ways. These findings align with the literature on Black entrepreneurs, while moving the discussion beyond the barriers in order to examine the strategy construction process of Black entrepreneurs as they attempt to

navigate barriers. The findings outline the strategy construction process of the respondents, including strategies constructed by respondents who encounter sexist, ageist, and racist barriers; the use of technology and social media; identification of alternative funding options; and shifting away from common industry practices (e.g. real estate yard signs) which do not benefit Black businesses. The results draw attention to how respondents exercise control – despite constraints – to alter the public’s knowledge of their BOI.

I find that respondents who provide recruitment or placement services were more likely than others to have predominately White customers, this is due to the current market trend driving major corporations to create diverse and inclusive environments. The need for many corporations to hire employees who are members of racial/ethnic minority groups sometimes lead them to rely on external staffing/recruiting companies, such as the Black entrepreneurs in this study who serve as the middleman. Due to their network ties with other professionals of color, these Black entrepreneurs have access to racially diverse individuals (for placement), and emphasizing their BOI through vocalization and product/services (e.g. using terms such as “diverse clients” “multicultural public relations firm”) is necessary to signal to larger – and often White – corporations that they are Black-owned. Further research should identify additional industries where emphasizing BOI proves beneficial to broad, rather than ethnically-specific, markets.

The rate of growth and economic impact of Black women entrepreneurs should not overshadow the obstacles and oppression they face. It is important to draw attention

to the ageism young Black women face as entrepreneurs. Not only do they face the stereotypes and stigmas associated with Black- and woman-owned businesses, but struggle to navigate stigma associated with being a young entrepreneur; specifically, age as an indicator of their legitimacy and competence. As the respondents experience racism, sexism, and ageism, they must decide to either keep their identity on the front stage; move into the back stage by eliminating all indicators of their identity; or identify another person to act on their behalf. Whether the respondents entertained the idea of using stock photos of White men or hiring a White man, their construction of strategies draw attention to the hegemonic masculinity that allows White men unquestioned power, privilege, and legitimacy. Employing White men under the trojan horse strategy – used by both Black women and men – give attention to the racial and gender hierarchy.

Additionally, when respondents emphasize in multiple domains, specifically visibility and vocalization, it creates an assumption that the business, products and/or services are for Black people only. The impact of this assumption may not be apparent initially, but it has the potential to limit the businesses reach as it relates to consumers, funding, and entrance into business-related programs. If a business owner desires to reach all consumers regardless of race, this assumption creates a barrier between the business and consumers who fall outside of their racial group. It has the potential to deter investors for this very reason. The findings in the study call for further research on the public's assumption that products/service are designated for a specific demographic and the impact this assumption has on a business.

The results from this study advance the literature on Black-owned businesses by moving the conversation beyond the barriers toward the control the entrepreneurs have, which assist them in overcoming barriers. The framework introduced in this study offers a promising avenue for future research on contemporary marginalized entrepreneurs, identity negotiation and strategy construction process for entrepreneurs beyond Houston.

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3. THE COLOR OF LEGITIMACY: EXPLORING ENTREPRENEURIAL EXPERIENCES AMONG U.S. BORN BLACK & BLACK IMMIGRANT BUSINESS OWNERS

3.1. Introduction

This chapter builds on the research presented in Chapter 2, which introduces a qualitative framework to examine the ways in which Black entrepreneurs in Houston navigate racism and discrimination in the market. The prior study analyzes the strategy construction processes of respondents and how they fall into five areas or domains: visibility, social networks, product/services, vocalization, and funding options. Do the patterns we see in this first chapter extend outside of the Houston context, or are they specific to a large, diverse metropolitan context? To address this question, I preform in-depth interviews to examine the strategy construction process of fifty-six Black entrepreneurs in Houston, St. Louis, and Austin.

Using the data from the three sites, I identify the following research questions: 1) *How do the findings from other social contexts contrast to the previous findings from Chapter 2?* 2) *Do similarities or difference emerge based on the location of the respondents?* Findings reveal that experiences with racism and discrimination in corporate America serve as a catalyst into entrepreneurship across contexts, however due to limited access to funding, many respondents juggle full-time work and their entrepreneurial endeavors, or hybrid entrepreneurship. Research finds that hybrid entrepreneurship, with the goal of eventual full-time entrepreneurship, increases the

survival rate of a business (Raffiee and Feng 2014). However, the findings in this study suggest juggling restricts the respondents from fully dedicating themselves to their business, making it difficult to quickly transition to full-time entrepreneurship. I also found that emphasizing Black-Ownership Identity (BOI) was popular even in contexts with smaller Black populations, because signaling your business as Black-owned during the re-emergence of the Buy Black movement ensures support from Black consumers. Additionally, as discussed in Chapter 2, emphasizing BOI with the current push for diversity and inclusion leads corporations to contract the work of Black- and women-owned business. This study also reveals the struggles Black entrepreneurs face as they try to gain legitimacy as a business. Finally, this chapter explores the ways U.S. born Black and Black immigrant entrepreneurs contribute to the racialization of organizations.

3.2. Literature Review

Similar to the literature in Chapter 2, this chapter draws on literature from race, ethnicity, and gender studies; specifically, the strategy construction processes of marginalized workers as well as literature on racial structure, racial solidarity, racial identification (i.e. reflected race), and intersectionality (Bell 2004; Feagin 2006, 2009; Holder et al. 2015; Wingfield and Taylor 2016). In addition to this literature, this chapter reviews relevant literature on Black immigrant entrepreneurs as well as isomorphism and legitimacy (Meyer and Rowan 1977; Pfeffer and Salanick 1978; DiMaggio and Powell 1983; Suchman 1995; Deephouse and Suchman 2008).

3.2.1. Isomorphism & Legitimacy

Every business owner has an individual definition of success, but they collectively share the need for resources, both tangible resources and intangible resources such as “legitimacy, commitment of effort, money, technology, contacts and information” (Almandoz 2012). With specific attention to legitimacy,⁸ the racialization of minority-owned businesses can threaten this perception of legitimacy. Minority-owned businesses often experience public questioning and challenges about the quality of services and products of a business as well as the overall legitimacy of the firm. Questioning the legitimacy of Black-owned businesses is rooted in a long history. Ogbolu et al. (2015) find that beliefs about the legitimacy of Black businesses, paired with anti-Black attitudes – held by both Black and non-Black consumers – serve as predictors of intent to patronage Black-owned businesses. Thus, these negative stereotypes about Black businesses have important financial implications for those business owners.

To better understand the need and importance of legitimacy for organizations, scholars turn to the theory of isomorphism. Defined as the organizational constraints that lead one entity to look like another, DiMaggio and Powell (1983) examine three forms of isomorphism on the institutional level. Normative isomorphism relates to pressure from professions; there is an expectation to follow certain norms (e.g. accountants using the same processes, software, and/or vocabulary). Coercive isomorphism relates to

⁸ Defined by Suchman (1995) as “a generalized perception or assumption that the actions of an entity are desirable, proper and appropriate within some socially constructed system of norms, values, beliefs and definitions.”

pressure from other organizations or the state; this includes homogeneity in certain areas of organizations leading to ritualistic conformity (e.g. Anti-discrimination practices or diversity and inclusion trends leading to widespread hiring of diversity and inclusion officers). Mimetic isomorphism relates to the market and mimicking of other organizations as a result of uncertainty (e.g. Creating a delivery company and mimicking the business model of FedEx due to uncertainty).

Whether led by uncertainty or pressure, every organization implements a level – whether high or low, quickly or slowly – of isomorphism. As DiMaggio and Powell (1983) argue, there are factors that impact the level and rate of isomorphism (e.g., a smaller number of organizational models results in a faster rate of isomorphism because there are few business models to mimic⁹). Black business owners may still face greater uncertainty than other firms despite their attempts to mimic business models found in other organizations due to uncontrollable factors such as the stigmas, stereotypes, and discrimination Black businesses experience from competitors, professions, and the market. Additionally, Amit and Wernerfelt (1990) suggest, decision makers will gather as much relevant information as possible to manipulate future outcomes and minimize risk. Risky decisions entail greater amounts of uncertainty, whereas a safer decision increases the predictability and likelihood of an outcome. Where isomorphism may not serve as a sufficient mechanism to alleviate all risk, uncertainty, and pressure, Black

⁹ So essentially, the few businesses are mimicking each other and they rapidly all begin to look alike.

entrepreneurs construct strategies to alleviate risk, compensate for the unrelenting racism and discrimination they encounter, and increase legitimacy.

The findings in this chapter draw attention to Whiteness as a form of legitimacy, which aligns with the work of Ray (2019). In his article, Ray develops a theory of racialized organizations, including the role organizations play in the development of expected behavior and appearance. He argues that these expectations, which often operate under the guise of “professionalism,” stems from the common behaviors, appearance, and vocabulary of White people and are constructed to benefit White (and male) employees. This makes working in most organizations difficult and undesirable for non-White employees and pressures even Black-owned organizations to conform to these White norms. DiMaggio and Powell touch on this, maybe unintentionally, in their 1983 work:

In addition, individuals in an organizational field undergo anticipatory socialization to common expectations about their personal behavior, appropriate style of dress, organizational vocabularies and standard methods of speaking, joking, or addressing others (1983: 153).

The authors argue that the similarities produce similar response and decision-making processes but there are outsiders “who somehow escape the filtering process for example, Jewish naval officers, woman stockbrokers, or Black insurance executives...” (DiMaggio and Powell 1983). Specifically, outsiders slip into industries where they are the minorities, whether racial or gender minority. Whiteness (and maleness and Christianity) as the norm extends beyond corporate America and into small businesses. The findings in Chapter 2 explored how Black entrepreneurs face the same difficulty

when interfacing with funders and potential clients. This barrier led some respondents to hire a “trojan horse” or a White male to act on behalf of the owners. As one respondent, Jessica, shares, “hire somebody that is the All-American White guy that can speak their language.” This not only illustrates Whiteness as the norm, but if we use Suchman’s (1995) definition of legitimacy, we see the correlation between the ways in which Whiteness operates as the norm and how legitimacy is a social construct.

Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.

