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3D of Racial Justice Diversity, Dominance & Discrimination:
Implicit Dominance & the Diversity Principle-Policy Gap

By

Kyneshawau Hurd

A dissertation submitted in partial satisfaction of the

requirements for the degree of

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in

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in the

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of the

University of California, Berkeley

Committee in charge:

Dr. Victoria Plaut
Professor Robert Bartlett
Dr. Jack Glaser
Dr. Osagie Obasogie

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Abstract

3D of Racial Justice
Diversity, Dominance & Discrimination:
Implicit Dominance & the Diversity Principle-Policy Gap

By

Kyneshawau Hurd

Doctor of Philosophy in Jurisprudence & Social Policy

University of California, Berkeley

Dr. Victoria Plaut, Chair

In a societal context that professes egalitarian ideals yet remains deeply entrenched in racial hierarchies, this dissertation introduces and develops the 3D framework—Diversity, Dominance, and Discrimination—to critically examine how seemingly egalitarian diversity ideologies, practices and decisions may work to preserve the very inequalities they purport to address. By creating this novel framework, the work centers the subtle and often unseen forces that sustain racial dominance, though not the ones most commonly thought of, like implicit bias. Rather, this framework centers group-based dominance as the foundational source of discrimination.

At the heart of this investigation is the development and application of the first-ever measure of implicit social dominance orientation (ISDO), a subconscious preference for maintaining group-based hierarchies. The dissertation is structured around three empirical papers. The first paper in this collection validates this groundbreaking measure, uncovering its role in explaining why those who outwardly reject dominance might still support policies that perpetuate racial inequities. The second paper applies the 3D model to the venture capital sector, revealing how contractual control terms, far from empowering Black founders, can bind them in ways that maintain racial hierarchies even when Black founders receive investment. The third paper delves deeper into the investment decisions of venture capitalists, exploring how implicit dominance subtly shapes assessments of risk and allocation of control rights.

Together, these papers paint a picture of a diversity paradigm that, when focused solely on instrumental representation, may appeal to implicit dominance motivations and therefore operating to reinforce the very power structures it seeks to challenge. By critically analyzing the role of implicit social dominance orientation (ISDO) and its intersection with diversity ideology, this dissertation calls for a fundamental shift in how we approach racial justice—moving beyond the surface of DEI initiatives to confront the underlying dynamics of power and dominance that sustain inequality. In doing so, it offers a more nuanced and robust pathway toward true equity, urging a reevaluation of the frameworks that guide our efforts in law, policy, and beyond.

Dedication

To the Most Great, with all glory and praise,

To ancestors and spirits that guide and nourish me,

To Eddie Lennell, turned ancestor while writing this thing, the bravest, kindest, and wisest

To Mama, Daddy, & my beloved Shug, my reasons, portion, and peace,

To Sameera, Takeisha, Tim, Crystal, Aldita, Marrion, Meredith, Melissa, Kiera & Meryl, my rocks, confidants and True North,

To Jenessa, my chance-giver and cheerleader,

To Victoria, my mentor, model, and protector,

To community, family, and friends that held my hand, inspired me, and taught me with pedagogies of resilience, liberation, and joy, the things that the Ivory Tower never could,

This dissertation is because of you.

Thank you.

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Jordan and Kiera, thank you for being the best collaborators, partnering with me in work, and building programs of research that nourish all of our work. And Kiera, from sharing a desk

Table of Contents

Table of Figures

Table of Tables

Introduction

Racial Justice & the Principle-Policy Gap

In every facet of life in the United States, individuals and institutions grapple with the fallout of a legacy of racial apartheid, including persistent disparities in everything from education (Ballard Brief, 2021), to wealth (U.S. Department of the Treasury, 2021), and beyond. Alongside this grappling, emerged a vision, a paradigm, for how best to achieve racial justice—diversity (Berrey, 2015; Edelman, Fuller, & Mara-Drita, 2001), a key aspect of which is a commitment to the increased representation of racially non-dominant groups (e.g., Black people) in major U.S. institutions (Plaut, 2010; Plaut, 2014). However, the fact that little progress has accompanied the seemingly substantial support this vision has received (Dobbin & Kalev, 2016) raises the question of what countervailing forces may be at play. These forces, which, I argue, center on lingering motivations for dominance and maintenance of the racial hierarchy, are the focus of this dissertation. As the U.S. continues to wrestle with the question of what comes after apartheid, its citizens (and residents) are confronted with a modern phenomenon: the creation and ongoing negotiation increased racial representation accompanied by an (often unspoken) expectation that this inclusion not threaten the status and position of dominant groups like Whites. This results in a gap where there is general consensus on, and commitment to, egalitarian principles of diversity in the abstract, but patterned divergence via the concrete practices through which those principles could be realized (Berrey, 2015; Dixon et al., 2017).

I argue that this gap is a feature of diversity and the broader sociocultural context in the U.S. rather an unfortunate bug in the system. Further, I argue that this is difficult to see because the seemingly positive and egalitarian veneer can mask underlying motivations, but not necessarily the ones to which most racial justice advocates attune. For example, much research has demonstrated how racial biases can function covertly, independent of the purposeful actions of explicitly racist individuals to perpetuate racial inequality (Greenwald & Banaji, 1995; Lawrence, 1987; Salter & Adams, 2013; Salter, Adams, & Perez, 2018). Yet, there is also research to suggest that there are mechanisms, both individual and structural, that do not rely on racial antipathy but can nonetheless contribute to racial inequality—motivations for group-based dominance and hierarchy. Group-based hierarchy, or caste, is a feature of most modern societies (Sidanius & Pratto, 2004; Wilkerson, 2020). Theories in social psychology and sociology explain that caste, the hierarchal arrangement and rank of people in value and resource-allocation, is not synonymous for racism but the system through which racism is born (Sidanius & Pratto, 1999; Wilkerson, 2020). This work suggests that the imperative to receive all the best things in a society—occupy the top of a hierarchy—creates an incentive to create and maintain hierarchies that separate people based on arbitrary and sometimes immutable characteristics. This imperative births ideologies (like racism) that give these characteristics meaning (and consequence) within the hierarchy, thereby justifying and reinforcing inequality (Sidanius & Pratto, 1999; Wilkerson, 2020; Mills 1997). Importantly, the imperative creates a psychological investment in group-based dominance and hierarchy or a social dominance orientation (SDO) that influences all manner of social attitudes and behavior (Pratto, Sidanius, Stallworth, & Malle, 1994).

Diversity in U.S. society can function as an ideology; a set of beliefs, values, and ideas that guide the behaviors, political attitudes, and social practices of individuals, groups and institutions on how best to achieve, among other things, racial justice and racial inclusion (Plaut, 2010; Thomas, & Ely, 1996). Embedded in this ideology is the emphasis on the benefits of racial inclusion, even for dominant racial groups (i.e., Whites) (Hurd & Plaut, 2018). This, I argue, has relevance and implications for caste and group-based dominance, wherein even an ideology ostensibly designed to support non-dominant groups, nevertheless functions to benefit dominant groups. Indeed, research has shown how this justification for diversity can undermine racial justice and racial inclusion efforts by inculcating an expectancy to benefit from racially non-dominant people (Hurd & Plaut, 2018; Starck, Sinclair, Shelton, 2021; Warikoo, 2016).

This dissertation endeavors to situate social dominance as a key mechanism for why. Using social dominance theory (Sidanius & Pratto, 1999) and diversity ideology (Plaut, 2010; Smith & Mayorgao-Gallo, 2016) as foundational points of departure, I develop and apply a framework to shift our understanding of how racial inequality persists and how it can be solved from one that centers identity and racial antipathy as causes and explanations and superficial representation as a solution to one that centers power and hierarchy as causes and power-consciousness as a solution. This framework, called 3D, requires attending to the relationship between three key concepts—Diversity, Dominance, and Discrimination—to evaluate when egalitarian people, ideologies and decisions nonetheless stabilize racial hierarchies. In so doing, I theorize the existence of implicit social dominance orientation and develop and validate a measure to help elucidate how ISDO can function inside egalitarians who harbor no explicit racial antipathy but nonetheless support policies in ways that maintain racial inequality.

I then apply this framework to an area where the 3D framework may be relevant, Venture Capital. Finally, I explore how legal doctrines and business practices facilitate extraction from marginalized groups, stabilizing group-based hierarchy and dominance, while maintaining an ethos of egalitarianism or even "empowerment" for non-dominant groups.

A 3D Framework for Racial Justice

The 3D framework is an analytical framework incorporating three elements, Diversity, Dominance and Discrimination, which aims at understanding and defining a contemporary expression of discrimination where decisions, practices, policies, that are pro-diversity and seemingly egalitarian ultimately serve to maintain group-based dominance and hierarchies. *Diversity* refers to the ideological functions of an instrumental commitment to racial inclusion. 3D understands diversity as a paradigm that is imbued with dominance and hierarchical logics that can operate maintain group-based dominance. *Dominance* refers to the core mechanism and motivation that contributes to group-based in equality—a preference for group-based dominance and hierarchy—that can be psychological implicit and embedded in institutions and cultural as well. *Discrimination* refers to a theory of inequality that understands preservation of caste rather than racial antipathy as the key mechanism contributing to group-inequality, particularly in contexts where there is explicit commitment to egalitarianism.

Diversity Ideology

"Diversity ideology" refers to a set of beliefs and practices that promote and value increased representation of individuals from diverse backgrounds, such as different races, ethnicities, genders, sexual orientations, and other identity groups within organizations, institutions, and society at large (Plaut, 2010; Plaut, 2014). A related concept associated with diversity ideology are "diversity rationales," which are the justifications for why valuing diversity is important (Chaney, 2022; Starck, Sinclair, & Shelton, 2021; Wilton & Sanchez, 2020; Chang & Ledesma, 2011). While some rationales emphasize the moral imperative of diversity others ("instrumental rationales") emphasize the benefit diversity can provide for organizations and their financials or to the people inside the organization (including dominant racial groups), or society at large. The instrumental rationale enjoys considerable use in the U.S. and characterizes a diversity orthodoxy that permeates organizations across sectors (Ely & Thomas, 2020; Zanoni, Janssens, Benschop, & Nkomo, 2010).

Social Dominance

Social Dominance Theory (SDT), proposed by Sidanius and Pratto (1999), posits that societies maintain hierarchies through group-based inequalities, supported by social, political, and ideological mechanisms. Social Dominance Orientation (SDO) is an individual's preference for hierarchy and dominance over lower-status groups. SDO predicts and is associated with various attitudes and behaviors, such as support for discriminatory policies, opposition to affirmative action, and endorsement of meritocracy (Pratto, Sidanius, Stallworth, & Malle, 1994). Unlike overt racism, which is explicit prejudice against specific racial groups, SDO reflects a broader, systemic preference for maintaining hierarchical structures across different social categories. For instance, individuals high in SDO are more likely to support policies that perpetuate inequality, regardless of the specific group affected (Pratto, et. al., 1994).

Implicit Social Dominance

This dissertation theorizes and develops the construct of Implicit Social Dominance Orientation (ISDO), which is a measure of someone's automatic and/or nonconscious preference for group-based dominance and hierarchy. The development of ISDO is motivated in part from the observation that, while SDO is reliably and highly predictive of attitudinal and behavioral outcomes (Pratto, et. al., 1994; Ho, et. al., 2015) its form may not allow it to assess fully capture social dominance in people who believe themselves, or report themselves, to be Egalitarians. ISDO uses insights from cognitive psychology to theorize implicit motivations for social dominance, associations and preferences that exist outside conscious or controlled cognition and develops the first implicit measure of social dominance drawing from an indirect measurement tool called the Implicit Association Task (IAT) (Greenwald, McGhee, & Schwartz, 1998). ISDO is constructed using constructs of dominance and egalitarianism to reveal subconscious preferences for group-based dominance and hierarchy. Central to the argument of this dissertation is that Egalitarians (those who explicitly denounce group-based dominance and endorse racial inclusion), are drivers of racial inequality in part because of their *implicit* dominance motivations.

