A COMMENT ON "LGBTQ WORKPLACE INCLUSION BEFORE AND AFTER OBERGEFELL V. HODGES: ASSOCIATION WITH TOBIN'S Q AND ROA"

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Key Words: Ethics, Human Resources, Influence, LGBTQ+ Policy, Multi-Level Modeling

JEL Classifications: G32, M12, M14, M52

Abstract

Foster, Manikas, and Preece's "LGBTQ WORKPLACE INCLUSION BEFORE AND AFTER OBERGEFELL V. HODGES: ASSOCIATION WITH TOBIN'S Q AND ROA," addresses LGBTQ+ inclusion following *Obergefell v. Hodges,* the Supreme Court case that legalized marriage equality in the United States. This commentary addresses the findings of the work while also highlighting future research considerations, including employing dynamic capabilities and influential ethical decision-making to shape future research studies. Additionally, this work also addresses how influential decision-making in future works should utilize a multi-level approach to analyze the law's impact on workplace policy and the individuals within the organization.

INTRODUCTION

Lesbian, Gay, Bisexual, Transgender, and Queer/ Questioning (LGBTQ+) diversity within the American workforce has been a recurring commentary in the practical employment sector (Githens & Aragon, 2007; Thatcher, 2017). Calls from the academic business community regarding diversity and inclusive human

resources (HR) policies are beginning to be heeded (Kidd & McKenzie, 2014; Liu, Zhu, Serapio, & Cavusgil, 2019). LGBTQ+ individuals are considered minorities in the overarching academic and business communities (Buddel, 2011; Hill, 2009; Rocco, Landorf, & Delgado, 2009). Legislative rulings and social movements have driven social change and public opinion and, in turn, transformed the American workforce (Adamczyk & Liao, 2019; Kaufman & Compton, 2021; Lev, 2013). These changes have occurred from the top-down and the bottom-up and affect all aspects of employment.

The purpose of this commentary is to review Foster, Manikas, and Preece's "LGBTQ WORKPLACE INCLUSION BEFORE AND AFTER OBERGEFELL V. HODGES: ASSOCIATION WITH TOBIN'S Q AND ROA," herein called the authors and the work, which addresses important and albeit long-term implications in both practical and theoretical business literature. This commentary will outline the work and provide remarks based on strengths, limitations, and future research considerations.

OVERVIEW

Foster et al. (2020) centered their work around *Obergefell v. Hodges,* the Supreme Court case that upheld marriage equality in America. Specifically, the court case provides a proxy suggesting that legal support of LGBTQ+ marriage motivated companies towards a more inclusive workplace environment than the environment before the court ruling. The authors hypothesized that when inclusive atmospheres are provided to the employee, the company's profitability could be increased because of the positive, more inclusive atmosphere which motivates employees. Foster et al. (2020) analyzed Human Rights Campaign data and measured profitability utilizing Tobin's Q and return on assets (ROA). In an ad-hoc analysis, propensity score matching was utilized to compare companies with LGBTQ+ policies and those without such policies. In their study, companies with LGBTQ+-related policies had higher market values compared to their peers. Thus, the authors conclude

that their overarching hypothesis was supported based on these findings within these publicly traded companies.

Strengths

Equality and diversity have a place within both the practical workforce and academic literature. Individuals who identify as members of the LGBTQ+ community are minorities within America and have little voice in the business literature (Liu et al., 2019). Importantly, however, LGBTQ+ populations are no less important than other recognized populaces. The study provides important mathematical evidence that workplace diversity – and, more importantly, inclusion – plays an important role in profitability, pointing towards an emerging critical area of future research. Importantly, the authors conclude that inclusion is more important than diversity, framing their conclusions based on inclusive environments. Inclusive policies ensure that LGBTQ+ individuals can thrive within the corporate culture. This framing specifically points to the most crucial aspect of their hypothesis development. I would argue that multiple factors must be considered. This piece begins the conversation and suggests utilizing a multi-level approach by showing the multi-directional influence from/upon multiple groups, legislation, and the courts.

The article furthers our understanding of how a Supreme Court ruling, in this case, *Obergefell v. Hodges*, can shape HR and corporate policy beyond the core focus of the ruling. Positive outcomes for the organization include higher market values (as evidenced by Tobin's Q) than their peers without the same diversity and inclusionary policies. However, it must be understood that diversity cannot be successful without inclusionary practices for all employees. By having inclusionary practices, the workforce is greatly motivated, and this increased workforce motivation and productivity most likely led to increased market value. Although the article posits positive and encouraging results, some important limitations and theoretical considerations must be addressed in future research. The following section will outline the article's limitations and provide additional commentary on how this work

can effectively springboard further research on the multi-directional influence of laws, HR policy, public opinion, and the LGBTQ+ community.

Limitations

The work does not come without limitations. Specifically, the authors point out that their sample is only based on publicly traded US firms. I would argue that there are additional limitations, particularly within the theories utilized to explain social acceptance and society as a whole.