3.2.2. Black Immigrant Entrepreneurs

State-sanctioned violence, legal discrimination and racism are only a few barriers impacting the Black entrepreneurial experiences. The competition between native-born Black people and immigrant groups also played a major role in niche formation and exclusion. Waldinger (1996) and Waters (1999) explore the role of Black and non-Black immigrants in “freezing” African Americans out of jobs through immigrants’ strong network ties, acceptance of low-skilled and low-pay roles, and exemption from many restrictions like Jim Crow. Waters (1999) finds social networks created a barrier of entry which kept information on available jobs within immigrant groups. Through a qualitative study on West Indian immigrants and African Americans in the food service industry, Waters’ argues that West Indians used network hiring or referring people within their ethnic group to available job openings at the company to their advantage. For example, Waters finds network hiring among West Indians eliminated the need to

advertise job opportunities within the American Food Company for nine years and resulted in a majority West Indian employee base (Waters 1999).

Literature exploring the Asian, Latinx, White, or Black immigrant entrepreneur experience often attempts to illustrate the success of the group under review by contrasting their results against disparaging data on native-born Black entrepreneurs. This includes native-born Blacks' low acceptance rate for bank loans, the high failure rate, or demographics that impact business ownership (i.e. education, marriage, income, parents' entrepreneurial experience). Comparing native- and foreign-born Black people, Waters (1999) describes the differences as both cultural and structural. Cultural explanations attempt to explain a difference between the groups using values, beliefs, and behaviors, whereas structural explanations explore the external influences such as policies that affect immigrant or native-born business owners differently. Researchers find Black immigrant groups distance themselves from African Americans by placing an emphasis on cultural differences like work ethics and appreciation of education. The emphasis on cultural differences serves as their explanation for the differences in educational attainment, occupations, and income between Black immigrants and native-born Black. However, this distinction comes from the experiences of foreign-born Blacks, an experience and upbringing in societies dominated by Black people with Black people in position of power. As Waters argues, they arrive to the U.S. with "high ambitions, friendly relations with Whites on an interpersonal level" but soon (often with the second generation) the importance of the cultural differences decrease as they

encounter the same structural barriers as U.S. born Blacks, such as housing, educational, and occupational discrimination (Waters 1999).

Furthermore, ethnic enclaves offer a site with high concentrations of co-ethnics, which makes transferring resources, information, and offering support for Black immigrant groups, easier than it is for African Americans who lack the ethnic enclave experience. Despite the existence of Black ethnic enclaves in early 1900s, they no longer exist among African Americans. Instead the literature on present-day ethnic enclaves or ethnic economies examines immigrant groups such as Haitian, Cuban, Japanese, Mexican, and Iranian enclaves (Averitt 1968; Beck, Horan and Tolbert 1978; Bonacich and Modell 1980; Tolbert et al. 1980; Portes 1981; Portes and Bach 1985; Portes 1987; Light et al. 1994; Portes 1995). Bogan and Darity (2008) examine the self-employment rate across a 90-year period for U.S. born Black people and immigrant entrepreneurs. According to the findings, Black immigrants fall behind other immigrant groups in the rate of self-employment for the period of the study but they maintain a lead over U.S. born Black people. Additionally, the authors explore the literature on race, ethnicity, and entrepreneurs, which lacks consensus but outlines contributing factors to the success of immigrant entrepreneurs. These advantages include ethnic enclaves and the social capital and social networks they offer; training and education acquired in home countries; the development of competitive strategies that lead to innovative products; and cultural factors such as the impact of religion on business values and goals (Boyd 1991; Walker 1998; Fairlie and Meyer 2000; Butler 2005; Chaganti et al. 2008).

3.3. Methods

This study extends the qualitative framework introduced in my first study, which explores the strategy construction process of Black entrepreneurs. In the first study, I performed in-depth interviews with Black entrepreneurs in Houston, Texas. In this study I include Austin, Texas and St. Louis, Missouri as additional research sites in order to identify similarities and differences in the entrepreneur experiences of Black business owners. I use the same open-ended questions during the semi-structured interviews, which lasted 30 minutes to 2 hours via phone and face-to-face. As the respondents answer questions, I probed using follow-up questions in order to uncover rich content. Additionally, the open-ended questions allow respondents to share further details, often introducing unexpected strategies. Respondents received no compensation for their participation. In total, I interviewed 56 respondents during the two phases of interviews lasting from April 2017 to December 2018: 40 respondents from Houston – which come from the previous study – 7 from Austin, and 9 from St. Louis. Due to the sample size, the findings are not meant to indicate the generalizability of all Black entrepreneurs. The findings offer a more complete understanding of the strategy construction possibilities in various sites. *See Appendix A for demographics on Houston respondents and Appendix B for demographics on Austin and St. Louis respondents.*

I use organization-based and snowball sampling. The following organizations assisted in recruitment of respondents: Greater Houston Black Chamber of Commerce (GHBCC), St. Louis Urban League, Dallas Fort-Worth Area Urban League of Young Professionals, and the Texas Association of African American Chambers of Commerce.

Each organization sent a recruitment email to their e-blast subscribers. This subscription list included members and non-members that ranged along multiple dimensions: industry type, gender, the age of the business owner, and the racial or ethnic group of those business owners. To qualify for the study individuals must live and do business in one of the three locations, be an entrepreneur – an individual who created their own business – and identify as African American and/or Black. Additionally, I utilized snowball sampling. At the end of each interview, I asked respondents to share the recruitment flyer with other Black entrepreneurs, and any recipients of the recruitment email who did not qualify for the study were asked to share the information with other entrepreneurs who qualified.

My identity as an entrepreneur and Black woman allows me to recruit and connect to respondents. Insider research creates a trust and openness from the respondents which provides detailed data collection (Dwyer and Buckle 2009). Additionally, respondents spoke candidly about issues of race and racism, often using words and phrases such as, “us” and “them,” or “you know how they are” and “you know how we can be” when explaining experiences of racism and/or sexism. The interview questions, interview methodology, and coding in this chapter is the same used for the data collection process for Chapter 2. Interview methodology was the most useful method for answering the research questions because it allowed me to understand how people make sense of and respond to discrimination in ways that shape their business decisions. Conducting interviews reveals “thick description” about the ways in which people come to understand, act, and take control in their everyday life (Miles and

Huberman 1994). Collecting data through interviews illustrates the complexity occurring in the daily decision-making and strategy construction process of the respondents.

The data analysis process in this chapter is the same as chapter 2, which follows the interpretative phenomenological analysis (IPA) outlined by Smith et al. (2009). It includes the six-step coding process which begins with meticulously reading and reading the transcripts while making notes of significant content. Next, I reviewed the notes and identified themes throughout the transcripts, often repeating the terms and phrase used to describe a theme that occurs in multiple places. Following this stage, I find connections between the themes, or clustering the themes. After reexamining the transcripts to confirm the clustering, I then review all the transcripts and indicate any repeating or new patterns that emerge.

Table 3.1 includes details on each site, including the racial composition of the areas according to data from the U.S. Census Bureau American Community Survey (2017). Blacks or African Americans are 7.6% of the population in Austin (including the surrounding cities of Round Rock and San Marcos). According to the Kauffman Foundation's the population for White, Latinx and Asian residence living in Austin consist of 76%, 35% and 7%, respectively; with a total of 6,670 Black-owned businesses in Austin according to the U.S. Census (2012). 23% of the Houston population is Black or African American, with over 90,000 Black-owned business, compared to just over 30,000 in St. Louis. The rate of startup growth measures "the average growth of a cohort of new startups in their first five years" (Kauffman 2017). Of the locations, Austin's startup growth measure is the highest at 85%, Houston and St. Louis fall at 78% and

61%, respectively; thus, Austin has the highest startup growth of the three sites. To summarize, Houston is the most diverse site of the three and has by far the largest number of Black firms, Austin has a very small Black population with a comparatively large Black immigrant population and very high rate of startup growth, and St. Louis has the largest Black population with the worst business survival rate and growth rate of the three cities. Including the difference in the population, business owners, and rate of growth between Austin, Houston and St. Louis allows me to test the framework and the experience of Black entrepreneurs. I selected these sites to determine if new strategies surface based on the difference in the locations. For example, Austin has a low population of Black people but the highest rate of business owners and startup growth. In contrast, St. Louis has the highest Black population of the three, but the business owner rate for Black people does not mirror the high population. Houston is more diverse than the other sites and has a high rate of business owners overall (and for Black people) as well as a fairly high rate of startup growth.

Table 3.1 Location Demographics

Population¹	Austin, TX	Houston, TX	St. Louis, MO
Black or African American	7.6	22.8	47.9
Black Immigrant	5.0	7.0	9.1
White	75.9	58.3	45.6
Latinx	34.5	44.3	3.9
Asian	6.8	6.7	3.1
Business Ownership & Growth			
Black-Owned Firms ₂	6,670	91,589	30,042
Survival Rate ³	52.3	49.6	46.9
Rate of Startup Growth ⁴	84.7	78.3	61.0
Respondents	7	40	9

Sources: Data from the U.S. Census Bureau Survey of Business Owners, U.S. Census Bureau American Community Survey and The Ewing Marion Kauffman Foundation

¹ Population as of 2017.

² Data from the 2012 U.S. Census SBO Program: Economic Annual Survey. This information “includes all U.S. firms operating during 2012 with receipts of \$1,000 or more.”

³ According to the Kauffman Index of Main Street Entrepreneurship (2016) Survival Rate is defined as “The percentage of firms in operation throughout their first five years.”

⁴ According to Kauffman Index Growth Entrepreneurship (2017) “Rate of Startup Growth measures the average employment growth of a cohort of startups in the United States in their first five years. The Rate of Startup Growth captures employer businesses regardless of industry, and it calculates their average growth as a cohort of businesses during their first five years of operation—from the founding year to year five.”

3.4. Analysis

This chapter follows the same framework introduced in Chapter 2, specifically examining the five domains and the approaches that entrepreneurs take to Black-Ownership Identity (BOI). However, the analysis will not explore the five domains individually. Instead I will highlight the findings that address the research questions.