Sociocultural Model for Discrimination

With the introduction of implicit social dominance, I marry social cultural theories of mutual constitution with social dominance theories of discrimination to create a Sociocultural model for discrimination. The model posits that discrimination is best understood as the result of psychological imperatives, even implicit, that interact with and are informed by sociocultural realities. Furthermore, it posits that individual psychological, structural, and cultural elements of this sociocultural reality are embedded with dominance and hierarchy relevant ideologies, products, practices, relics, and logics that work in concert to maintain group-based inequality.

Theory of Mutual Constitution

The theory of mutual constitution posits that individuals and their sociocultural contexts are interdependent and co-construct each other (Markus & Kitayama, 1991; Markus & Kitayama, 2010; Markus & Hamedani, 2007). Here, the sociocultural context refers to the combination of social and cultural factors that surround and influence an individual's life. This includes the norms, values, beliefs, practices, and institutions that shape a person's experiences and interactions. It encompasses elements such as family structures, educational systems, religious beliefs, language, traditions, and social hierarchies, all of which contribute to the way individuals perceive and engage with the world (Markus & Hammedani, 2007; Markus & Kitayama, 2010). This means that while individuals shape and influence their cultural environments through their actions, beliefs, and behaviors, these cultural environments simultaneously shape the individuals, providing them with frameworks, norms, and values that guide their perceptions and actions.

Previous work has argued that diversity and how it is understood, influenced, and enacted cannot be fully understood without considering the sociocultural context in which it exists, including the historical, social, and cultural factors that influence attitudes toward diversity and inclusion (Plaut, 2010). Plaut underscores the mutual constitution of individuals and their cultural environments, where individuals both shape and are shaped by their sociocultural contexts to highlight that sociocultural factors affect how individuals perceive and respond to diversity, with cultural norms and values influencing how diversity is seen perceived and shaping organizational practices and ultimately impact individual experiences which in turn impact diversity beliefs and conceptions.

This work uses this model as a foundation upon which to understand how dominance and diversity operate in concert. According to the sociocultural model of dominance preservation of hierarchy is something that shows up in the interaction between the individual and environment where individual conceptions of and psychological processes surrounding hierarchy (like SDO) influence institutional practices and products (e.g., norms, policies, laws, tools), operations and products of social institutions (e.g., law, media, legal tools, legal ideas and fictions), daily interactions with others and institutional products. The model further theorizes that these processes that socialize and normalize prevailing beliefs and ideologies about how best to arrange groups and resources such that logics of hierarchy and dominance are embedded and mutually reinforce throughout the institutional and cultural dimensions to perpetuate inequality and maintain group-based hierarchy (see Figure 1). The model centers the preservation of group-based hierarchy, as opposed to racial (or other identity-based) animosity, to understand how all facets of sociocultural reality, such as individual-level factors like psychological processes and

structures, institutional practices, and cultural messages, mutually constitute one another operating and imbued with dominance-hierarchy relevant and enhancing capabilities and logics. In other words, the way individuals perceive hierarchy, the way they engage with it, and the discourse surrounding it are all influenced by it. Individual minds and motivations not only reflect this investment, but also reinforces it over time through mutual constitution, ensuring that aspects of the sociocultural environment, even those that may seem egalitarian can maintain group-based inequality.
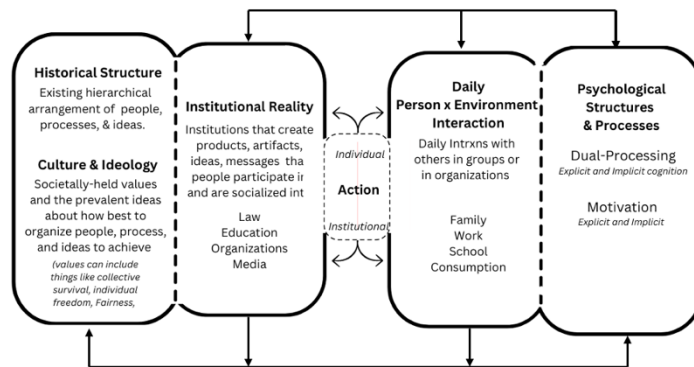
Figure 1 (Introduction): Sociocultural Model of Discrimination. Figure adapted from Plaut, 2010 and Markus & Kitayama (2010).

Paper Roadmap

Across three papers, I apply the 3D framework to explore how social dominance and diversity operate throughout sociocultural environment, developing a measure of implicit social dominance and theorizing its influence in the Venture Capital sector. Specifically, I examine how various policies and practices in VC conform to *both* explicit values of diversity *and* stabilization of racial-hierarchies, thereby appealing to implicit desires for group-based dominance among key decision-makers in these contexts. I do this in order to demonstrate the 3D framework and sociocultural model of dominance in action.

Paper 1 Paper one creates and validates a measure of one's implicit preference for group-based dominance—implicit social dominance orientation (ISDO)—that can be used to explain decision-making in contexts where it is not immediately obvious that dominance motivations might be relevant. The paper uses ISDO to develop "Dominance Profiles" and evaluates the profiles' relationship to diversity ideology and policy support to demonstrate the influence of implicit dominance on the diversity principle-policy gap. The paper discusses the relevance of these insights for anti-discrimination law and legal treatment of racial inclusion practices.

Paper 2 investigates the interplay between diversity ideologies, group-based dominance, and discrimination through an analysis of race disparities in the use of control terms in ("VC") contracts. Control terms are provisions in VC contracts that give investors control over many activities of a founder's company, limiting what founders can do with the company without investors' permission. While standard industry practice, the use of control terms might allow VCs to fulfill commitments to diversify their investment portfolios while exerting

disproportionate control and influence over founders from non-dominant groups compared to whites. If so, this would fall short of achieving the purported aims of increased diversity in investment—empowerment and equity for non-dominant groups who have historically been kept out of the industry. An investment in Black founders keeps patterns of race-based hierarchy stable by limiting the level of power and ownership black founders have compared to white founders when they receive VC investment. Control terms, then, in the context of VC investments and commitments to diversity, may operate as "dominance terms"—contractual terms that allow VC to maintain group-based dominance and control over Black founders even as they invest in them (as compared to Whites). Here, a deeper analysis of discrimination is warranted—one that does not just expose the systemic ways certain groups receive less than others, but the ways in which seemingly egalitarian choices can create dependency and thus stabilize hierarchy while still ostensibly promoting diversity. This, I argue, is an instance where the 3D framework is useful in highlighting how racial inequality persists in the face of racially egalitarian decision-making. The power and dominance elements inherent in contractual terms designed to control founders and ventures may appeal to group-based dominance motivations even when individuals decide to invest in a Black founder. Diversity efforts in VC investing may obscure how features of contracting in VC contribute to persistent race disparities in VC. Applying a 3D lens to VC investment reveals an area of the investment process where dominance and power dynamics may subtly influence racial equity, contracting and control, because its relevance for racial equity efforts may be overshadowed when investments involve racially non-dominant groups. This approach allows us to see beyond the surface-level diversity to understand how existing racial hierarchies can be perpetuated through these investments, even when investments flow to Black founders. Finally, this paper explores how the current legal regimes governing VC may not be equipped to address such inequality.

Paper 3 seeks to isolate the effect of ISDO on investment decisions that are common in VC. Specifically, it sought to test whether the ISDO mediates the relationship between founder race and racial disparities in decisions of investment, use of control terms, and due diligence processes among a sample of VC employers. Most of the research investigating discrimination in VC does so through field experiments that investigate how VC evaluates founders to determine investment and funding (Fried & Hisrich, 1994; Amit, Glosten, & Muller, 1990; Brooks, Huang, Wood Kearney, & Murray, 2014; Cardon, 2009; MacMillan, Siegel, & Narasimha, 1985; Riquelme & Watson, 2002). Some have examined this within the context of gender and race bias (Snellman & Solal, 2023; Zhang, 2020). Other work has examined how founder characteristics influence perceptions of risk to impact the use of contractual control terms (Ewens & Townsend, 2020; Brush, Greene, Balachandra, & Davis, 2018; Gompers, Gornall, Kaplan, & Strebulaev, 2016; Bengtsson, 2011). To my knowledge, this was the first study to test how race impacts not just the decision to invest but the contractual terms themselves. Participation rates from VC insiders were low for this study but the paper nonetheless probes theory and questions relevant for diversity efforts in VC. Given that founders from non-dominant groups are already fighting barriers to simply receiving investment, inquiry into the impact of unjust factors, like race, on contracting practices could prove useful in giving visibility to another, more insidious, hurdle that VC may be imposing as it attempts to diversify.

Why Venture Capital

While the principle-policy gap between Americans' professed egalitarian values and their actual policy support and behavior exists across various sectors, this dissertation focuses on its manifestation in Venture Capital ("VC"). This project employs social psychological frameworks and empirical methods to investigate VC investment in service of using the modern forms of discrimination manifesting there to build a framework that can challenge our notions of what diversity and discrimination look like.

Certainly, the inquiry into the VC industry was not the only one that could have been used to develop the 3D framework and implicit social dominance (ISDO) concept. There are many industries—mortgage, loan, education—controlling access to resources, position, and power, that act as gatekeepers for racial equity in the U.S. Importantly, these same industries participate in a corporate diversity orthodoxy[1], a hegemonic set of beliefs and practices capitulating to the interests of dominant groups, that amplifies and begets the power and dominance they wield. VC investment represents one such industry where both the logics and patterns of control and contractual inequality is a taken for granted business imperative and commitments to diversity have exploded. Increasing investment in founders from non-dominant groups is a means of empowering non-dominant groups and disturbing the racial hierarchies that bar non-dominant groups entry into capital markets. However, if participation in venture capital (VC) is contingent on the perpetuation of hierarchical racial arrangements and dispossession, does it truly fulfill the goals of this increased representation—racial equity? Investment in Black and other founders of color's start-ups is necessary for eliminating discrimination in capital markets. However, if that investment comes with a level of control that white founders do not regularly experience, is it empowerment or a repackaged status quo?

In the application to Venture Capital, this dissertation explores how legal and business practices facilitate extraction from marginalized groups, stabilizing group-based hierarchy and dominance, while maintaining an ethos of egalitarianism or even "empowerment" for non-dominant groups. This, I argue, is a quintessential example of a 3D phenomenon: Diversity, Dominance, and Discrimination.