Foster et al. (2020) point out that the Resource-Based View (RBV), suggests that companies have resource advantages which further competitive advantages (Barney, 1991). Resource advantages explain why companies value employees and these employees may be more diverse than the traditional employee. Under this perspective, employees are resources for companies and provide valuable abilities to the firm and its progression. While important, RBV does not paint a complete picture of the transition from the traditional company atmosphere to one that is more modern by societal standards. To address this shift, a natural progression of the RBV is the theory of dynamic capabilities (Eisenhardt & Martin, 2000). Dynamic capabilities theory recognizes that long-term competitive advantages arise from change, and successful companies must adapt (Wang & Ahmed, 2007; Winter, 2003). I would argue that the LGBTQ+ movement in America and changing public opinion have created opportunities to adapt for organizations. The human resources (HR) department is well-positioned to respond to these changes, leading to shifts in the traditional corporate mentality. This shift and these companies' abilities to adapt provide practical evidence of the dynamic capabilities.

Second, the authors address the benefits of diversity for increased profitability through the positive motivations within the HR community. I would suggest that future works begin to utilize other non-business theories that may help bridge the academic communities' understanding of how social acceptance improves employees' lives within these organizations. More specifically, I

suggest considering Social Roles Theory (Eagly & Wood, 1999; Karau & Eagly, 1999) or Sociometer Theory (Anthony, Wood, & Holmes, 2007), which address social acceptance as Americans continue to progress and accept social change. These theories can be utilized in the business literature because they explain the social construct among differing genders and sexualities. In the next section, I will further the conversation about future research opportunities and then provide conclusions.

Opportunities for Future Research

Influential ethical decision-making can be utilized to further the fields understanding of the interaction between law and decision-making, especially at the individual level (Kim & Loewenstein, 2021; Reck, Fischer, & Brettel, 2021). These interactions are multi-directional. While organizations can be influenced and even changed by national law, these pressures and changes are also pertinent to the individual, and social movements have a dramatic influence on American social and political policy (Feldman, 2019; Jones & Ryan, 1998). I recommend expanding upon this research to further our understanding of how individual movements affect individual policies and moral and influential decisions at the individual and organizational levels.

To demonstrate, I am providing figure 1, a conceptual model, which demonstrates the multi-level, multi-directional approach that I am suggesting in future research. In this model, the individual can, directly and indirectly, influence their peers (co-workers or otherwise) and HR Policy. The group also has the same directly and indirectly influence collectively on HR policy. HR policy can be directly and indirectly influenced by public opinion, legislative bodies, and the courts. The courts, the ultimate interpreters of the law and its practical and constitutional implications, have direct and indirect influence over all other parties in the model. The multi-directional nature indicates that each level can influence and be influenced by the other levels in the model, as indicated. While this model provides a high-level overview of these relationships, it demonstrates that a multi-level approach is

necessary to understand opinion and HR policy influence fully. In the final section, I will provide concluding remarks.

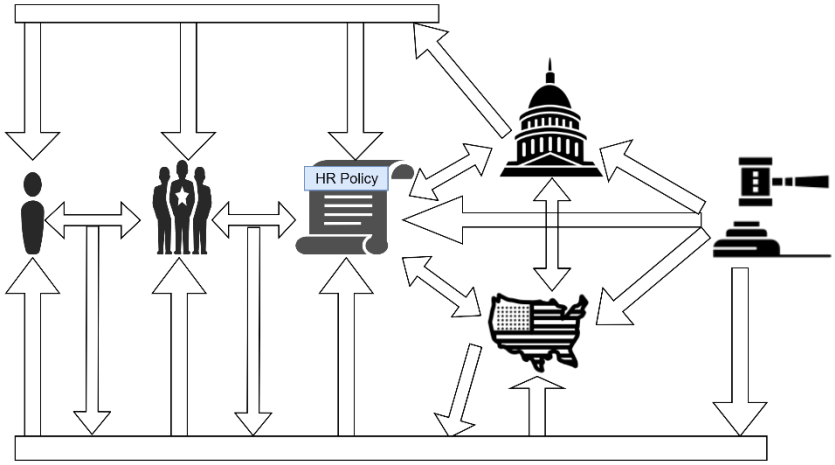


Figure 1. Conceptual Model of Influence Interactions which the individual can influence groups and policy leading to congress, public opinion, and the Supreme Court and vice versa.

CONCLUSION

Overall, Foster, Manikas, and Preece's "LGBTQ WORKPLACE INCLUSION BEFORE AND AFTER OBERGEFELL V. HODGES: ASSOCIATION WITH TOBIN'S Q AND ROA" is a beginning to a greater conversation that requires further investigation. This investigation covers both the individual and the greater organization, reaching beyond LGBTQ+ policy- and decision-making to other social policies. These inclusive social policies, in turn, may benefit the greater organization both financially and ethically. Multi-level approaches along with influential ethical decision-making must be considered in future research considerations.

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