The findings from the three locations present similarities between the experiences of the Black entrepreneurs in Chapter 2. One key similarity is the respondents intentionally grew their business slowly (e.g. intentionally held off on growth opportunities including hiring additional staff despite needing assistance) in all three locations due to limited time and/or difficulty securing business-related funding. This suggests that issues with funding are not restricted to only communities with slow growth or small communities. Additionally, some respondents identify as “part-time entrepreneurs” or entrepreneurs who also hold full-time jobs. Though working full-time as an employee allows respondents to use their personal funds to operate their business and avoid debt, it limits their ability to dedicate time to their entrepreneurial endeavor. In the following section, I analyze key findings: first, the struggle many respondents face when navigating the stereotypes and prejudice that come along with the Black-ownership label, and the ways in which U.S. born and foreign-born Black entrepreneurs navigate this across contexts. Second, I explore the respondents’ understanding and

strategy construction processes in the pursuit of legitimacy. The difference in the research sites did not produce differences in the data or experiences of the respondents. The suggests that the factors which create barriers for Black entrepreneurs are consistent regardless of location. The majority of Black immigrant respondents in my sample come from Houston, due to the larger population: ten from Houston, one from St. Louis and one from Austin.

3.4.1. Middle Ground: Differences & Similarities Between Black Immigrant Entrepreneurs and U.S. Born Black Entrepreneurs

All respondents, whether probed or not, indicated an awareness of the racialization of Black-owned businesses. As a reminder, racialization is the process of classifying, othering or giving racial meaning to a person, object, group, act, relationship – or in the case of this study, a business (Miles and Brown 2003; Omi and Winant 2015). Categorizing businesses as Black-owned carries with it stereotypes and prejudice that result in real consequences for businesses, business owners, and potential consumers. For many Black-owned businesses this includes the perception of poor customer service, low return on investment (ROI), and poor quality, which translate to consumer discrimination, lending discrimination, and short business lifespan (Butler, 2005).

Respondents in chapter 2 either made the choice to emphasize that their business was Black-owned, thus, gaining the support and patronage of Black customers, or de-emphasize it. Respondents who decided to cloak their BOI attempt to avoid the discrimination, racism, and prejudice that comes with identifying. Expanding on the findings in chapter 2, this study finds 1) respondents in all locations struggle to find a

middle ground, as many understand the need to de-emphasize their BOI to avoid barriers and; 2) foreign-born Black entrepreneurs are not only aware of the barriers and racialization of Black businesses in the U.S., but many also express personal prejudice towards U.S. born Black people and their businesses, thus contributing to the negative stereotyping and stigmatization of Black businesses.

As a Black business owner, both U.S. born or foreign-born respondents shared their negative experiences with Black-owned businesses. Most experiences center around the previously mentioned stereotypes (i.e. customer service, quality, timeliness). Wanda is U.S. born and lives in Houston; when discussing her experiences with Black businesses, she shares her issues with customer service:

I think that the stereotype that I [have about] Black-owned businesses [is] ... customer service. Typically, Black-owned businesses have a charge against them from day one to make sure they're not stereotypical. I guess, giving bad service to people because that's something I [encounter] with... Black owned businesses.

Wanda response about the stereotypes she holds against Black-owned business is not the norm response for U.S. born Black entrepreneurs. Specifically, most U.S. born Black respondents were *aware* of the stereotypes, many relating this awareness to the difficulty they face in determining if they should emphasize their BOI. In contrast, the Black immigrant entrepreneurs, *held* stereotypes and prejudices towards Black-owned business owned by U.S. born Black entrepreneurs. The U.S. born Black entrepreneurs who de-emphasize their BOI often state they came to the decision based on advice, the desire to “not discriminate against” customers, or as we will discuss in the next section, in order to gain legitimacy as a business. The struggle of finding a middle ground, or a way to emphasize their identity without taking on the stereotypes associated with Black-owned

business, proves to be difficult for respondents who identified as Black immigrant entrepreneurs.

Though all respondents indicate *awareness* of stereotypes and prejudice, the findings divide the respondents into two distinct groups, U.S. born respondents who are descendants of slaves (African Americans) and respondents who are first- or second-generation immigrants (Black immigrant). Those who identify as Black immigrant entrepreneurs express 1) a clear distinction between themselves and African American entrepreneurs; 2) even though they consider themselves Black racially, some express disinterest in identifying as Black-owned due to knowledge of stereotypes or their own stereotypes about African American businesses and; 3) the appreciation for the re-emergence of the Buy Black movement, which brings business opportunities and support from Black consumers. Which brings me back to the previously mentioned struggle of finding the middle ground, emphasizing BOI enables them to benefit from the solidarity but it also makes them vulnerable to stereotypes. Of the respondents in this study who identify as Nigerian five live in Houston and one in St. Louis. Additionally, four respondents identified as Afro-Latinx, three from Houston and one from Austin, one Barbadian and one Jamaican respondent, both from Houston.

April is a Nigerian-born entrepreneur who specified, as many others did, that “ethnically I’m Nigerian, but of course I consider myself Black.” Karen shares a similar response, “I’m just Black. So, I don’t think I’ve ever described myself as African American, um ‘cause I always say I’m from Jamaica or I’m Black.” When asked, April

talks her view of the African Americans and Nigerians entrepreneurial experience as a Nigerian:

Nigerians try to support, you know, people within their own culture, [and trust their African American counterparts a little less]... but I think it's a sociological conditioning to kind of be distrustful of other Black people that I really think has nothing to do with [African Americans] and more the society that we live in. I will say though that sometimes with the Nigerian community, sometimes people tend to tribalize themselves in a way that sometimes I really don't like. I feel that the Black-owned label can boost us in certain ways and then can kinda harm us in certain ways depending on how your businesses are ran, basically. April, Houston – Nigerian

This conversation on trust is connected to the boundary construction, specifically trustworthiness and who is or is not trustworthy. Here April shares her view of the mistrust Nigerians have towards African American entrepreneurs. It is important to draw attention to the correlation between boundary construction and tribalism. For many Black immigrant respondents, they describe what they see as difference between their ethnic group and African Americans, which contributes to group-making and thus tribalism. Using the work of Sano (2019) which explores group-making and tribalism, the author argues that tribalism and tribes “exists only in and through people’s perceptions, interpretations, representations, classifications, categorizations, and identifications (Brubaker 2002; Brubaker et al. 2004).” The tribe is heavily based on the process of group-making, how people identify themselves and classify others, which “is understood and practiced during everyday interactions” (Sano 2019). Interestingly, April speaks about tribalism directly, but she is referring to the division among Nigerian tribes in the U.S., which she does not like but the division among Black people is common,

even normal. The Black immigrant entrepreneurs continue to draw attention to the differences between themselves, their ethnic group and African American entrepreneurs.

The biggest difference is the mindset. The mindset here, [of] the African American men, they've already been told to go to school, get a good job but there's no mind for innovation. That's why we see [innovation] with the White people.... Black people here have been told to just got to school. Get a degree, and if you don't be a rapper, be a basketballer and be a footballer. [Discrimination] is normal, that is normal here. But we need to stop. If we always think about how they treat us, it will not help us move forward. Nick, St. Louis – Nigerian

Many Black immigrants' entrepreneurs use stereotypes when probed about entrepreneurial experiences for U.S born Black and Black immigrant entrepreneurs. Nick however, in his comments on discrimination, shifts from explaining the differences to using the term "us", meaning Black immigrant and U.S. born Black entrepreneurs. This indicates that he is aware the he, like all the respondents are not exempt from the racial discriminations because of ethnic differences. Black immigrant respondents, were aware of the shared experiences between themselves and the U.S. born Black entrepreneurs, some even acknowledging the benefits of being Black-owned, specifically the support and solidary of Black consumers.

So, one of the things so everyone 's been on this big, uh, support Black owned business, which is great and I appreciate it. So, I just keep getting a lot of referrals... I don't know if anyone 's ever hired me specifically because I'm Black, but they have told me that the fact that I was Black was a really great plus. Karen, Houston – Jamaican

Just as the Black immigrant respondents express awareness of the benefits, the U.S. born Black entrepreneurs fully aware of the boundaries constructed around ethnicity and stereotypes and as John and Karl share, they desire unity.

There's a lot of Afro-Latinos that don't necessarily jive well with American-born Blacks because they prefer to identify with, um, with their Latino roots first before their racial makeup. But basically, it's a circle within a circle that we really have to work on breaking down or to build, you know, better social networks and also the professional networks amongst Black people because we're kind of all together. And- or we should be all together, and you know Anglos, and even, uh, people from other racial backgrounds that are similar, they all seem to get together and try to come together, and as a collective you do a job well. – John, St. Louis – African American

...because I work with youths, I met a Dominican teenager and he said, "I'm not Black, I'm not Black," and I kind of had to school him, I was like you're not African American, but you are Black. Like I'm looking at you, and he's like you know my daddy is like your complexion. I'm like yeah, I'm looking at you and I can tell that you are a brother, but you are you know it's not mutually exclusive. So he was like 16, but I was like I had to let him know like yeah you know you're not African American because you know like I know you're - just like a complete tangent side note I know that Nigerians and you know Latinos and just other Caribbean countries they have a bad, you know it's a bad connotation to African or Black Americans. – Karl, Houston – African American

The desire for unity also suggests erasure of boundaries which to some may read as a desire for Black immigrants to view themselves through a racial lens only. However, there are benefits being an “average Black person.” Mike shares the benefits he believes foreign-born Blacks receive, specifically his Nigerian and Latinx peers.

I think that my Nigerian peers in oil and gas are definitely, um...provided a different set of opportunities and may I say grace? Um, and when I witness my Latinx, uh peers I would say the same with them. They give them a different, uh, piece of grace, and almost a pass. That is a little bit different than you know, just your average Black person. Mike, Houston – African American

The “grace” that Mike refers to is a desired advantage that Waters (1990) explains many respondents in her research strive for when they make the choice to emphasize their ethnicity. “Being ethnic makes them feel unique and special and not just ‘vanilla’... At the same time, being ethnic gives them a sense of belonging to a collectivity. It is the

best of all worlds” (1990: 151). The attempt of emphasizing ethnic difference is not simple to achieve uniqueness but it is to create proximity to Whiteness and distance themselves from Blackness, which carries with it the same discrimination and prejudice that many Black immigrant respondents express about U.S. born Black people.