This dissertation focuses on a phenomenon I believe is endemic to the diversity orthodoxy present across sectors in business, government, and tech—pro-diversity decisions masking hierarchy-maintenance outcomes. I focus on the operation of this phenomenon in the context of the Technology-ecosystem ("Tech") within Venture Capital ("VC") for several reasons. First, Tech is an eco-system comprised of many entities and stakeholders. The industry touches so many aspects of everyone's life even if they are not "active" stakeholders in the eco-system. Second, even though VC is a small piece of the Tech eco-system, it has an incredible impact and power given its relative size. VC accounts for a fraction of all corporate investment in the U.S., but it has had a profound impact on economic growth and job creation since the 1970s (Gompers & Wang, 2017). Meta, Intel, Apple, Federal Express, Genentech, and many other

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[1] Diversity orthodoxy refers to the hegemony of certain set of beliefs about what diversity is, who it should serve, and how it is best achieved. This orthodoxy eschews more moralistic perceptions of diversity interests for instrumental ones that situate diversity and what it should achieve as more of what it can do for dominant groups. It represents a recapitulation to the interests of dominant groups.

iconic tech companies were all venture-capital backed in their early stages (Schmidt, 2003). Innovation from Tech impacts us all, from the clothes we wear (McKinsey & Company, 2022), the routes we drive (Gadgets Now, 2022), to the food we eat (SIAL America, 2022). VC is one of the primary gatekeepers of new business entry into the Tech eco-system and thus plays a large role in the innovation that is allowed to scale and reach people. VC is one of the gatekeepers of new business entry into the Tech eco-system and thus plays a large role in the innovation that is allowed to scale and reach people. As pipelines go, the flow of capital to certain groups over others is endemic to the issues of racial and gender justice in this country. Investigating whether even when capital flows to non-dominant groups, it is still accompanied by oppressive control terms attached to implicit desires by gatekeepers to maintain dominance paints a clearer picture of where VC needs to improve to live up to the calls for diversity and equity in VC.

Paper 1: Implicit Social Dominance & The Diversity Principle-Policy Gap

Abstract

This paper delves into the discord between the widely professed commitment to diversity, equity, and inclusion (DEI) in the United States and the persistent maintenance of racial hierarchies, a phenomenon described as the principle-policy gap. Challenging traditional notions of discrimination that link it solely to overt racism or covert prejudice, this study posits that the drive for hierarchy and dominance is a subtler yet powerful force perpetuating racial inequalities and is especially relevant for assessing inequality that persists in outwardly egalitarian and pro-diversity contexts. Thus, through a socio-psychological perspective, the research spotlights "implicit social dominance orientation" (ISDO)—an unconscious preference for hierarchical structuring of social groups—as a significant factor contributing to this inconsistency. Two studies investigate the nuanced relationship between explicit and implicit social dominance orientations (SDO and ISDO, respectively) and their impact on support for racial diversity and justice policies. Drawing from social dominance theory and recent advancements in implicit cognition, we develop a measure of ISDO and create four "Dominance Profiles"—a typology of group-based dominance motivations with implicit and explicit dimensions—to examine those who explicitly disavow social dominance but implicitly endorse it as this is where ISDO may make the most impact. We further propose that diversity ideology, particularly when framed instrumentally, appeals to implicit dominance motivations and helps explain the principle-policy gap observed among egalitarians. Study 1 hypothesizes and confirms that ISDO correlates moderately with explicit SDO and influences policy ratings similarly, albeit to a lesser degree. Study 2 replicates these results and extends the investigation to additional diversity-related policy areas, like Racial Minority Inclusion Policies to address the relationship between Implicit Dominance, diversity rationales, and policy support. We demonstrate that Implicit Dominants, while politically left of True Dominants, are distinct in their preference for instrumental over moral rationales for diversity. Mediation analyses suggest that Implicit Dominants' support for racial justice policies is driven by instrumental endorsements of diversity, while True Egalitarians support these policies regardless of instrumental benefits. Our research highlights the importance of considering implicit dominance motivations in understanding policy support dynamics, particularly among self-identified egalitarians. These findings contribute to the broader discourse on diversity ideology, implicit social dominance, and the principle-policy gap to advance a 3D framework for understanding racial inequality. This framework seeks to better account for *Discrimination* and the ways *Diversity* and *Dominance* contribute to modern form of it where seemingly egalitarian ideologies appeal to group-based dominance and preserve socially oppressive group-based hierarchies.

Introduction

Group-based inequality is a pervasive feature across modern societies, manifesting in numerous disparities. For example, the wealth gap between Black and White Americans has widened, with racially non-dominant groups like Black and Latinx individuals continually

lagging in various socio-economic metrics (U.S. Department of the Treasury, 2021). In the United States, this inequality has spurred debates on affirmative action, the merits of Diversity, Equity, and Inclusion (DEI) programs, the legitimacy of reparations, and calls for defunding the police, to name a few. This occurs even as support for egalitarian principles has steadily increased since the formal end to racial apartheid in the U.S., evidenced by most Americans now upholding the principle of racial equality (Schuman, Steeh, & Bobo, 1985; CARR Center for Human Rights Policy, 2020; Public Agenda, 2023).

How can it be that an increased appreciation and desire for the presence and representation of racially marginalized groups nonetheless coincides with opposition to policies that would effectuate such racial inclusion? Much of the literature suggests that the disparity between White Americans' principles and their policy preferences—the principle-policy gap—is best explained by the most palatable racist ideology of the time (Kinder and Mendelberg 2000; Sears 1988, Sears, Sidanius, & Bobo 2000; Bonilla-Silva, 2003). For instance, where once explicit racism and racial antipathy was acceptable, racial attitudes have shifted to more subtly racist ones like *symbolic racism* or *racial resentment* (Henry & Sears 2002; Kinder & Sanders 1996). More recently, two dominant ideological frameworks for talking about and addressing racial inequality have enjoyed considerable use in legal, social, and scientific inquiry: *colorblindness* and *diversity*.

Colorblindness is "ideological insistence that everyone be treated without regard to race, accompanied by a denial of the causes and consequences of racism" (Berrey, 2015). At its core, it is the ideology holding that because race *should not matter* in shaping someone's life outcomes, that it *does not matter* (Smith & Mayorga-Gallo, 2017; Plaut, 2002; Bonilla-Silva, [2003] 2018). Diversity, on the other hand, is an ideology that lauds group differences such as race and calls for a racial consciousness that often challenges colorblindness. Both ideological frameworks have origins in American jurisprudence with legal decrees to be colorblind, as demonstrated in seminal cases like *Plessy vs. Ferguson*[2] and/or to reap the benefits of diversity, as in *Regents of the University of California vs. Bakke* as remedies for advancing racial justice. Both have been employed as justifications for racial inclusion, and both have been the subject of scientific and legal scrutiny for their impacts and influence of racial equity. There is extensive research on colorblindness, its failure to close the equality gap (Plaut, 2010; Plaut, Thomas, Hurd & Romano, 2018) and the motivated and racist underpinnings of the ideology as applied to the project of racial justice (Bonilla-Silva, 1997, Bonilla-Silva, [2003] 2014). Although colorblindness has fallen out of favor in most explicit organizational charters, you would be hard-pressed to find a large corporation or educational institution that does not have some form of a Diversity-based value statement, mission, or commitment (Edelman, Fuller, Mara-Drita & 2001; Frymer & Skrentny, 2004; Georgeac & Rattan, 2023; Starck, Sinclair, & Shelton, 2021). Colorblindness is often contrasted with the color-conscious diversity paradigm, yet there is a growing body of research suggesting that both can lead to outcomes and policy decisions that fail to benefit racially non-dominant groups (Plaut et. al., 2018; Purdie-Vaughns & Walton, 2011; Dover, Kaiser, & Major, 2019; Trawalter, Driskell, & Davidson, 2015).

How can diversity—a color-conscious ideology and framework for racial inclusion—function to nonetheless achieve colorblind outcomes like the persistence of structural inequality?

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[2] Colorblindness was referenced in Justice Harlan's dissent.

How can this diversity principle-policy gap exist, where the endorsement of diversity can still entrench racial inequality? This paper argues that while, unlike colorblindness, diversity is color-conscious, it may still appeal to the preservation of what color is truly a proxy for: caste. This paper advances a "3D (Diversity, Dominance & Discrimination) framework" to explore how diversity rationales appeal to *implicit* motivations for group-based dominance and hierarchy thereby contributing to support for policies that preserve racial inequality. Drawing from Social Dominance Theory ("SDT"), Sociocultural theory, and Implicit Cognition is psychology, and Critical Race Theory (CRT) in law, the 3D framework presents a theory of discrimination and inequality that centers the preservation of group-based hierarchy rather than racial antipathy as a defining feature of discrimination, especially in a society characterized by predominantly egalitarian racial attitudes. Importantly, its focus on hierarchy connects the structural to the psychological by positing that inequality persists and is reproduced through an interaction of individual psychological motivations for and beliefs about group-based hierarchy that are both a product and contributor to institutionalized and cultural hierarchical practices.

From this framework, the present study extends previous research on how individuals' attitudes about and preference for hierarchy among social groups in general (their social dominance orientation ("SDO"), interacts with societal and institutional forces to produce and reproduce systems of social inequality, to develop and test an implicit measure of SDO (Pratto, et. al., 1994). SDO has been found to reliably predict a host of intergroup attitudes and behaviors— across time and cultures—demonstrating how hierarchy-maintenance figures centrally in expressions of discrimination and inequality (Sidanius & Pratto, 1999; Pratto, Liu, Levin, Sidanius, Shih, Bachrach, & Hegarty, 2000). Implicit SDO is a novel contribution that may capture and explain instances of inequality where SDO is implicitly at work among those who explicitly reject its tenets. This can help explain the persistent gap between avowed principles and actual policy support—a gap that, from a 3D standpoint, is not a bug but rather a feature of a system designed to preserve hierarchy.

In essence, people may desire diverse environments—for example, they value being in classrooms and workplaces with Black individuals—and even want to help racially non-dominant groups. But, at the same time, they still wish to retain their privileged positions. Diversity, particularly when viewed instrumentally, emphasizing its advantages to dominant racial groups and institutions rather than its intrinsic value as a remedy for racial injustice, may be uniquely suited to enable this paradox. While the commonly adopted instrumental framing casts diversity as an asset, that reliance presents a precarious basis for achieving racial equality because it implicates familiar societal patterns of group-based hierarchy by conditioning access and resource on a benefit to dominant groups. For instance, research has shown an association between the instrumental emphasis on diversity and the support for policies that fail to meet the needs of Black Americans (Hurd & Plaut, 2018) and foster prejudicial attitudes and expectancies among white students (Starck, et. al., 2021). Essentially, because of its egalitarian veneer, instrumental diversity ideology especially, may appeal to the group-based dominance motivations of a group of people unaware they even hold such motivation ("Implicit Dominants.")

The problem is that there currently exists no way of measuring how dominance may be affecting decision-making in instances where it is likely theoretically relevant, but the perpetrators are egalitarians. In these cases, it is not just how people view their own identity and

sentiments towards different identity groups that motivates behavior, but how they think and feel about the underlying power and hierarchical structure that makes identity consequential. Disentangling prejudice from a preference for hierarchy is crucial for a nuanced understanding of discrimination and the mechanisms underlying inequality especially in a society where diversity, for better or worse, is the prevailing approach to achieving racial justice and is embedded across institutions, influencing compliance and anti-discrimination across various legal and regulatory frameworks.

Ultimately, we argue that the resounding support for abstract ideals of racial justice can be accompanied by an (often unspoken) expectation that increased representation for non-dominant groups (e.g., Black people and women) does not threaten the status and position of dominant groups like Whites and men (Berrey, 2015). This impulse to maintain hierarchy undergirds policy support and decision-making that manifests in racial discrimination. This results in a gap between the consensus on egalitarian principles in the abstract and simultaneously, the patterned (and motivated) disagreement and divergence on the concrete practices through which those principles could/should be realized (Smith & Mayorga-Gallo, 1017; Bell & Hartmann, 2007; Dixon et al., 2017; Edelman et. al., 2001). Moreover, this results in the recruitment and embrace of ideologies that are simultaneously palatable to the racial logics of the time while also stabilizing racial hierarchies.