3.4.2. Paths Towards Legitimacy & Trust

Legitimacy, specifically the perception of a business as legitimate plays a major role in the access to consumers. Ogbolu et al. (2015) find that legitimacy may predict likelihood of intend to patronage a Black-owned business and suggest that Black-owned business should attempt¹⁰ to increase their perceived legitimacy. The lack of legitimacy presents barriers for business according to Pfeffer and Salanick (1987) who define illegitimacy in order to paint a full picture of the benefits of legitimacy: “Legitimacy is known more readily when it is absent than when it is present. When activities of an organization are illegitimate, comments and attacks will occur” (1987: 51). The findings in this chapter and chapter 2 provide more insights on the types of “comments and attacks” that Black entrepreneurs experience. These attacks operate as stereotypes and prejudices, but they also operate as limited and unequal access to resources including funding, membership, or customers due to the perception that Black-owned business are illegitimate. Additionally, this chapter aligns with the findings in Chapter 2, specifically the relationship between legitimacy:

We’re a legitimate business and I know that there are a lot of people out there especially at this time, it wasn’t that long ago, but six years ago there wasn’t as

¹⁰ The authors do not outline strategies to increase this perceived legitimacy.

many businesses as you see now. And so, it was just a little different back then where it wasn't as much support for Black-owned businesses. Sydney, Houston

What Sydney speaks to is the need for support during the early stages of business development, especially in what she perceived as periods of low competition. As her business and the industry grows, so does the desire for legitimacy and the decision to de-emphasize BOI. It is important to also acknowledge the alternative path. Some new businesses, like Tatiana, decide to hire White business partners in the infancy stage to avoid the possibility of barriers:

I will tell you that I did purposefully pick a White partner when I decided to launch this effort. Knowing that this work needed to be done, and sometimes me walking into a room does not allow people to tell me exactly who they are. I know that is there. I've seen it here in Missouri. If I know someone I'm interested in [working with] would support this effort if I sent my White partner versus me walking in the room, then I will definitely do that. Tatiana, St. Louis

As the responses indicate, some of the business owners feel that emphasizing their BOI decreases their access to clients *because* it decreases the perception of legitimacy and their customers' trust in the business.

I want it to be where everybody can trust that I'm providing great customer service so their willing to shop with me as opposed to, "Okay, I'm not really sure if she's ok with me buying because I'm not Black." Like I wouldn't discriminate, I know what it feels to be discriminated against like, why would I discriminate against someone who wants to...patronize my business? Nicky, Houston

Here we can see that being Black-owned is seen as a threat to the legitimacy of the organization, placing more pressure on these owners to conform to other White industry norms.

3.5. Conclusion

Findings from this study align with the work of Ray (2019) as he explores organizations as sites of racialization. I find, just as he theorizes:

Taking agency seriously as a universal human trait requires acknowledging that people of color's participation in racialization organizations... may either reproduce or challenge the racial hierarchies. 'All actors in the system participate in the racial affairs' (Bonilla-Silva 1997:475) (2019:35).

I find that the respondents, reproduce the racial hierarchy, some intentionally. As this study illustrates, various factors contribute to the racialization of Black businesses including the stereotypes that many Black business owners hold about other Black businesses and the prejudice that some foreign-born Black entrepreneurs have against U.S. born Black individuals and their businesses. Additionally, the connection that respondents makes to legitimacy and de-emphasizing the BOI not only reinforce the idea that Whiteness is a source of legitimacy but it reaffirms that Blackness is *not*. The seemingly logical choice that the respondents make to avoid barriers such as racism and discrimination is unintentionally reinforcing what is considered acceptable and normal. The boundaries that foreign-born respondents construct, may provide them legitimacy and even position them above U.S. born Blacks in the ethnic hierarchy, but simultaneously it solidifies the racialization of Black businesses. Unfortunately, the findings in this study draw attention to the respondents' – often unintentional – contribution to the construction of barriers, which they also attempt to overcome.

3.6. References

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4. THE GIG IS UP: FREELANCING AS A RACIALIZED & GENDERED ORGANIZATION

4.1. Introduction

With an estimated 57 million freelancers, this industry goes by many names – platform-based work, gig economy, or micro-entrepreneurship – and contributes roughly 1 trillion dollars to the national GDP (Ozimek 2019). The driving force for companies in the freelance industry – such as Uber, Airbnb, Grubhub, Wonolo, and Upwork – is technology. Freelancing by definition, consists of an individual moving from one job, task, or service to another based on their availability and skill (Stanford 2017). With the ability to work the task they desire, whenever they desire, freelance work promises individuals autonomy. Whether or not the freelancing platforms follow through with the promise is not guaranteed. In contrast to freelancing, standard employment includes working full-time and year-round for one employer, usually at a specific site with access to company equipment and performing specific tasks (Theron 2014). Standard employment features – specifically those that protect employees such as Title VII of Civil Rights and Family and Medical Leave Act – are not available to freelancers thus leaving the most marginalized groups vulnerable (i.e. women, people of color) unprotected (Peterson 2007).

Scholars continue to ignite critical discussion in the areas of technology, race, gender, and algorithm bias (Cook 2015, Gibson et al. 2015, Leong 2015, Rosenblat et al. 2016; Noble 2018). Scholars highlight the key benefits of freelancing as autonomy and

remote work, but they also draw attention to countless weaknesses of this business model fueled by technology. Weaknesses include lack of benefits and payment, but as prior literature illustrates, the assumption that technology can produce race- and gender-neutrality is the most harmful weakness of the model. Despite empirical evidence highlighting cases of racial bias, discrimination, and racism, platform-based organizations continue build models that do not protect marginalized individuals (BlackFreelance 2015; Hipple and Hammond 2016; Seldon 2017). As an expansion and encouraging further research, this study explores the impact of race and gender to give a voice to the freelancers, allowing them to self-identify and provide detailed responses about their experiences. The specific research questions in this chapter are: *1) How do the advantages and disadvantages of freelancing differ for marginalized people in standard employment and freelancing;* and *2) In what ways does features and practices of freelancing align with the current theories of gendered and racialized organizations?* I answer the research questions using open-ended survey responses of fifteen freelancers, as well as content analysis of Upwork’s community boards, an additional data sources discussed only in this chapter.

I find the advantages and disadvantages for marginalized freelancers are consistent for all freelancers regardless of identity; specifically, the ability to set their own pricing, flexibility, and freedom. Through the detailed responses, I find that “freedom” for many of the respondents consists of freedom from racialized and gendered corporate environments, type of freedom not generally emphasized in the literature on the gig economy. Unfortunately, the freedom comes at a cost. Freedom

from structured work schedules means many freelancers working excessive hours, and freedom to work at home results in loneliness and isolation. Additionally, the absence of hierarchies, legal protection, and accessible staff (i.e. staff in the same office), leads many freelancers to the community boards for assistance with racist, sexist, and discriminatory matters. As the findings indicate, these community boards offer little to no assistance. The racialized and gendered inequalities we find in standard employment are reproduced within the freelancing industry, and technology fails as a barrier against racism, sexism, and discrimination. More importantly, the absence of legal protection directly impacts vulnerable populations, limiting and challenging their experiences and ability to thrive within these platform-based organizations. Results from this study point to fruitful avenues for further research on tech-driven platforms as racialized and gendered organizations.

4.2. Literature Review

This chapter examines tech-driven organizations as racialized and gendered organizations with the use of qualitative research, while also exploring the experiences of marginalized workers in the freelance industry. As a new model of work, platform-based work is often praised for the autonomy it gives to users. Unfortunately, as cases of racism and discrimination continue to emerge in the media, it is safe to say that many of the benefits and advantages of freelancing only exists for some users.

4.2.1. Racialized & Gendered Organizations

In this section, I give attention to Nkomo's argument that organizations are not race neutral. In her 1992 work, Nkomo asks scholars from racial and ethnic studies and

business to dispel the assumption that organizations operate as race-neutral entities. In her article, Nkomo illustrates the tendency of organizational studies to approach the examination of race within organizations as a stable, unchanging category which leads the researchers to treat it as a “nontopic” or “conclude that race has no impact.” Along similar lines, Wooten (2006) addresses the lack of attention placed on social structures and their impact on the organizational level of society, as opposed to political and economic structure. Social structures such as race and gender provide explanations for the “allocations of power, privilege, and wealth” better than political and social structures (Wooten 2006).

Ray’s (2019) theory of racialized organizations provides me with a critical foundation to explore the interconnection between organizations as they reproduce and reinforce racial structures and hierarchies on the individual and industry level. Ray (2019) outlines a theoretical approach to bridge organization and race scholarship to examine racialized organizations on the meso-level in order to draw attention to the ways in which organizations racialize people, behaviors, and occupations. This process of racialization occurs through 1) decoupling of policies and programs such as diversity and inclusion; 2) hiring practices that see Whiteness as a credential and continue to stereotype applicants of color and; 3) the protection and policing of upper level positions through the implementation of “White norms of behavior and White emotional expectations.” As Ray argues, these processes, though created within organizations become institutionalized thus influencing both the macro and micro level: “organizations

as constituting and constrained by racial processes that may shape both the policies of the racial state and individual prejudice” (Ray 2019).

Many freelancing platforms mimicked the call for diversity and inclusion and the protection of marginalized freelancers through the development of anti-discrimination statements. Unfortunately, as with decoupling, these anti-discrimination statements do not turn into actions that impact freelancers. Instead, the platforms development policies to protect employees, not independent contractors also known as freelancers.

Additionally, the features used to protect freelancers were developed by and for White men. Therefore, they do not protect marginalized freelancers, often leaving to turn to community boards to navigate racism, sexism, and discrimination from customers.

I combine this works with Acker (1990; 2012) on gendered organizations, which analyzes the aspects of organizations that create and enforce divisions based on gender. In her 1990 work, Acker develops a theory which draws attention to the organizational assumptions, hierarchies, and features like jobs and evaluations that view the “universal worker” as a man. This assumption leads to the creation of more features and the maintenance of organizational culture which favor masculinity, men, their bodies, their sexuality, and even their role in procreation processes (e.g. maternity leave as opposed to parental leave). As organizations operate under the guise of gender-neutrality, the default is men and masculinity. “Since men in organizations take their behavior and perspectives to represent the human, organizational structures and processes are theorized as gender neutral” (Acker 1990; 2012).

One vital resource controlled in both racialized and gendered organizations is time. Freelancing offers freedom to work when, how, and where freelancers choose; unfortunately, as Ray argues – with the support of various scholars – these racial structures are thieves “of time for non-Whites”. For example, access to health care as it relates to life expectancy (Kwate 2017); time from application to hiring, due to hiring discrimination (Quillian et al. 2017); and the time it takes to commute to work due to “spatial mismatch” (Wilson 1996) (Ray 2019). In my study, I argue that marginalized freelancers must spend time navigating the racism and sexism on the platform, specifically time figuring out who to speak to about the concern, whether or not the concern violates platform policies, and if the concern is in fact racism and sexism or simply the norm. The time they spend navigating these issues takes away from time making money on the platforms. The platforms could eliminate the difficulty in navigating these experiences with clear process and procedures on racism, sexism, and discrimination, but as we will learn from the community board discussions, the marginalized freelancers are on their own.

4.2.2. Can Technology Make Race and Gender Neutrality Possible?

Despite the empirical evidence that race and gender – and other social constructs – affect the experiences of individuals in organizations, I find that the freelancing industry explicitly attempts to operate as a race- and gender-neutral organizational structure. In recent years, scholars and the media called attention to the rising cases of racism and discrimination on both ends (i.e. clients and freelancer) of the freelancing model (Rosenblat et al. 2016; Hannak et al. 2017). This led many platform-based companies –

just like the standard employment organizations before them – to initiate anti-discriminatory *policies* to address discriminatory encounters between workers and customers. However, a key difference between standard employment and platform-based work is that while the former protects their employees under anti-discrimination *laws* like the Title VII of Civil Rights Act of 1964 and the Americans with Disabilities Act (ADA), platform-based work does not. Why is this? Most anti-discriminatory laws and programs protect employees, but freelancers are independent contractors, not employees (U.S. Bureau of Labor Statistics 2016). The absence of legal protection provided by platform-based companies for independent contractors may be a decision to protect the companies from legal ramification like lawsuits from freelancers (Gibson, Dunn, and Crutcher 2015). Additionally, these platform-based companies may assume, as some scholars do, that tech-driven platforms are race- and gender-neutral structures because they are not driven by human decision-making but rather by algorithms.

Technology, as the foundation of new economies like freelancing, may lead developers and some scholars to assume that technology and algorithms can spare users from the impact of racial and gender discrimination; meaning that, to some developers, technologies can create spaces that are raceless and genderless. Leong (2017) acknowledges that it is hard to “reprogram” people, even with the creation of software, algorithms, policies, or other features to reduce or eliminate “racial bias” because these features are only on the front-end (e.g. exclusion of race and gender characteristics on applications and on freelancer profiles). Unfortunately, the front-end restrictions (e.g. absence of gender and racial identification questions) do not eliminate the assumptions

people make about another person's gender and race (i.e. observed gender or observed race¹¹). These assumptions can occur from, for example, seeing an Uber drivers' image or name on their profile. This can result in racial profiling, discrimination, and racism. Viewing technology as a useful tool in the fight against racial and gender bias is optimistic, however technology proves to be ineffective against racial, gender, and algorithm bias. Noble (2018) argues that "algorithms of oppression" constrain and reinforce racist, sexist, and classist ideologies and often lean on ranking or system glitching¹² as an explanation.

In 2015, U.S. News and World Report reported that a "glitch" in Google's algorithm led to a number of problems through auto-tagging and facial-recognition software that was apparently intended to help people search through images more successfully. The first problem for Google was that its photo applications had automatically tagged African American as "apes" and "animals." These incidents were consistent with the reports of Photoshopped images of a monkey's face on the image of First Lady Michelle Obama... (2018: 6)

Noble continues, arguing that "racism and sexism are part of the architecture and language of technology, an issue that needs attention and remediation" because these systems, operating by machines, but developed by humans (Noble 2018). Pairing this fact with the absence of legal protection like anti-discrimination laws causes marginalized workers to become hyper-vulnerable as they engage in freelancing.

¹¹ Observed race both appearance-based and interaction based (Roth 2016)

¹² This often happens when we think of google and the images that come up when you type in, for example, Black women. Noble talks about how images come up that are racist and sexist and Google claimed it was a glitch and error in the system.

Despite the immense empirical evidence and countless reports in the media supporting the claim that technology does not eliminate freelancers' encounters with racism and discrimination, developers continue to build platform-based organizations devoid of programs that protect freelancers and customers against racist and discriminatory encounters. This chapter seeks to expand the literature on racialized and gendered organization within tech-driven organizations, specifically freelancing, and draws attention to the everyday experiences of freelancers who navigate these platforms. This study seeks to answer the following research questions: *1) How do the advantages and disadvantages of freelancing differ for marginalized people? 2) In what ways does the freelance industry align with the current theories of gendered and racialized organizations?* Answering these questions draws attention to the experiences of marginalized freelance workers and gives voice to their experiences with race, gender, racism, and sexism on tech-driven platforms.

4.3. Methods

This chapter uses data from open-ended survey responses from twenty marginalized freelancers, specifically women and people of color, as well as a content analysis of six Upwork's community boards¹³ threads posted between March 2016 and July 2019¹⁴. Community boards on freelancing platforms like Upwork serve as a space for

¹⁴ When collecting threads from Upwork some posts were removed or marked as violating community guidelines so I could not read the comments in the thread. Additionally, length of time varies between when a freelancer creates a post and when people comment; sometimes it was a few hours and other times it was weeks and months in between comments/replies.

freelancers to interact with one another. These community boards attempt to replace the face-to-face interactions that occur in standard employment. Online surveys allowed me to reach respondents who operate in an industry driven by technology, regardless of their location. Open-ended questions allowed the respondents to share rich and detailed responses, which are often limited by the restriction of closed-ended surveys. The survey allowed respondents to share their experiences as freelancers, their identity, and the relationship between the two.

Using Twitter and the support of national business organizations including various Chambers of Commerce between February 2019 and June 2019, I recruited twenty marginalized freelancers from around the U.S. (and one respondent in Canada). Ten respondents identify as female based on the open-ended question, one identifies as gender non-conforming cis female, and nine identify as male. Table 4.1 includes demographic information on the respondents. It is important to note these responses come from marginalized freelancers: people of color and women. Additionally, it is important to note that freelancers in this study include freelancers who work under platform-based organizations (e.g. Upwork, Uber, Favor) and freelancers hired directly by organizations and individuals, or self-employed freelancers.

To code the survey responses, I use the literature on racialized and gendered organizations, as well as literature from racial and ethnic studies and organizational theory. Due to the sample size of twenty, this study does not examine the differences between the respondents based on race, gender, or location. Instead, I explore the similarities in how the respondents talk about the advantages and disadvantages of

freelance work. Though the sample is small, it provides rich data on the experiences of marginalized workers in tech-driven organizations.

Table 4.1 Survey Respondent Demographics

Location	Pseudonym	Race	Sex	Type of Work	Platform or Service
Toronto, ON	Avery	Black/African-American	Female	Self-employed Freelancer	Social Media Management
Dallas, TX	Jordan	Black/African-American	Male	Freelancer	Lyft, Uber, Taskrabbit
Sacramento, CA	Riley	Black/African-American	Female	Self-employed Freelancer	Digital Media Marketing
Houston TX	Parker	Black/African-American	Male	Freelancer	Wix Marketplace
Brooklyn, NY	Payton	Black/African-American	Female	Self-employed Freelancer	Customized Flatware
Houston, TX	Armari	Black/African-American	Female	Self-employed Freelancer	Digital Media Marketing
Dallas, TX	Blake	Black/African-American	Female	Self-employed Freelancer	Employment Consultant
Miami, FL	Kendall	Black/African-American	Male	Self-employed Freelancer	Lamp Manufacturing
Seattle, WA	Rory	Black/African-American	Male	Freelancer	Upwork
Houston, TX	Eden	Asian American	Gender nonconforming Cis female	Self-employed Freelancer	Micro-consultancy Community Relations
Houston, TX	Ali	Black/African-American	Male	Self-employed Freelancer	Government Contract Consultant
Summerville, PA	Carter	Native/Indigenous	Male	Freelancer	Field Nation

Table 4.2 Survey Respondent Demographics, Continued

Oak Creek, WI	Elliot	Black/African-American	Male	Freelancer	Upwork
Columbus, OH	London	Native/Indigenous	Female	Self-employed Freelancer	Education & Art Consultant
San Antonio, TX	Jamie	Afro-Latinx/Multiracial	Female	Self-employed Freelancer	Audio Engineer
New York, NY	Casey	Black/African-American	Female	Freelancer	Thumbtack
Houston, TX	Miller	Black/African-American	Male	Self-employed Freelancer	Business Consultant
Missouri City, TX	Joey	Black/African-American	Male	Self-employed Freelancer	Tutoring & Test Proctoring
Los Angeles, CA	Ellison	Black/African-American	Female	Freelancer	OnSite.io
Dallas, TX	Devon	Black/African-American	Female	Freelancer	Amazon Delivery

For the content analysis, I identify community board posts on Upwork with titles including the following words: discrimination, racism, racist, sexist, sexism, race, and prejudice. Then I identify and define the codes as I review the community boards, specifically looking for similarities and frequency. Due to the restrictions on the community boards (i.e. some community boards are not open/visible to the public or people who are not users of the platform, you must create an account on the platforms¹⁵) I only use publicly accessible posts from Upwork.

The twenty respondents are a non-generalizable sample of the 57 million freelancers and are not representative of the entire freelance industry. Instead, the results from this study call for further qualitative research on the experiences of marginalized workers in a racialized and gendered industry.

4.4. Analysis

Using the responses of the marginalized freelancers along with the content analysis I argue that the advantage and disadvantages of freelancing are not universal but instead membership in marginalized groups impacts the experience of marginalized freelancers, creating alternative advantages and disadvantages. Specifically, the absence of some standard employment features, packaged as freedom and flexibility, lead to unexpected disadvantages such as a need for division of labor and clarity on work and leisure time. Lastly, the findings draw attention to the use of diversity and inclusion statements and policies as a result of isomorphism and the decoupling that occurs among many

¹⁵ I was not aware of this prior to beginning research and it was not included in my IRB applications, so I did not make accounts on the platforms. I only used information that was available to the public.

freelancers who turn to the community boards for assistance with racist and sexist experiences.