Diversity may be one such ideology that can and often is compatible with such hierarchy-maintenance beliefs. While extant research explains the persistence of this principal-policy gap primarily through the lens of race and racial antipathy, this paper centers the analysis on hierarchy/caste as a key fundamental building block and organizing principle for the institutional dynamics and individual decision-making that give rise to this gap. This research aims to explore one dimension of group-based hierarchy preservation by developing a novel implicit measure for SDO and assessing its impact on support for diversity and social policies. It seeks to understand how individuals who overtly endorse racial equality might, through their implicit group-based dominance motivations support certain policies and ideologies that contribute to the perpetuation of racial hierarchies. Furthermore, the project highlights how this mechanism of discrimination and inequality may be at odds with assumptions and theories inside the regime of anti-discrimination law.

Part I: Principle-Policy Gap & 3D Framework: Diversity, Dominance & Discrimination

The 3D framework is an analytical framework incorporating three elements, Diversity, Dominance & Discrimination, which aims at understanding and defining a contemporary expression of discrimination where decisions, practices, policies that are pro-diversity and seemingly egalitarian ultimately serve to maintain group-based dominance and hierarchies. In this section, I discuss each element, as well as their respective theoretical backgrounds, role in the diversity principle-policy gap, and relevance for ISDO.

Diversity: Diversity as Ideology & Justification

Diversity refers to difference or heterogeneity in social identity categories (Plaut, 2010). But it can also mean a host of different things. It can represent everything from an abstract ideal, a dog-whistle meaning racial minorities (and Black people in particular) (Bauman, Trawalter, & Unzueta, 2014; Plaut et. al., 2011; Unzueta & Binning, 2012), or a paradigm for creating inclusive environments (Berrey, 2015). In this way, diversity can function as discourse (Bell & Hartman, 2007; Bowman-Williams, 2022; Berrey, 2015) comprising rhetorical and symbolic gestures. It also functions as ideology, with a set of beliefs and principles about how best to think about and treat group-based differences (Plaut, 2002; Plaut, 2010; Hurd & Plaut, 2018; Berrey 2015; Mayorago-Smith 2017), which has implications for both policy and individual behavior.

Diversity as ideology refers to the set of beliefs, values, and assumptions about how best to approach, navigate, and think about group-based differences to achieve intergroup harmony and inclusion (Plaut 2002; Plaut 2010; Rattan & Ambady, 2013). Research has identified two major diversity ideologies endorsed across U.S. institutions: Those that are identity-conscious (e.g., multiculturalism), emphasizing the importance of recognizing group differences, and those that are identity-oblivious (e.g., colorblindness[3]), undergirded by the idea that group differences are best ignored (Plaut, 2010; Leslie, Bono, Kim, Beaver, 2020). People often contrast colorblindness with the color-conscious diversity paradigm for its detrimental impact on racial equity, but research has shown that both can result in similar outcomes and policy decisions that fail to advance the interests of racially non-dominant groups (Starck, et. al., 2021; Hurd & Plaut, 2018; Starck, Hurd, Perez, Marshburn, 2024; Plaut, et. al., 2018).

These ideological elements of diversity have their basis in the interplay between organizations and the law. Indeed, diversity is the organizational and legal product of a legacy of legislative pushes aimed at contending with and negotiating the creation of more racially heterogeneous social environments following a regime of racial apartheid in the United States (Edelman et al., 2001; Kelly & Dobbin, 1998; Berrey, 2015). Its roots stem from affirmative action jurisprudence and organizational programs grappling with how best to realize an emerging legal regime intended to protect and promote racial progress and the civil rights of non-dominant groups (e.g., Black people, women, etc.) (Berrey, 2015; Edelman et al., 2001; Kelly & Frank, 1998). Early organizational antecedents to diversity emphasized the anti-discriminatory and remedial imperative of racial inclusion, as well as increased representation across social, civic, and organizational life (Kelly & Dobbin, 1998). However, in response to political challenges and backlash to such remedial efforts, this focus gave way to an approach that framed discrimination as the management of people (and their differences) (Berrey, 2015; Edelman et al., 2001; Kelly & Frank, 1998; Edelman, et. al., 2001).

As a result, Diversity emerged as a paradigm focusing on the benefits institutions and dominant groups stood to gain from the inclusion of racial minorities rather than an intolerance for and remediation of societal discrimination (Kelly & Frank, 1998; Edelman et al., 2001) (Kelly & Frank, 1998; Edelman et al., 2001; Hurd & Plaut, 2018; Starck, et. al., 2024). Put it another way, the dominant racial group (i.e. Whites) began to perceive diversity in terms of the advantages representation brings. This view represents a related but distinct aspect of diversity

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[3] There has been a push to move away from this language given that blindness it is a real affliction that people suffer and equating the disease with racism is considered ableist by some (cite)

ideology, diversity rationales. Diversity rationales refer to the set of justifications for why valuing diversity is important (Starck, et. al., 2021; Georgeac & Rattan, 2022; Hurd & Plaut, 2018). The literature has examined two major rationales: moral (remedial) rationales and instrumental rationales. The instrumental rationale encompasses approaches like the "business case" for diversity in organizations, where diversity is justified as valuable because it is beneficial to the bottom line (Georgeac & Rattan, 2022; Edelman et al., 2001; Kelly & Frank, 1998) and the "diversity benefits" rationale in affirmative action jurisprudence (Hurd & Plaut, 2018). The institutional embrace of instrumental approaches can have a host of negative consequences with wide-sweeping consequences for the actualization of racial justice. Previous research has shown that instrumental rationales (which enjoy nationwide support across various sectors and industries) can lead to policy support that undermines the well-being of the intended marginalized beneficiaries (Hurd & Plaut, 2018), decreased perceptions of discrimination (Trawalter et. al., 2016; Georgeac & Rattan, 2022), and foster prejudicial attitudes and expectancies among white students (Starck et al., 2021). Thus, diversity as an ideology may function to maintain group-based inequality because, despite positive connotations, this rationale has a logic baked into it that one group-should benefit from another. This has implications for existing patterns of group-based hierarchy and dominance that the present research explores.

Dominance: Expanding Understanding of Prejudice & Social Dominance

Dominance is the fulcrum element of the 3D framework. Here it refers to the mechanisms through which power and control are maintained by dominant groups over marginalized or less powerful groups and is understood primarily through Social Dominance Theory (SDT). Our key addition to this area of study is the application of theories and practices from cognitive and cultural psychology that create a new dimension of psychological and individual-level processes—implicit social dominance orientation.

Social Dominance Theory & Orientation

SDT is a group-based theory of caste, or the arbitrary ordering and ranking of individuals in value, status, and resource allocation (Sidanius & Pratto, 1999). It specifically posits that most societies organize into group-based hierarchies, with dominant groups (i.e., those holding disproportionate shares of power, status, and resources) at the top and non-dominant groups at the bottom. The arbitrary and socially constructed nature of the group hierarchy means that the groups' arrangement is not dependent on a particular identity. Rather, socially constructed identities are a convenient marker through which to justify group dominance. The primary operative force here is not the racism (or other forms of identity-based prejudice) that emerges as a justification for dominating extraction, but rather the group-based dominance motivation itself (Sidanius & Pratto, 1999; Mills 1997; Wilkerson, 2019).

As a result, ideologies or belief systems hold and maintain these hierarchies; individual acts, institutional processes, and myths collaborate to justify group inequality and stratification. Importantly, the theory understands discrimination as a phenomenon in which ideology (like colorblindness, meritocracy, racism, and, according to the 3D framework, diversity) is the justification for behaviors that perpetuate these hierarchies. These ideologies can either be hierarchy-enhancing or hierarchy-attenuating and function both inside individuals and institutions (Sidanius, 1999; Pratto, Sidanius, Stallworth, & Malle, 1994; Sidanius, Levin, Federico, & Pratto, 2001). This is a useful explanation because it allows us to see and understand

the mechanisms of inequality even when there are no ill-intended actors. The stabilization of these hierarchies is the core endeavor and goal of myriad individual and institutional processes that do not have to be overtly hostile or violent to the subordinated groups to maintain them.

Social Dominance Orientation & Prosocial Behavior: Relevance for Egalitarians

A key variable associated with this theory is Social Dominance Orientation (SDO), which is the extent to which an individual accepts, promotes, or desires group-based dominance and hierarchy (Pratto, et. al., 1994). Decades of research have shown that people with a higher social dominance orientation oppose redistributive policies like affirmative action (Pratto, et. al., 1994) and social welfare (Pratto, Sidanius, & Levin, 2006) and also support policies and institutions that make things more hierarchical, like carceral punishments (Mitchell, & Sidanius, 1995; Ho, Forster, Kteily, & Eibach, 2015), and restrictive immigration systems (Thomsen, Green, & Sidanius, 2008). They are also hostile towards and harbor more prejudicial attitudes against non-dominant groups, like black people and immigrants (Sidanius & Pratto, 1999; Sibley, & Duckitt, 2008).

However, social dominants will support egalitarian policies, candidates, and even non-dominant groups when doing so keeps the pre-existing caste structure intact. In other words, the influence of social dominance on decision-making can coincide with seemingly pro-egalitarian behavior. For example, research has shown that people who believe in group-based hierarchy are more likely to oppose race-conscious admission policies that aim to increase the number of racial minorities in positions of power (Bobocel et al., 1998; Sidanius, Pratto & Bobo 1994). However, one study found that social dominants were less opposed these policies when they thought the policies, like an affirmative action policy, would keep racial hierarchies in place by hiring "unqualified" racial minorities who would remain at the bottom of the organizational hierarchy (Ho & Unzueta, 2015). Additionally, even though social dominants do not typically exhibit pro-social behavior towards non-dominant groups, they will engage in "dependency-oriented helping" as opposed to autonomy-oriented helping (Nadler, 2002; Halabi, Dovidio, Nadler, 2008). This is when people from dominant groups, wanting to keep their better position, help in ways that emphasize the helper's power and control over the recipient, keeping the recipient dependent which can reinforce existing group status differences. For instance, when asked, instead of explaining to an out-group member how to complete a task, a social dominant will just do the task for them (Halabi et. al., 2008). Furthermore, Social Dominants will engage diversity when doing so serves hierarchy-enhancing functions. For instance, Social Dominants will support a Black, egalitarian-oriented political candidate if the candidate's victory allows them to endorse the hierarchy-enhancing belief that racism is over (Knowles, Lowery, & Schaumberg, 2009a). Furthermore, even though Social Dominants usually do not support diversity, they will advocate for broad definitions of diversity that include nonracial (i.e., occupational) heterogeneity if it helps them defend their opposition to affirmative action policies that weaken the hierarchy (Unzeuta, Knowles, & Ho, 2012).

Taken together, this research shows that the desire for hierarchy maintenance can sometimes lead to the endorsement of seemingly hierarchy-attenuating policies but nonetheless leave social hierarchies undisturbed. Motivated to maintain the status quo, social dominants support individuals, principles, and decisions that contribute to achieving this goal. This has

relevance for egalitarians because these motivations may occur even if individuals are not explicitly or consciously aware of endorsing group-based dominance and hierarchy motivations.