4.4.1. Consistent Inconsistencies

The responses from the marginalized freelancers include freedom and flexibilities as key advantages. When asked about the advantages, respondents shared “freedom, control, more money. [I] hate being stuck in a cubicle,” and “being in control of your hours and the energy you choose to put towards various projects and tasks.” However, the open-ended questions provided a broader look into what would seem like universal advantages and disadvantages. One theme that emerges in the data in inconsistencies payments and pricing. These findings are consistent with prior data, which finds receipt of payment, as well as income, to be an inconsistent and unstable aspect of freelancing (Gandia 2012; Payoneer 2015). Though the respondents describe the ability to set their own prices as an advantage of freelancing, when asked about disadvantages they spoke of “pricing” and “pay” but more specifically rooted in the “haggling” they experience. For one respondent, requesting discounts and deals lead them to lower their prices because as they explain, “I am expected to give deals to those similar in identity to me”- Riley. This respondent speaks to the racial solidarity and the pressure to accommodate customers of the same racial group. Valdez (2011) explores this tendency to ask for a discount among Black entrepreneurs and customers, stating that it derives from “group-based solidarity” specifically “reciprocal obligations” or the pressure to decrease prices for customers within their ethnic or racial group (2011:123).

As it relates to the disadvantage and advantages of freelancing, the findings illustrate marginalized individuals experience some of the same advantages and disadvantages while in the freelancing. This is not to say that race, gender, and other characteristics do not matter or do not impact the respondent's experiences. The impact of race, gender and social structures emerges throughout the data. Responses include subtle phrases such as "the man" and "my people," while in other cases they present overtly: "most of the companies in the space in which I was interested to work were filled with white men and few, if any white women" – Miller, Black male from Houston. These responses emerge throughout the data but more frequently when discussing what led them to freelancing; here is where identity becomes a consistent factor. Jordan a Black male from Dallas shares, "I get to set my destiny not be controlled by the man or because someone may not like because of the color of my skin."

4.4.2. The Dark Side of Freedom

Responses from the survey continually highlight the importance of "freedom," a noted advantage of freelancing (Gandia 2012; Payoneer 2015), but it is important to understand that freedom emerges in two forms: freedom *to* and freedom *from*. Respondents, whether platform-using freelancers or self-employed freelancers, describe freedom to enjoy the autonomy of freelancing and freedom from the restrictions of standard employment. In some cases, the forms of freedom are closely related. Eden, who identifies as an Asian American gender non-conforming female, shares that freelancing gives them the freedom from corporate environments and the freedom to create a work environment that reflects personal values.

I often have experienced negativity and limitations because of others' toxic patterns and beliefs. Working on my own allows me more freedom to opt out of those environments and better leverage to make change when I have the chance.

Other respondents share a desire for freedom from “white and male dominated spaces” or as Jordan previously noted, freelancing gives him freedom from working for “the man.” Additionally, respondents discuss the freedom that tech-driven industries give them to “work anywhere” and reach clients “nationally.” Unfortunately, as many of the respondents share, whether freedom to or freedom from, freedom comes at a cost. Many of the beneficial features of standard employment are absent in freelancing such as shift work and structured work schedules (e.g. Monday – Friday 9am – 5pm), hierarchies, division of labor, and coworkers.

These absence of these features led to 1) feelings of isolation due to the absence of coworkers in a work environment; 2) unclear idea of who to turn to for support with no hierarchy or division of labor and; 3) inability to identify work and non-work hours, which comes from a lack of shift work or a schedule. These experiences are not specific to marginalized workers but it important to note, that they can and do make the freelancing experience more difficult for marginalized freelancers. Firstly, according to Theron (2005) an assumption of standard employment is working on the premises of the company, but with the use of technology freelancers are able to work anywhere. The absence of a work site, replaced with virtual offices, means an absence of coworkers. The advantage of virtual offices comes at a cost; the costs include “isolation”, “loneliness” or as Miller, a Black man, states “not having a solid base of colleagues”. These responses reveal detachment as a theme. Secondly, Bogenhold and Klinglmair

(2016) argue that non-economic motives such as “self-realization or working without hierarchies” are a driving force for many platform-based companies. The findings from the survey data uncover that respondents actually *desire* these hierarchies. For example, Eden notes a disadvantage as “having to take responsibility for more of the business operations”; while Armani shares “I have no support to reinforce contracts.” These responses illustrate responsibilities which are usually divided throughout the organization, but now fall on a single person.

Returning to the previously mentioned theme of payment and pricing, in standard employment pricing, discounts for goods and services are rarely, if ever, determined by the worker. Should a customer have an issue with pricing, the hierarchy allows the worker to pass the issue along to a supervisor. Unfortunately, as the data shows, the respondents struggle with clients requesting discounts or trying to receive lower prices. Lastly, structured work schedules in standard employment may constrain workers, but also allow workers to create clear boundaries between work and non-work time. This is not the case for most of the freelancers in this study. The blurred and often non-existent boundaries between work and non-work time is a commonly noted disadvantage in this study. Some responses include: “feel a scarcity of time as a resource when it comes to enjoying personal time”, “always on the clock”, “the strong possibility of working extensive over hours.” Carter states, “you do not have a schedule [because] the world is at different times” (i.e. time zones). This response highlights the connection between the benefits of a global reach through the use of technology, but the difficulty that comes

when freelancers target clients nationally or globally, leading us back to the importance of standard employment work schedules.

4.4.3. Deeper Than Decoupling

Eleven of the twenty survey respondents are self-employed freelancers, thus they did not work through platform-based organizations, but are characterized as self-employed freelancers.¹⁶ However, the content analysis of Upwork's community boards explores the experience of the freelancers who use platforms, and not those who are contracted. Additionally, the content analysis supports and extends the work on racialized and gendered decoupling. The concept of decoupling emerges out of organizational theory and explores the tendency of organizations to create policies and practices that they do not implement on the ground level of the organization (DiMaggio and Powell 1983). An organization's decision to incorporate policies and practices may be a result of isomorphism. Isomorphism in this case results from pressure which arises from freelancers and other organizations, as well as mimicking industry trends. Ray (2019) explores the decoupling that occurs in racialized organizations, arguing that organizations create anti-discrimination policies and practices in order to "maintain legitimacy and appear neutral or even progressive" but through decoupling, those policies and practices do not reach everyday workers.

After review of five community board threads include the words: discrimination, discrimination, racism, sexist, sexism, race, and prejudice, the theme of confusion

¹⁶ I would define self-employed freelancers as a micro-entrepreneurship (Bogenhold and Klinglmair 2016).

emerges. Specifically, 1) confusion about whether an interaction or job posting is discriminatory; 2) confusion about whether the incident violates the platform’s anti-discrimination policy; and most importantly, 3) confusion about how to navigate the incident.

A community board post discusses a “casually racist” encounter where a freelancer expresses “frustration” with the wording of a job post which restricts workers who are not “U.S. citizens” and from “African” countries. The responses highlight the general confusion about the Upwork policies, and most responses state Upwork allows restrictions based on “preferences,” supporting the idea that the worker has no recourse against this exclusion. Below I list four comments from Upwork from different commenters:

Upwork allows clients to specify countries...demonstrated by the geoblocking strategies already in place. – N.L.

I have posted many project seeking Native English speakers. – H.H.

What are you supposed to do when clients post a preference? Apply or don’t apply. Even if the client didn’t state the preference, he or she might still be biased in that way. – R.S.

But frankly I think it is better that applicants know not to waste their connects on a certain job post when they will not be selected anyway and their proposal not even opened because they do not fit the client’s preferred profile. – P.R.

Additional responses echo the last reply. Very few responses acknowledge or call out the racism, sexism or discrimination the freelancers experience,¹⁷ and even fewer believe

¹⁷ Freelancers share their experience through description or screenshots of the conversations, to which other users can comments and share their opinion.

that it violates Upwork anti-discrimination policies. No Upwork staff respond to the original comment to offer clarity on the incident. This confusion continues with the topic of gender discrimination as one freelancer shares screenshots of a “sexist” and “disrespectful” interaction with a client. The freelancer explains that there is no way to report a client when interacting with them through the Upwork chat. The majority of the responses blame the freelancer for not seeing the “red flags” sooner, resulting in the freelancer taking responsibility for the interaction; “...you are completely right, I fell right in, I’m already learning from this experience” - Upwork User on community board. Unlike the other community board posts, a Upwork staff member or “moderator” enters the conversation and apologizes for the “bad experience.” The moderator then explains that sharing the screenshots is a violation of community board guidelines; they remove the images and future responses are restricted. There is no clarity given on whether this incident violates Upwork anti-discrimination policies.

The decoupling that occurs here is fraught with slippery wording. Yes, Upwork offers their employees legal protection, including but not limited to protection against discrimination based on race, gender, pregnancy, national origin, sexual orientation, gender expression and medical condition. But as previously mentioned, freelancers are not employees. Listed on their “Upwork Legal Center” – a page covering the responsibilities, rights, and restrictions of Upwork, their employees, clients, freelancers – Upwork notes that freelancers are considered independent contractors, which does not offer the same protection as being employees. Furthermore, should a freelancer have a

dispute with a client, including payment, discrimination, harassment, they have the following option:

If the dispute process does not resolve your dispute, you may pursue your dispute independently, but you acknowledge and agree that Upwork will not and is not obligated to provide any dispute assistance beyond what is provided in the Escrow Instructions. (Upwork n.d.)

The dispute process mentioned above is solely for payment disputes. The community guidelines also add another layer of confusion and constraint. If – as the content analysis indicates – a worker attempts to share things related to “identity, hate speech, bias, discrimination, prejudice, or harassment” (Upwork n.d.) they violate community board guidelines and often receive little to no assistance from Upwork staff. Unfortunately, the decoupling that occurs here, as well as the slippery language to avoid offering legal protection to freelancers, is not specific to Upwork. Other platform-based organizations such as Uber, Favor, and Wonolo plaster their anti-discrimination policies on their website, as well as verbiage on being equal opportunity employers, but again do not consider freelancers to be employees – despite these companies running off the labor of millions of freelancers. Without actual policies and legal protection in place, freelance workers experiencing racism and discrimination may make a claim but holding the offender accountable may never happen because the claim often dies on the community board. Additionally, with very loose methods to control racism and discrimination, the line of what is considered discriminatory or racist is blurred.