For instance, as measured by the explicit self-report scale of SDO, Americans today generally express support for group-based equality. For example, in a sample of White Americans, Ho et al. (2015) observed that on a 7-point scale, the mean of SDO was 2.98, with a standard deviation of 1.19. Researchers have also found that this applies cross-culturally, with the average SDO score hovering around 2.6. This suggests that much of the variance in SDO occurs at points below the midpoint. While this may mean dominance is just a rare motivation and phenomenon it could also suggests that SDO is likely mostly capturing the Social Dominants who are willing and/or consciously able to identify their dominance beliefs. While this limited variation still nonetheless predicts of a range of policy and attitudinal outcomes, this ultimately means that we may be missing out on areas of decision-making that SDO theoretically could explain but methodologically cannot currently measure.

Implicit cognition: Towards Implicit Social Dominance Orientation

Research on SDO has yet to contend with the reality that cognitive and social psychologists have long since illuminated about human decision-making and motivation—it is not always consciously accessible. That is, human beings are not always aware of the factors influencing their social judgments and behavior. Indeed, research has shown that there are dual-systems of processing that influence such behavior (Greenwald & Banaji, 1995; Kahneman, 2011). One is controlled and conscious, the other automatic and intuitive. Implicit cognition refers to those cognitive processes that occur outside conscious awareness or control, such as associations between objects, evaluations of objects, and categorization of objects (Greenwald & Krieger, 2006). Cognitive psychologists have demonstrated that implicit stereotypes (mental associations between social groups or categories) and implicit attitudes (evaluative dispositions to like or dislike, or to act favorably or unfavorably toward someone or something) form the basis of implicit biases towards social groups. (Greenwald, McGhee, & Schwartz, 1998; Nosek, Hawkins, & Frazier, 2011; Greenwald & Krieger, 2006).

Direct measurement is possible for explicit attitudes, but indirect measurement is necessary for implicit attitudes Implicit measures evaluate constructs associated with self-report measures, predicting behavioral variation not captured by those explicit measures (Nosek, Hawkins, and Frazier, 2011). There are many implicit cognition measurement tests, the most common being the Implicit Association Test (Greenwald et al., 1998). The IAT infers the relative strengths of associations by measuring the response latencies in categorizing target concepts (such as "Black" or "White" people) with attribute categories (like "good" or "bad"). Participants quickly sort words or images that appear on a computer screen into groups that reflect the combined categories as part of the task. Specifically, participants quickly press a right-hand key representing one concept and one attribute (e.g., White and Bad), and a left-hand key press representing the remaining two categories (e.g., Black and Good). Participants then repeat the task but key assignments the pairs of categories switches (such that White and Good now share a response for example). The IAT assumes that participants can pair closely associated concepts more quickly than those less strongly associated, thereby revealing implicit preferences or beliefs.

Though some have critiqued the IAT (see Blanton et al., 2009, for critiques), a robust literature has shown that implicit measurement yields important explanatory findings (Greenwald, Banaji, Nosek, 2015). Not to mention, according to Project Implicit, implicit associations are common, with U.S. respondents on average displaying a pro-White implicit bias (Nosek et al., 2007) even after accounting for explicit biases (see Kurdi et al. for meta-analysis, 2018; cf. Oswald et al., 2013).

This scientific intervention revolutionized the way we understand human behavior, decision-making, and assumptions of rationality and intentionality that was embedded in the social sciences and law (Greenwald & Krieger, 2006). Implicit bias was a useful intervention in the study of mechanisms of discrimination because it asserted that associations between a social group (say, Black people) and stereotyped concepts (e.g., anger) need not require intentional or conscious animosity or prejudice (Bargh, 1999; Devine, 1989; Greenwald & Banaji, 1995). Despite these advances, issues with this framework remain. First, the law has been slow to incorporate these learnings, with theories of intentional discrimination being the prevailing legal threshold for establishing discrimination. Moreover, there have also been many studies highlighting the unintended and ironic consequences of over-indexing our focus on implicit bias (Onyeador et. al., 2021). For instance, highlighting the implicit bias framework can lead Whites to respond defensively (Howell et al., 2013), hold perpetrators of discrimination less accountable (Daumeyer et al., 2019; Daumeyer et al., 2020), and even express more negative explicit bias against Black people (Cooley, Lei, & Ellerkamp, 2018).

Drawing from these theories and lessons, we argue there may be a dual processing that occurs with respect to social dominance orientation that matters for decision-making. Furthermore, we extend understanding of discrimination to suggest that antipathy or prejudice, even covert, is not necessary for the expression of racial discrimination among egalitarians. Thus, the present research utilizes the IAT to develop an implicit measure of social dominance orientation (ISDO) to explore the subconscious endorsement of hierarchical relations between social groups that may underpin attitudes and behaviors that uphold systemic inequality.

Implicit Social Dominance: Psychologically Merging the individual and the structural

Implicit social dominance seeks to measure the automatic or unconscious preference for group-based hierarchy and group-based dominance. Unlike explicit social dominance orientation, ISDO is a psychological process operating below the level of consciousness to influence perceptions and behaviors in ways that maintain group-based hierarchy. that, while SDO is reliably and highly predictive of attitudinal and behavioral outcomes (Pratto, et. al., 1994; Ho, et. al., 2015) its form may not allow it to assess fully measure people who are unwilling or unable to answer these questions but still be motivated by group-based dominance, like egalitarians. For instance, the most recent version of SDO is measured using a 16-item self-report questionnaire that asks participants to rate their support for statements like "Some groups of people are simply inferior to other groups" and "Groups at the bottom are just as deserving as groups at the top" on a scale from 1 to 7 (Ho, et. al., 2015). The measure is split into several sub-sections testing underlying constructs of support for dominance, egalitarianism, and hierarchy. Someone who generally rates the egalitarian-coded items like "Groups at the bottom are just as deserving as groups at the top" a "7" and the dominance-coded items like "Some groups of

people are simply inferior to other groups" a "1" would be labeled an Egalitarian low in social dominance. However, there may be a host of reasons why an Egalitarian as measured by the SDO measure would harbor dominance motivations that the scale did not capture, including due to social desirability concerns or implicit cognition limitations.

Thus, ISDO is an indirect measure of attitudes and associations that focuses on hierarchy rather than identity. ISDO measures individual (and unconsciously or automatic) preference for hierarchy and thus connects the individual to the maintenance of institutionalized structures and hierarchy in ways that highlight psychological mechanisms, but not the familiar ones of covert discrimination or implicit bias. Thus, it is designed to be generalizable across many different dimensions of inequality because it captures affinity for group-based inequality.

Discrimination: From Prejudice to Preservation

Discrimination is a key element of the 3D framework representing a theory of inequality that challenges prevailing legal and lay assumptions about how inequality comes to be. Prevailing theories of discrimination emanate from anti-discrimination law, a set of statutory laws and established methods of addressing disputes and claims of prejudicial treatment and impact based on legally impermissible classes (Eyer, 2021). The theory of discrimination that enjoys the most use is defined, from a legal perspective, primarily in terms of intentionality, narrowing the scope of what constitutes discrimination or disparate treatment to only those things that individual nefarious and purposeful actors do (Eyer, 2021). This restricts how much of the decisions, processes, and people in our world can be held accountable or intervened upon to minimize group inequality. This conception of discrimination departs from how sociological and psychological science says discrimination operates, especially considering changing social contexts.

Theories that take a more structurally aware and psychologically grounded perspective on discrimination challenge this legal conception and serve as a launching-off point for the 3D conception of discrimination. Specifically, structural racism theories from critical race theory and implicit cognition theories from cognitive psychology are implicated to form a theory of discrimination that centers the preservation of group-based dominance rather than intentional racial prejudice as the key foundational mechanism.

Structural Theories

Critical Race Theory (CRT) emerged in the 1980s as a race-conscious intervention developed by activists and legal scholars seeking to understand and critique the dominant frames of civil rights within the law, especially those that cast discrimination as only those acts from intentional bad actors (Delgado & Stefancic, 2001; Delgado, 1995; Crenshaw, 2011). The prevailing frames within law and legal scholarship recognized the best approaches to doctrine as those that were colorblind and rooted in theories of the rationality of man and neutrality of law (Gomez, 2012; Salter & Haugen, 2017). That perspective siloed the impact and influence of race and power, effectively characterizing racial discrimination as an unfortunate byproduct of irrational, racially biased individuals. Eschewing understandings of law as objective, colorblind, and neutral, CRT asserted that racial biases embedded in the day-to-day operation of every institutional space, especially the law (Delgado, & Stefancic, 2001; Crenshaw, 2011; Salter & Haugen, 2017). Importantly, CRT understands discrimination as systemic and structural, rather than merely individual acts of prejudice (Delgado, & Stefancic, 2001; Crenshaw, 2011). It sees

discrimination as embedded in the law, policies, and practices of institutions, which perpetuate racial inequalities and injustices (Delgado, 1995; Harris, 1993). According to CRT, discrimination does not have to occur as part of extraordinary instances of antipathy but is maintained through subtle, insidious, and ordinary aspects of institutional decision-making, ideology, and inertia (Roithmayr, 2014). This produced decades of research demonstrating how structural policies, institutional inertia, and the law all contribute to and maintain racial inequality.

For instance, in his seminal work, Derrick Bell introduced the interest-convergence theory, which posits that racial advances for black Americans occur when they converge with the interests of white elites. He argued that the landmark *Brown v. Board of Education* decision, which declared racial segregation in public schools unconstitutional, was largely influenced by the Cold War context and the need to improve America's image abroad rather than a genuine commitment to racial equality. This showed how legal decisions, even those appearing to advance racial equality, can be driven by white self-interest rather than a true commitment to justice (Bell, 1980). Additionally, Daria Roithmayr explores how racial advantages conferred by things like networks of social and professional care or redlining and discriminatory lending are "locked in" and accumulate over time, such that individual actors need not do much for racial inequality to persist (Roithmayr, 2014).

Psychological Theories

Psychological theories also illuminate how the theory of intentionality in legal definitions of discrimination is incompatible with much of the science on human decision-making (Selmi, 2006; Krieger & Fiske, 2006; Greenwald & Krieger, 2006; Kang et al., 2012). Social psychological research challenges narrow conceptions of discrimination that require proof of deliberate, differential treatment motivated by racial animus that the actor intentionally and consciously designs to produce negative outcomes (Krieger, 1995; Greenwald & Krieger, 2006). Numerous studies have documented that discrimination can occur without conscious awareness, even by people who endorse and believe themselves to be egalitarian and unprejudiced (Levinson, Young, & Rudman, 2012; Dovidio & Gaertner, 2004). While still embedded in the individual, this perspective recognizes discrimination as more insidious than overtly racist comments or behaviors. Under this perspective, discrimination is a byproduct of natural and even adaptive cognitive processes being hijacked by societal biases (Krieger, 1995).

Both theories are useful for challenging incomplete notions of discrimination. In fact, there has been some integration of implicit bias learnings in CRT articulations of racism and discrimination. For instance, Charles Lawrence, when challenging the intent requirement of U.S. antidiscrimination law, integrated learnings about unconscious cognitive processes with structural and cultural theories. He argued that individuals unconsciously absorb the racist attitudes and stereotypes of the culture in which they are embedded, influencing their behavior in subtle but insidious ways. He further states that many actions have clear cultural meanings, and law's rejection of their racist cultural meaning contributes to the persistence of racism in society. (Lawrence, 1987). Some CRT theorists maintain that these theories can still nonetheless deflect away from analyzing structural racial oppression, thereby limiting our understanding of what is truly required to remedy discrimination—deep structural change, For example, Delgado, acknowledging the importance of addressing unconscious racism, critiqued Lawrence's approach for potentially diverting attention from more structural and systemic forms of racism, arguing

that focusing too much on unconscious bias can lead to solutions that are limited to individual psychological interventions rather than broader systemic changes (Delgado, 2000). CRT shifts the emphasis and discovery of racial bias from "inside one's mind" to the broader sociocultural context where it is understood as "the reproduction, maintenance, and internalization of preexisting, historically derived systemic racial dynamics, regardless of individual-level racial animus" (Salter & Haugen, 2017).

The 3D framework takes insights from these theories, along with social dominance, to enrich our understanding of discrimination even further. In the 3D framework, discrimination is not merely the result of bad actors acting irrationally or with racial bias (though it does exist), nor the product of implicit racial biases (though these exist too), but can occur even without overt identity-salient indicators because the 3D framework centers its understanding of discrimination on what identities like race are a proxy for: hierarchy or caste (Wilkerson, 2019; Sidanius & Pratto, 1999).

Discrimination As a Sociocultural Model
With the introduction of implicit social dominance, the 3D framework marries social cultural theories of mutual constitution with social dominance theories of discrimination to create a Sociocultural model for discrimination. The model posits that discrimination is best understood as the result of psychological imperatives, even implicit, that interact with and are informed by sociocultural realities. Furthermore, it posits that individual psychological, structural, and cultural elements of this sociocultural reality are embedded with dominance and hierarchy relevant ideologies, products, practices, relics, and logics that work in concert to maintain group-based inequality.

Previous work has argued that diversity, and how it is understood, influenced, and enacted, cannot be fully understood without considering the sociocultural context in which it exists, including the historical, social, and cultural factors that influence attitudes toward diversity and inclusion (Plaut, 2010). Here, the sociocultural context refers to the combination of social and cultural factors that surround and influence an individual's life. This includes the norms, values, beliefs, practices, and institutions that shape a person's experiences and interactions. It encompasses elements such as family structures, educational systems, religious beliefs, language, traditions, and social hierarchies, all of which contribute to the way individuals perceive and engage with the world (Markus & Hammedani, 2007; Markus & Kitayama, 2010). Plaut underscores the mutual constitution of individuals and their cultural environments, where individuals both shape and are shaped by their sociocultural contexts to highlight that sociocultural factors affect how individuals perceive and respond to diversity, with cultural norms and values influencing how diversity is seen perceived and shaping organizational practices and ultimately impact individual experiences, which in turn impact diversity beliefs and conceptions.

The present research uses this model as a foundation upon which to understand how dominance and diversity operate in concert. According to the sociocultural model of dominance, preservation of hierarchy is something that shows up in the interaction between the individual and environment where individual conceptions of and psychological processes surrounding hierarchy (like SDO) influence institutional practices and products (e.g., norms, policies, laws,

tools), operations and products of social institutions (e.g., law, media, legal tools, legal ideas and fictions), daily interactions with others and institutional products. The model further theorizes that these processes that socialize and normalize prevailing beliefs and ideologies about how best to arrange groups and resources such that logics of hierarchy and dominance are embedded and mutually reinforce throughout the institutional and cultural dimensions to perpetuate inequality and maintain group-based hierarchy (see Figure 1). The model centers the preservation of group-based hierarchy, as opposed to racial (or other identity-based) animosity, to understand how all facets of sociocultural reality, such as individual-level factors like psychological processes and structures, institutional practices, and cultural messages, mutually constitute one another operating and imbued with dominance-hierarchy relevant and enhancing capabilities and logics. In other words, the way individuals perceive hierarchy, the way they engage with it, and the discourse surrounding it are all influenced by it. Individual minds and motivations not only reflect implicit investment in hierarchy, but also reinforces it over time through mutual constitution, ensuring that aspects of the sociocultural environment, even those that may seem egalitarian can maintain group-based inequality.

The present research uses this model as impetus to develop a measure of *implicit* social dominance, merging individual psychology with structural accounting to explore how group-based inequality occurs, even among egalitarians.

Part II: Empirical Evidence of Implicit Social Dominance & Principle-Policy Gap

To explore the role of dominance motivations in explaining the diversity principle-policy gap and racial inequality, this research develops and validates a novel measure that taps into the implicit dimension of social dominance orientation (ISDO). We assess its impact on support for diversity and social policies. Across two studies we investigate the relationship between ISDO and SDO and explore how ISDO influences the decision-making and attitudinal differences of egalitarians (as measured by the SDO measure). In so doing we create four "Dominance Profiles" creating two groups of Egalitarians (Implicit Dominants & True Egalitarians) that serve as the main comparative groups. Study 1 establishes the relationship between ISDO and SDO validating that ISDO is tapping into similar constructs of dominance and egalitarianism as the explicit measure by examining ISDOs relationship to policy support. Study 2 replicates study 1 and explores ISDO's relationship to more criterion validity variables such as colorblindness, racial attitudes, and diversity rationale endorsement. Furthermore, Study 2 explores the mediating effect of instrumental rationales and the relationship between Dominance Profiles and policy support.

Dominance Profiles

The introduction of an implicit dimension of SDO allows for a typology of dominance yielding four dominance profiles, two for egalitarians and two for social dominants (see Figure 2). We approach the study and analysis of ISDO primarily through these four dominance profiles for a couple theoretical reasons. The profiles allow for a more robust differentiation of egalitarians who are the primary population of interest. Core to the argument of this paper is that

13

egalitarians, those who explicitly denounce group-based dominance and endorse racial inclusion, are drivers of racial inequality in part because of their *implicit* dominance motivations. Social Dominance Orientation is a powerful and robust measure. As such we anticipate analyses will produce main effects—Egalitarians (those low in SDO) and Social Dominants (those high in SDO) will differ. However, we posit there is variation inside of Egalitarians that is consequential for the principle-policy gap that SDO does not capture. Thus, we use profiles to demonstrate implicit social dominance's relevance for the diversity principle-policy gap, to better cognize Egalitarians as this is where we argue the sensitivity of the measure is most realized. Thus, the profile approach allows for the places where my theory anticipates the largest effects of ISDO (in egalitarians) to be visible.

Additionally, this theoretical understanding means that we do not understand ISDO and SDO as wholly orthogonal measures, meaning some variance is shared between the two measures. This would indicate that they are capturing some overlapping aspects of the same underlying phenomenon. While this is normally a limitation for scientific inquiry, it is critical our theoretical argument – ISDO captures a similar underlying concept as SDO but does so within a population that normal SDO measurement might wash out because they would be identified as egalitarians. Further, we recognize that the creation of ISDO means that that there may be people who are Social Dominants (high in SDO) but also low in *implicit* SDO. Though they are not the focus of our analyses or argument, and we believe the ISDO measure may not be strong enough to pick up on differences that SDO can for this group, there may be instances where it does. As a result, we investigate our hypotheses and questions partly through these four profiles and anticipate they have slightly different characteristics that become relevant when examining social dominance along two dimensions.
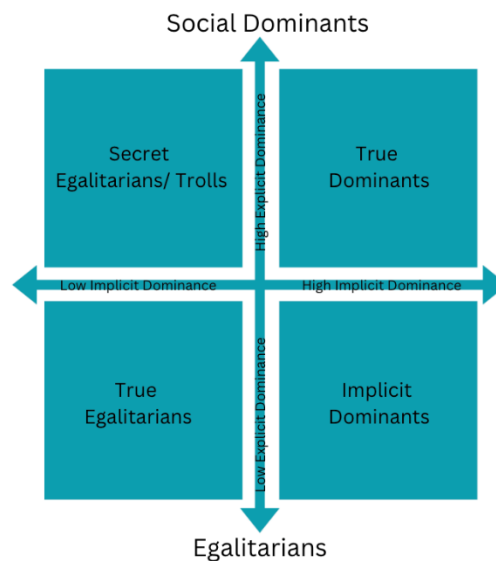
Figure 2 (Paper 1, Study 1): Dominance Profiles derived from adding implicit and explicit dimensions of social dominance orientation (SDO)

True Dominants

These are people high in both explicit dominance and high in implicit dominance. This means, they say that they endorse group-based dominance and implicitly do so as well. True Dominants have characteristics typical of people high in SDO in that they endorse all group-based dominance and support hierarchy-enhancing policies, ideologies, and behaviors (Pratto et. al., 1994). Specifically, they are likely defined by greater conservatism, more prejudicial attitudes towards out-groups, more likely to be of the dominant racial and sex class, and hostility to diversity (Pratto et. al., 1994; Sidanius, Pratto, van Laar, & Levin, 2004; Levin, Sidanius, Rabinowitz, & Federico, 1998)

True Egalitarians

Conversely, True Egalitarians are people low in explicit dominance and low in implicit dominance. This means, they say that they are opposed group-based dominance and implicitly do so as well. True Egalitarians have characteristics typical of people low in SDO in that they do not endorse any dimension of group-based dominance and support hierarchy-attenuating policies, ideologies, and behaviors (Pratto, et. al., 1994). Accordingly, their profile will be characterized by increased liberalism, more positive racial attitudes, support for diversity, and higher likelihood of being female. (Pratto et. al., 1994; Sidanius, Pratto, van Laar, & Levin, 2004; Levin, Sidanius, Rabinowitz, & Federico, 1998).

Implicit Dominants

These are individuals who rate low in explicit dominance but high in implicit dominance. This means, they say that they are opposed group-based dominance but implicitly support it. Implicit Dominants will have characteristics like both True Egalitarians and True Dominants. Explicit SDO is a powerful predictor of attitudes and behavior, and Implicit Dominants explicit dominance orientation is low. This will matter for their attitudinal and ideological preferences such that Implicit Dominants will align with True Egalitarians on many things. Specifically, they will likely have egalitarian characteristics such as increased liberalism, more positive racial attitudes, support for diversity, and higher likelihood of being female. However, their *implicitly high* social dominance orientation will mean that some characteristics of their profile will include an affinity for hierarchy-enhancing ideologies like colorblindness, for instance.

Ultimately, the profile of Implicit dominants will be nuanced in part because it can simultaneously capture two different types of psychological profiles. First, it can capture someone whose implicit dominance (implicit affinity for group-based hierarchy and group-based dominance) is unconsciously held and not consciously accessible to them. This group of people may genuinely not be aware of their motivations given the automaticity of associations that happens inside cognition (Greenwald & Banaji, 1995; Bargh, & Chartrand, 1999) Second, it may capture people who explicitly reject group-based hierarchy but mostly because it is not socially desirable to endorse it. This may mean that they are not willing to answer the explicit measure in accordance with their views. It may also mean their egalitarianism comes from more situational pressures rather than deeply held beliefs which has implications for behavior and decision-making. For instance, work on External vs. Internal Motivation to Avoid Prejudice, or the source of motivations to control prejudiced responses, indicated that whether someone is externally motivated (driven by social norms and the desire to avoid negative judgments or sanctions) versus internally motivated (driven by personal standards and values) influences policy-support,

hiring decisions, and social interactions (Plant & Devine, 1998). The same may be true regarding group-based dominance where people may not endorse it for fear of social disapproval of being perceived as bigoted. Essentially inside of the implicit dominance profile are a set of people who still harbor affinities for implicit dominance either because they genuinely cognitively believe themselves to be egalitarian and cannot consciously access their dominance motivations or because of unwillingness to state how they truly feel. Both would contribute to attitudes and behaviors that align with social dominance in certain contexts despite being held by explicit egalitarians.