This leads back to the question of differences in experiences for marginalized freelancers and the difference seems around use of time assessing and navigating racist and discriminatory encounters. Because freelancers only make money when they are

performing a task or service, time spent away on the platform determining if an encounter is racist and then figuring out how to navigate it means time spent but no money made. Returning to the work of Ray (2019), the author argues that the agency of Black workers is shaped by racialized organizations “by controlling time use,” specifically:

Individuals’ locations within racialized organizations influence the amount of control they exercise over their time, their ability to plan non-work time, and their ability to plot the future. As racial structures, organizations partially delineate where, and how, one is to spend one’s time (2019:36).

With the support of the findings in this study, I extend this definition to illustrate the ways in which freelancing platforms, as racialized and gendered organizations, unintentionally steal time (and in turn money) from marginalized freelancers. The stolen time is a result of the decoupling of anti-discrimination policies and practices on the platforms, which results in marginalized freelancers encountering racism and discrimination when attempting to engage with potential clients. This puts their process of freelancing on pause, as they turn to community boards to determine if the act is in fact racist and/or sexist. On these community boards, they are met with gaslighting and victim-blaming.

4.5. Conclusion

This study examines the experiences of marginalized workers within the freelance industry and explores these industries and the organizations that are part of it as racialized and gendered organizations. I argue that removal of standard employment features under the guise of autonomy creates ambiguity. Specifically, the assumption made by tech driven organizations that workers and users exist as raceless and

genderless and experience equal treatment, offers insight on the rationale for removing anti-discrimination policies and protections initially; meaning that everyone experiences the platform as a White man does. However, after cases of discrimination emerged from both freelancers and customers, the organizations began adopting diversity and inclusion statements with no real change on the ground level, thus acknowledging the fact that experiences for freelancers will differ based on race and gender. Taking into account, the racism and patriarchy that emerges and exists on the meso-level, influences the micro-level, specifically everyday people, the same everyday people who work on and use freelancing platforms. With no true protections or guidelines on what is or is not racism, sexism, or discrimination, these platforms serve as the breeding grounds for both overt and covert racism and discrimination. As those on the receiving end attempt to gain clarity on and assistance, they turn to the only available space; community boards. Here, they experience gaslighting and victim blaming. In order to prevent this, the same legal anti-discrimination protection available to employees must be extended to freelancers. This will not alleviate the experiences but offers freelancers the ability to confidently make a claim of racism and discrimination. It also forces freelance organizations to create proper methods of eliminating workers and user who exhibit racist and discriminatory behaviors on the platform.

To examine this subject, I analyze how the advantages and disadvantages of freelancing differ for marginalized freelancers, specifically women and people of color. I also explore the ways in which the freelancing, aligns with the current theories of gendered and racialized organizations. Through an analysis of the data, I found that

technology does not create a race- or gender-neutral organization. For new economies, specifically tech-driven industry, there is an attempt to separate themselves from standard employment by stripping the model to the bare bones, which in most cases means removing aspects such as set hours, office space, use of company equipment, visible hierarchies, accessible staff, benefits, and legal protections for workers. Unfortunately, this does not alleviate racist and sexist interactions, which continue to constrain freelancers whether they are self-employed or freelancers who work through platform-based organizations.

Through analyzing the detailed responses, I find the use of race and gender to be a factor in the decision-making processes and interactions of the respondents as they attempt to shift out of corporate environments. Unfortunately, freelancing is a racialized and gendered organization just as is standard employment. The key difference is the clarity – or lack thereof – on what constitutes racism or sexism, how to navigate the experiences, and how to protect oneself from these experiences.

The findings seek to encourage further research on tech-driven organizations as racialized and gendered organizations. Marginalized workers are historically disadvantaged within standard employment and they then become more vulnerable within industries which lack, the flawed but often taken for granted features, of standard employment. Specifically, legal protection for workers based on race, gender, and other characteristics. This protection does not decrease or eliminate the encounters with racism, discrimination, or prejudice. However, it allows for clarity on what is and is not racist, discriminatory, and prejudice behavior in a tech-driven industry. In an industry of

over 57 million workers, the results draw attention to the intentional choice to leave marginalized workers vulnerable to racism and discrimination.

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5. CONCLUSION

Even though entrepreneurship and freelancing offer individuals autonomy and also exist without many of the standard employment features that we often think of as sites of race and gender bias, this does not mean that they are not racialized and gendered organizations. This also does not eliminate freelancers and entrepreneurs' interactions with institutions and organizations that have a history of discriminating against people of color and women (e.g. lending institutions). So even when marginalized individuals shift out of corporate environments to escape the prevalent racism and discrimination, they still find themselves face-to-face with barriers. Freelancing and entrepreneurship do allow the marginalized individuals more freedom in the decision-making process. They can create personalized strategies to alter the public's awareness of their identity, find alternative paths to access resources (funding, networking), and have more control in with whom they do business.

Key findings in these articles include:

- 1) Respondents are aware of racial and gender hierarchies and the unequal power and privilege that White men hold. As a coping strategy, some entrepreneurs across a range of industries identify White men employees to interface with clients when face-to-face meetings are necessary.
- 2) The racial solidarity that emerges from racial injustice allows respondents the option of emphasizing their BOI and gaining support from Black consumers. However, emphasizing BOI creates the assumption that some products and

services are for Black consumers only, and increases the risk of facing stereotypes about their business and abilities.

- 3) Despite the similarities in the Black entrepreneurial experience in Houston, St. Louis, and Austin, there is a clear difference in the experiences of U.S. born Black entrepreneurs and Black immigrant entrepreneurs; specifically, the perpetuation of stereotypes about Black-owned business and the prejudices that many Black immigrant entrepreneurs hold. These stereotypes and prejudices contribute to the group-making process, with an overall goal of creating an ethnic hierarchy placing themselves above U.S. Black people.
- 4) Even though freelancing is devoid of many features of standard employment and said to give freelancers freedom and flexibility, I find that the experience differs for marginalized freelancers because the platforms still create and promote racism and sexism with little to no protection for the users. Thus, they spend time navigating the barriers of racism and discrimination, which takes away from time making money on the platform.

The findings from this study bring attention to the institutional racism and discrimination that is embedded in institutions (e.g. banks) that marginalized entrepreneurs must engage with in order to develop their company. These racialized and gendered institutions, which create and reinforce barriers, make the entrepreneurial experience drastically different for marginalized business owners. Fortunately, these entrepreneurs are not thoughtless beings who come to a halt when they encounter the barriers; using their experience, knowledge and creativity, they navigate the barriers.

With attention to time, the navigation of barriers that should not be in their way to begin with, slows down the growth of many marginalized businesses. Even though the freelancing platforms claim to be race and gender neutral, marginalized freelancers spend time assessing and navigating racism and sexism at the hands of customers. With the anti-discrimination statements plastered on freelancing website, there is an assumption that the organizations protect the freelancers, the same people that make the organization possible, but they do not.

When we shift attention to the racial violence towards Black people and the global protest that resulted from it, many individuals feel encouraged or pressured to support Black organizations. For Black-owned businesses, the support comes in the form of patronage and donating, but a central aspect of this process of support is knowing which businesses are Black-owned. This opens the door to further research on businesses emphasizing their BOI despite racial and discriminatory barriers that would otherwise cause them to de-emphasize their BOI. Additionally, we see the isomorphism leading major corporations to donate to Black businesses, nonprofits and institutions (e.g. Historically Black College and Universities); again, it's essential that businesses emphasize the fact that they are Black-owned. However, this leads to an important question: just as some Black-owned businesses in this study sought out White individuals as a strategy to interface, it leads me to question if White entrepreneurs will seek out Black co-owners in order to qualify for the funding which is allocated for Black-owned businesses or donations designed to support Black people in their struggle for fair treatment.

With regards to freelancing, as organizations mimic each other with the statements about their stance against racial injustice and white supremacy it leads to the question whether they will re-construct policies and practices to ensure that marginalized freelancers are protected from the racism and discrimination that happens on their platform, the same injustices that they claim to be against. Additionally, further research should examine if racist and sexist interactions increase between freelancers and customers as the pandemic pushes individuals to opt for delivery and the increase in delivery platforms drastically increases. Furthermore, it is worthwhile to explore any new policies implemented by the freelancing platforms to address the rise in racism and sexism.

APPENDIX A

Houston Demographics

Pseudonym	Sex	Prior Role/Company	Year¹	Services or Product	Racial and Ethnic Identification	BOI²
Amber	F	Oil & Gas	2013	Career Services Firm	Black Immigrant Entrepreneur - Barbadian	E
Amy	F	Department Store	2014	Haircare	U.S. Born Black Entrepreneur	E
Annette	F	Full-time ³	4 years	Advertising	U.S. Born Black Entrepreneur	I
April	F	Pediatrician	1 year	Health Clinic	Black Immigrant Entrepreneur - Nigerian	E
Beth	F	Physical Therapist	5 years	Online Shoe Boutique	U.S. Born Black Entrepreneur	E
Brian	M	Full-time	2008	Residential Real estate	U.S. Born Black Entrepreneur	E
Candace	F	Oil & Gas	7 years	Bath, Skincare products	U.S. Born Black Entrepreneur	I
Carl	M	Full-time	2002	Video/Media (Podcast)	U.S. Born Black Entrepreneur	E
Carol	F	Full-time	14 years	Consulting	U.S. Born Black Entrepreneur	E
Derek	M	Education (Middle)	15 years	Sports Training/ Athletic Education	U.S. Born Black Entrepreneur	E
Emily	F	Restaurant Bartender	2014	Bartending	U.S. Born Black Entrepreneur	I
Frank	M	Education (HS)	6 months	Education	U.S. Born Black Entrepreneur	E