Secret Egalitarians

Secret egalitarians are individuals who score high on explicit dominance measures but low on implicit dominance measures. Because explicit SDO is a powerful predictor of attitudes and behavior and Secret Egalitarians explicit dominance orientation is high, they will likely have characteristics more similar to True Dominants but not as extreme. Their low implicit social dominance orientation will likely mean they behave like Egalitarians in some contexts, however. Additionally, like the implicit dominance profile, these individuals can emerge from two major forms. Some may engage in behaviors similar to internet trolls, enjoying the role of "devil's advocate" or instigating debate and thus explicitly endorsing less socially undesirable beliefs like explicit group-based dominance. Another underlying form of Secret Egalitarian may come from individuals who have group-based allegiances that do not align with their core beliefs. For instance, individuals might be influenced by religious or political affiliations, where adherence to certain dominant ideologies is seen as necessary for group acceptance.

Social Identity Theory (SIT) suggests that group identification and the desire for positive group distinctiveness can significantly shape individuals' attitudes and behaviors. Secret egalitarians may feel a sense of belonging threat, fearing ostracism from their group if they do not endorse dominant ideologies. This belonging threat can compel individuals to outwardly support group-based hierarchies and dominance to maintain group membership and avoid social exclusion (Tajfel & Turner, 1979; Hogg & Abrams, 1988).

In the current polarized political climate (Pew Research Center, 2022), media and cultural narratives often emphasize maintaining party lines and group solidarity. This pressure can lead individuals to endorse dominant positions, not necessarily because they personally believe in them, but because they feel it is required to be seen as a "good" member of their group. For example, conservatives may explicitly support dominance-related ideologies because they believe it aligns with conservative identity, even if they do not implicitly endorse such views. This dissonance may or may not be consciously known to them.

Of particular interest to my theoretical framework are the differences between True Egalitarians and Implicit Dominants. This is because these two sets of Dominance Profiles represent the people who have explicitly said they disavow the tenants of social dominance. Differences between these two groups would indicate that ISDO is tapping into group-based dominance motivations among a group of people that the explicit measure classified as not having such an orientation.

Implicit Social Dominance Orientation (ISDO) Development

The IAT measures the strength of associations between concepts and traits. It has participants rapidly categorize concepts in the form of words or images (e.g., Dominance) with attributes (e.g., Good, Bad). In developing the Implicit SDO measure (ISDO) I applied this framework to the development of stimuli used as part of an IAT. The IAT uses words and/or images as part of the stimuli used in the task. In developing ISDO we pre-tested both words and images. First, we endeavored to establish stimuli that captured the latent concepts in SDO (i.e., dominance and egalitarianism). To do this, we compiled words from the literature and the explicit SDO scale (Ho, et. al., 2015) related to three latent concepts in the measure: hierarchy, dominance, and egalitarianism. In the first round of pre-tests, participants (n = 200) viewed each word, provided 3 synonyms and drew a picture depicting the anchor word. Two research assistants (RAs) then converted participant pictures to standardized sizes and colors. Words and pictures with the highest frequencies were then used as part of another series of pilots (one for each anchor word sampling over 400 people total) that asked participants to rate (on a scale from 1 to 5) how well the word (or picture) represented either dominance defined as "some groups having power and influence over other groups in society," egalitarianism defined as "groups deserving to be treated equal," and hierarchy "groups being arranged at different levels in society. All pictures and words rated 4 or higher for each construct were programmed into the final ISDO. This resulted in a bank of words and pictures on which to test representativeness of the latent constructs. All synonyms with a frequency greater than 3 were included in a pilot testing how well the words represented one of three latent concepts: hierarchy, dominance, and egalitarianism. Additionally, because there exists debate in the literature regarding whether SDO measures individual-based dominance or group-based dominance we varied the pictures to depict groupness. In other words, roughly half of the pictures contained depictures of *individual* dominance while the other half depicted *group* dominance. We conducted a pre-test that revealed no significant difference between depictions of dominance among individuals versus groups with a slight trend towards depictions of groups. We conducted the present two studies using the ISDO programmed with words (as opposed to pictures).

Study One

Study one aimed to test the validity of ISDO as a measure by examining its relationship to explicit the explicit measure of SDO and policy support. For instance, research has shown that SDO is negatively correlated with support for redistributive policies like affirmative action, welfare, and immigration policies (Sidanius & Pratto, 1999; Pratto, et. al., 1994; Pratto, Sidanius, & Levin, 2006; Thomsen, Green, & Sidanius, 2008) and positively correlated with support for the death penalty and law & order policies (Sidanius, Liu, Shaw, & Pratto, 1994). Therefore, in **Study 1**, I hypothesize the following:

H1: The explicit Social Dominance Orientation (SDO) measure will show a moderate correlation with the Implicit Social Dominance Orientation (ISDO) measure. This correlation will help validate ISDO as a significant yet distinct measure of social dominance tendencies.

H2: The ISDO will correlate with policy ratings in a direction similar to the SDO. Specifically, for policies where SDO is negatively correlated, ISDO will also show a negative correlation,

although potentially to a lesser degree. This hypothesis aims to explore the extent to which implicit social dominance is associated with policy attitudes.

H3: There will be no significant difference between True Egalitarians and Implicit Dominants in their abstract support for racial diversity. However, for racial justice policies, Implicit Dominants will support redistributive racial justice policies significantly less than True Egalitarians. This suggests that among individuals who explicitly disavow social dominance, those who implicitly endorse it will support racial justice policies less than those with low implicit social dominance. The main policies for which this effect is expected to manifest are Affirmative Action, Defunding the Police, Welfare Policies, and Reparation Policies.

Participants & Procedure

Participants. Participants were drawn from an online sample of adults in the U.S. on Prolific (an online research platform). We recruited 250 participants. After removing participants who failed attention checks, tested positive as bots, or received an error rate of less than 80% on the ISDO measure we were left with a total of 219 participants, with 128 of them self-identifying as White. The sample was roughly balanced in terms of gender, comprised of 109 females and 105 males. Most participants had some college or post-high school educational experience. The median response for household income was $60,000-$79,000. The sample tended to skew towards the democratic party with a most of the sample identifying as politically left to moderate. In terms of age, the mean of the sample was 39 years.

Procedure. Participants were invited to participate in a 10-minute online survey. They first completed the ISDO measure. Participants then rated each policy, completed the SDO self-report scale, and answered demographic questions.

Measures

Implicit Social Dominance (ISDO).
The Implicit Association Task measures the strength of associations between concepts and traits. The present research adapted the IAT to create an ISDO task testing the strength of association between two concepts based off the latent constructs in the explicit Social Dominance Orientation measure (i.e., Dominance & Egalitarianism) and two attributes, Good and Bad. As part of the task, participants rapidly categorized words pairings according to concepts (i.e., Dominance and Egalitarianism) and attributes (e.g., Good, Bad) (see Figure 32 in Appendix for visual). The measure produces a score based on the time latencies of responses to these categorization tasks. This score is interpreted with the assumption that participants respond more rapidly when they more strongly associate a concept and attribute that was mapped onto the same response key.

Social Dominance Orientation (SDO)

Social Dominance Orientation (SDO) is a 16-item scale measuring one's preference for group-based hierarchy and dominance in which agreement with each statement is measured on a 7-point Likert scale (1= Strongly disagree to 7 = Strongly disagree) (Ho et. al., 2015). Sample items included "We should do what we can to equalize conditions for different groups," (SDO-E, reverse coded) and "Some groups of people are simply inferior to other groups" (SDO-D). Higher numbers on the scale represent a higher level of social dominance.

Policies

The study included 15 policy issue areas. The list of policies included social and redistributive policies, adapted from the literature that are reliably correlated with SDO including, for example, abortion, same-sex marriage, affirmative action, and welfare. Participants rated support for each policy issue on a scale from 0 to 100 where 0 represented completely negative and 100 completely positive (see Figure 21 in Appendix for full list).

Results

Dominance Profile Demographics. Most of the sample were True Egalitarians (n = 106), with the second largest group being Secret Egalitarians (n = 56), followed by True Dominants (n = 37) and Implicit Dominants (n = 20). Several important demographic differences arose between dominance profile. First, most of the Implicit Dominants in study 1 were Black people (n = 11, 55%) as compared to the number of Black people who were True Egalitarians (n = 10, 9%). For every other dominance profile White people comprised the modal racial group, except for Implicit Dominants (see Figure 3). In fact, of all racial groups, Black people were the only one to have nearly equal amounts of people who were high vs. low in ISDO (see Figure 4). Additionally, dominance profiles were different politically as well. True Dominants were the most politically conservative on average ($M = 4.40$) with the greatest proportion of conservatives (see Figure 5). They were not significantly more conservative than their SDO counterparts, Secret egalitarians ($M = 3.96$). However, True Dominants were significantly more conservative on average than True Egalitarians (mean difference = -1.76, 95% CI: -2.5042, -1.0236, $p <$ .0001) or Implicit Dominants (mean difference = -1.25, 95% CI: 0.1794, 2.3314, $p <$ .05). Importantly, True Egalitarians ($M=2.64$) and Implicit Dominants ($M = 3.15$) did not significantly differ in their political orientation on average (see Figure 6). These results suggest that both egalitarian groups were politically similar to one another and dissimilar to the social dominants, as predicted.
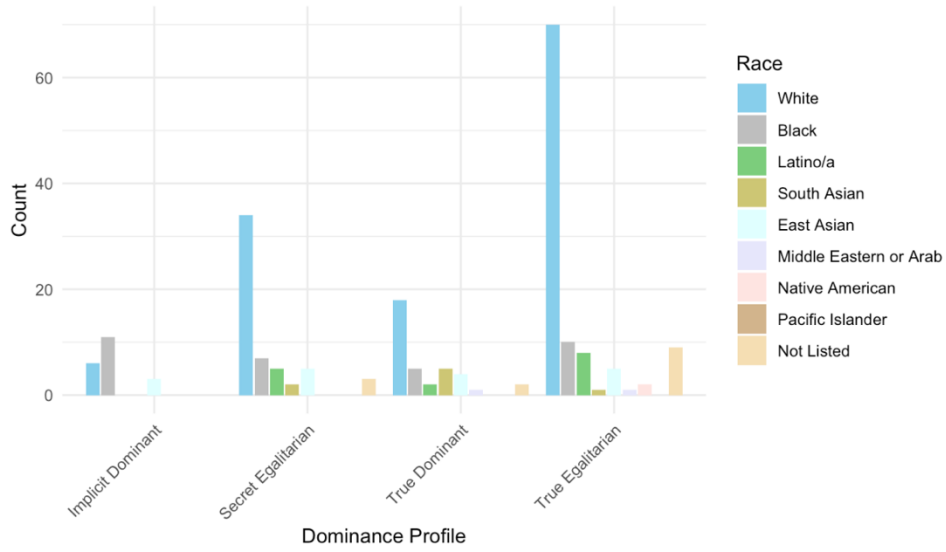
Figure 3 (Paper 1, Study 1) Graph of Race Demographics for Dominance Profiles
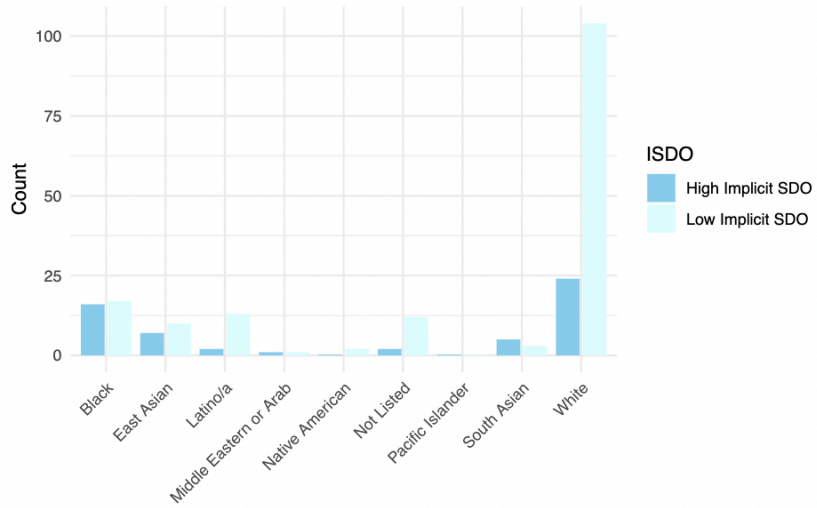
Figure 4 (Paper 1, Study 1) Graph showing race demographics of ISDO
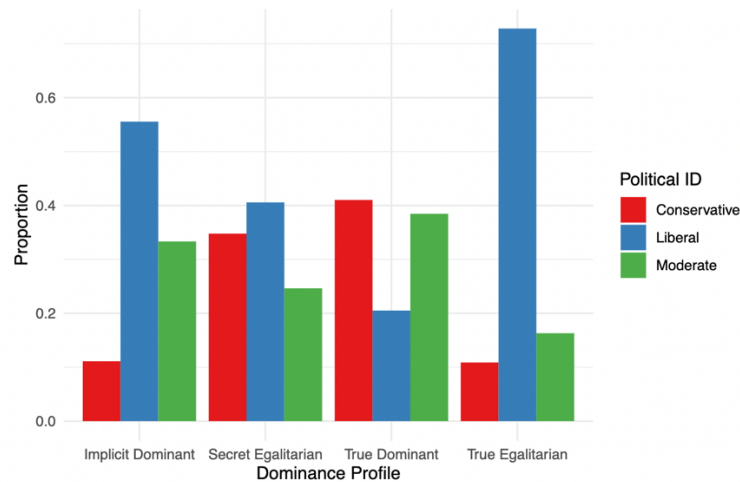
Figure 5 Relative Proportions of Political Identification for each Dominance Profile