Gail	F	Higher Education	2016	Wedding Planning	Black Immigrant Entrepreneur - Afro Latinx	O
Gary	M	Full-time	28 Years	Commercial Real estate	U.S. Born Black Entrepreneur	E
Ian	M	Life Insurance Firm	N/A ⁴	Photography	U.S. Born Black Entrepreneur	E
Ida	F	Pediatrician	N/A	Medical Center	U.S. Born Black Entrepreneur	I
Jamie	M	Manufacturing Engineer	2016	Financial Technology	U.S. Born Black Entrepreneur	E
Jasmine	F	Full-time	2 years	Consulting	U.S. Born Black Entrepreneur	O
Jessica	F	Oil & Gas (EE)	2008	Retail engineer/tech developer	U.S. Born Black Entrepreneur	O
Jackie	F	Staffing Agency	2006	Career Counseling	U.S. Born Black Entrepreneur	O
June	F	Newspaper	2015	Marketing, restaurants	U.S. Born Black Entrepreneur	E
Karen	F	Hotel	3 years	Hospitality	Black Immigrant Entrepreneur - Jamaican	O
Karl	M	Education (HS)	N/A	Vegan Food Company	U.S. Born Black Entrepreneur	E
Kayla	F	Higher Education	2013	Culinary	U.S. Born Black Entrepreneur	E
Kim	F	Oil & Gas (Pipeline)	15 years	Staffing Agency	U.S. Born Black Entrepreneur	E
Larry	M	Private Sector	2 years	Consulting	U.S. Born Black Entrepreneur	E
Mae	F	Home Health Care Firm	2 years	Healthcare	U.S. Born Black Entrepreneur	E

Mike	M	Full-time	N/A	Public Relations Firm	U.S. Born Black Entrepreneur	E
Nicky	F	Travel Agent	3 years	Fundraiser	Black Immigrant Entrepreneur - Afro Latinx	E
Natalie	F	N/A	2016	Graphic Designer	Black Immigrant Entrepreneur - Nigerian	E
Nathan	M	Lawyer	2017	Grooming	U.S. Born Black Entrepreneur	I
Patience	F	Oil & Gas	2016	Management Consulting Firm	Black Immigrant Entrepreneur - Nigerian	E
Rose	F	Full-time	2017	Clothing	U.S. Born Black Entrepreneur	E
Tiffany	F	Oil & Gas	2017	Skin care/Wellness	U.S. Born Black Entrepreneur	E
Steven	M	Medical Professional	2007	Investment Firm	Black Immigrant Entrepreneur - Afro Latinx	I
Thomas	M	Juvenile Group Home	2015	Outdoor Event Curator	U.S. Born Black Entrepreneur	E
Sydney	F	Full-time	6 years	Video Technology Company	U.S. Born Black Entrepreneur	E
Wanda	F	Education (HS)	N/A	Jewelry Designer	U.S. Born Black Entrepreneur	E
William	M	Full-time	2 years	Executive Search Firm	U.S. Born Black Entrepreneur	I
Yvonne	F	Dispatcher	2010	Personalized Gifts	Black Immigrant Entrepreneur - Nigerian	I

¹ Year the respondent started their business or number of years in business

² BOI explains how respondents felt about the public perceiving their business as Black-Owned. In this section E = embraces the title, O = opposes the title, and I = indifferent about the title.

³ Full-time means full-time entrepreneur

⁴ Some respondents did not clearly identify when they started. Example: “a few months ago”, “after college” or “either 2009 or 2011”

APPENDIX B

St. Louis & Austin Respondent Demographics

Pseudonym	Sex	Location	Years in Business	Service or Product	Racial or Ethnic Identification
Franklin	M	Austin	N/A ¹	Legal assistance	U.S. Born Black Entrepreneur
Isaiah	M	Austin	2011	Accounting	U.S. Born Black Entrepreneur
Kristen	F	Austin	N/A	Consultant (Meal Prep)	Black Immigrant Entrepreneur - Afro Latinx
Nancy	F	Austin	N/A	Event Planner	U.S. Born Black Entrepreneur
Paula	F	Austin	2013	Baker	U.S. Born Black Entrepreneur
Rachel	F	Austin	2014	Cosmetics	U.S. Born Black Entrepreneur
Sam	M	Austin	2004	Photography	U.S. Born Black Entrepreneur
Alesha	F	St. Louis	N/A	Graphic Designer	U.S. Born Black Entrepreneur
Breanna	F	St. Louis	6 years	Physical Trainer	U.S. Born Black Entrepreneur
Louise	F	St. Louis	4 years	Travel Agency	U.S. Born Black Entrepreneur
Nick	M	St. Louis	N/A	Export	Black Immigrant Entrepreneur - Nigerian
Sandy	F	St. Louis	N/A	Campaign Manager / Business Manager	U.S. Born Black Entrepreneur
Tatiana	F	St. Louis	2 years	Political Consulting Firm	U.S. Born Black Entrepreneur
Tina	F	St. Louis	2014	Photography, Designer	U.S. Born Black Entrepreneur
John	M	St. Louis	1 year	Mental Health Professional	U.S. Born Black Entrepreneur
Vernetta	F	St. Louis	2012	Non-Profit Management	U.S. Born Black Entrepreneur

¹Some respondents did not clearly identify when they started. Example: “a few months ago” or either “2009 or 2011”

APPENDIX C

Interview & Survey Questions

Tell me about yourself? Things that you believe are relevant to you becoming an entrepreneur? Maybe who raised you? Maybe previous jobs you had? How old are you?

- a. It's ok to be vague (50 something)
- b. How long have you been in business?
- c. Is this your first business?
- d. Have you gone through a business development program or Business school?
- e. Did they discuss race, ethnicity or racism?
- c. Are you from (site)? If not, where are you from and what brought you to (site)
2. Do you believe there is a difference between identifying as Black or African American?
3. How do you identify?
4. Do you believe there is a difference in the entrepreneurial experience of someone who is an Afro-Latino or Nigerian entrepreneur?
5. With all that being said, what are your thought and feeling on being known as a Black-owned _____ (insert their industry) and not just a _____. Can you control it? Does it matter to you?
6. Do you believe your race is associated with your business?
7. Do you want to be known as a Black-owned _____
8. Looking over your life, what, if any have been your experiences, personal or professional, with discrimination, racism, or exclusion based on your race?
9. How have these experiences shaped your business decisions?
10. Have these experiences or lack thereof shaped your desire to identify as a Black-owned?
11. Let's start with visibility. Are you the face of your company, marketing material, online, social media?
 - a. Why or why not?
 - b. How? Images on your website? Print material?
 - c. Has this always been the case?
12. Do you have employees?
 - a. Do they share your racial identity?
 - b. Tell me more about your reasoning behind having a diverse staff.
 - c. Why is this important to you? To your industry? To your customers?
13. How do you or did you fund your business? Loans, grants, investors?
 - a. What about grants for black businesses, personal funds or banks?
14. Did you take your ethnicity into account when deciding how to fund your business?
15. What products or service do you offer?
16. Are your customers of a specific racial group, gender, age?
 - a. Was this intended?
17. If it wasn't intended, what do you think contributes to this?

18. What geographic area does your business target? Or is located in?
19. If you know, what areas do most of your customers come from? In (location)? In the south? In what cities in the US? In what countries?
20. Do you consider these areas racially specific or diverse?
21. Describe the people that live in the areas you target.
22. What tools do you use to target your audience? Why?
 - a. Describe your website? Describe these events?
23. What role does social media have in your business?
24. How familiar are you with social media?
25. What are some hashtags you use? Why?
26. How do these hashtags connect you to your audience?
27. Why do you use these hashtags as compared to others?
28. If you would, if you have ever, in what situations do you openly tell people you are a Black business owner? Forms, conversations, online, with your own race, with minorities, with whites?
29. What organizations are you apart of? Do they influence your customers or targeted customers?
30. Why did you join these organizations compared to others?
31. Describe the racial makeup of these organizations.
32. Are there racial stigmas or stereotypes with your affiliation with these organizations?
33. Are you open about your affiliation with these racial organizations among people outside your racial group?
34. If you are a part of organization where you are the clear minority, why are you a member?
 - a. What has your experience been in these organizations?
 - b. Outside of race?
 - c. What are the benefits?
35. We discussed the phrases you use, self-identifying on forms, your employees, products/service, your affiliations, location, and funding. Of all these resources, which one(s) do you believe have the greatest influence on you emphasizing your black ownership status? OR your de-emphasizing your black ownership status?

Q1 City & State

Q2 Age (Optional)

Q3 How do you racially identify?

Q4 What is your gender?

Male

Female
Other (please specify) _____

Q5 What is your sexual orientation?

- Q6 Education Level
- Some High School
- High School
- Some College
- College Degree
- Graduate
- Professional Degree

- Q7 Select one of the following options
- I am a full-time freelancer
 - I am a part-time freelancer
 - I am an entrepreneur
 - I am not a freelancer

Q11 If you are a freelancer, please list the platform you use (ex. Upwork). Put N/A if this does not apply.

Q12 What geographic area does your business target? (ex. National, Global, Florida, or Houston)

Q13 Describe your business and/or the service you provide.

- Q14 Number of years as a freelancer?
- 0 - 1 year
 - 1 - 2 years
 - 2 - 5 years
 - 5 - 10 years

10 or more

Q16 I operate out of

An office (including co-working space)

A home

Other (Please Specify) _____

Q22 Do you believe your identity (i.e. race, gender, age, or sexuality) influences the public's desire to do business with you or utilize your services?

Yes

Maybe

No

Q21 In a few sentences, please share any thoughts and/or feelings about your identity being attached to your business.

Q23 Do you use your own image (e.g. headshot) on freelancing platforms, your website, or other marketing materials?

Yes

No

Q33 To your knowledge, describe your customer base or the people that hire you (e.g. Mostly women ages 25-35 in Houston)

Q35 Do you believe your identity, impacts your customer base?

Yes

No

Q36 Select ALL social media platforms you use to promote your services.

Twitter

Facebook

Instagram

LinkedIn

Other _____

N/A

Q38 Please list any the top 5 hashtags you use online? Put N/A if this does not apply to your business.

Q40 What are the benefits of working as a freelancer as opposed to working for someone else? Put N/A if this does not apply.

Q41 What are the disadvantages of working as a freelancer? Put N/A if this does not apply.

Q42 Did your identity play a part in your decision to become a freelancer as opposed to working for someone else? If so, in what way? Put N/A if this does not apply.

Q43 What are the advantages of the platform(s) you choose to offer your services through? Put N/A if this does not apply.

Q44 List the organizations you are affiliated with.

Q45 Do these organizations connect you to potential customers?

Yes

No

Q46 Have you experienced any exclusion or resistance in these organizations?

Yes

No

Q47 If yes, describe the experience