Table 1 (Paper 1, Study 1) Average Political Orientation of Each Dominance Profile

Dominance Profile	Political Identification Mean
Implicit Dominant	3.11
True Egalitarian	2.52
Secret Egalitarian	3.85
True Dominant	4.35

Correlations. As hypothesized, ISDO was moderately correlated with SDO ($r = .30$, $p < .001$). Additionally, consistent with decades of research, SDO was negatively correlated with redistributive policies like welfare ($r = -.56$, $p < .001$), affirmative action ($r = -.35$, $p < .001$), reparations ($r = -.34$, $p < .001$), and immigration ($r = -0.53^{****}$). Importantly, the directional relationship between ISDO and policy support mirrored the explicit measure. For instance, ISDO was also negatively correlated with redistributive policies like welfare ($r = -.25$, $p < .001$), immigration ($r = -.20$, $p < .01$), and affirmative action ($r = -.18$, $p < .001$) (see Table 2).

Table 2 (Paper 1, Study 1) ISDO x SDO policy correlation table for all participants

	1	2	3
1. ISDO	---		
2. SDO	0.30****	---	
3. PoliticalID[a]	0.23***	0.54****	---
4. Abortion	-0.19**	-0.29****	-0.45****
5. Welfare	-0.25**	-0.56****	-0.50****
6. Taxes	-0.11	-0.23***	-0.32****
7. Reparation	-0.07	-0.34****	-0.47****
8. Immigration	-0.20**	-0.53****	-0.51****
9. Limited Gov't	0.03	-0.10	0.28****
10. Military Funding	0.08	-0.15*	0.41****

11. Same-Sex Marriage	-0.25***	-0.38****	-0.46****
12. Privacy	-0.19**	-0.36****	-0.19**
13. Clean Energy	-0.20**	-0.55****	-0.50****
14. Free Speech	-0.21**	-0.23***	-0.04
15. Gun Ownership	0.13	-0.27****	0.48****
16. Religious Freedom	-0.04	-0.09	0.12
17. Affirmative Action	-0.20**	-0.35****	-0.44****
18. Defunding Police	-0.18**	-0.38****	-0.55****

Note: *p < .05; **p < .01; ***p < .001.; p < .0001
a Measure of political orientation from 1 (extremely liberal) – 7 (extremely conservative)

Policy Comparisons. Unequal and small sample sizes and unequal variance among profile make conclusive interpretations of regression analysis tenuous. However, we observed interesting trends in the raw policy support means across dominance profiles.

Table 3 (Paper 1, Study 1) Table of policy means by dominance profile

Policy	Implicit Dominant	Secret Egalitarian	True Dominant	True Egalitarian
Abortion	52.20	46.53	47.62	67.72
Welfare	72.70	57.76	45.78	80.68
Taxes	42.50	32.42	27.91	42.70
Reparation	56.70	40.76	36.21	50.36
Immigration	62.75	42.48	35.13	66.55
Limited Gov't	49.75	49.12	54.00	49.53
Military Funding	54.60	49.75	51.40	45.24
Same-Sex Marriage	62.55	55.55	47.27	78.58
Privacy	81.60	67.96	62.40	85.47
Clean Energy	84.50	63.55	49.00	86.22
Free Speech	83.75	76.82	71.24	87.48
Gun Ownership	38.60	46.66	59.51	41.66
Religious Freedom	83.70	79.62	75.94	83.33
Affirmative Action	55.05	47.41	39.37	61.86
Defunding Police	45.90	32.46	23.35	47.66

The key comparison in the present research is between True Egalitarians and Implicit Dominants (both groups that are explicitly egalitarian). The policies with the greatest distance between those two groups are Abortion (*mean difference*: -15.52), Same-Sex Marriage (*mean difference*: -16.03) and to a lesser extent Welfare (*mean difference*: -7.98), and Affirmative Action (*mean difference*: -6.81), and Military Funding (*mean difference*: -9.36) (see Table 3). Additionally, support for Reparations was slightly higher among Implicit Dominants (*M = 56.70*) than True Egalitarians (*M= 50.36*) (see Figure 6). This may be, in part, because most of the Implicit Dominants in the sample were Black (*n* =10). Affirmative Action and Reparation polices are often associated with benefitting Black people and Black people tend to support them (Harrison, Kravitz, Mayer, Leslie, & Lev-Arey, 2006; Crosby, Iyer, & Sincharoen, 2006). While none of these differences were tested for statistical significance, they probe interesting questions about the role of ISDO for Egalitarians' policy attitudes which is further explored in study two.

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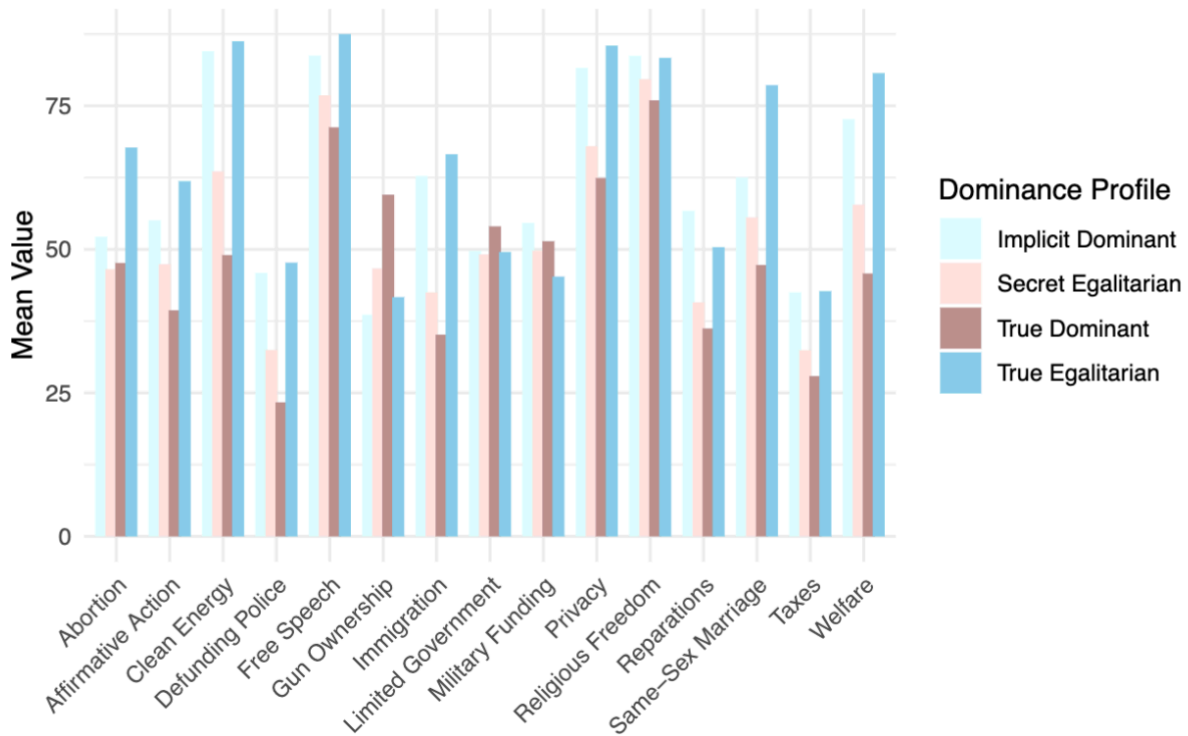
Figure 6 (Paper 1, Study 1) Policy means by Dominance Profile

Discussion

This study provides some preliminary evidence that ISDO taps into similar constructs as the explicit SDO measure as evidenced by the comparison of correlational scores. There are several limitations to the study, however. First, the sample size did not allow for a substantial portion of Implicit Dominants to conduct more robust regression analyses. Furthermore, among the Implicit Dominants, most were Black. While this is certainly not a limitation but rather an interesting finding[4], their overrepresentation as a race in the Implicit Dominant profile raises questions and potential confounds that influenced the policy ratings. Also, the policies themselves were presented as single words that may have led to some ambivalent responses. For instance, while Reparations is often understood as related to Black Americans, it is unclear if that is the imagined recipient in the heads of the participants. Relatedly, Immigration as a concept says nothing about the *treatment* of the policy in terms of restricting or expanding Immigration which may lead to different interpretations of what this policy means for participants. Additionally, the scale of the policies (0 – 100) does not lend itself to capturing the full extent of opposition to a policy. This means that a zero rating may indicate ambivalence or complete disagreement. Disentangling these issues is crucial for establishing the validity of ISDO as an important and potentially moderating dimension of SDO.

Finally, more variables are needed to assess the validity of ISDO. SDO has been shown to correlate with colorblindness (Neville, Lilly, Duran, Lee, & Browne, 2000), predict negative

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[4] This finding is aligned with research that indicates Black Americans, while politically democratic and valuing equality, may still be conservative on social issues (Jefferson, 2023).

attitudes towards racial groups (Pratto, Sidanius, Stallworth, & Malle, 1994), and hostility towards diversity and multiculturalism (Levin & Sidanius, 1999; Sidanius, et. al., 2006). Establishing ISDO as a related but differentiating aspect of SDO will require demonstrating its relationship to these other variables as well.

Study Two

Study one provided preliminary support that ISDO is measuring similar constructs as the SDO measure. Study two aims to replicate the findings and further establish criterion validity of ISDO by measuring its relationship to theoretically related constructs and measures like colorblindness, racial attitudes, and diversity rationale endorsement. Ultimately, study 2 aims to demonstrate ISDO's relevance for explaining the gap between egalitarian racial attitudes and diversity endorsement and policy support. Specifically, it seeks to demonstrate that while ISDO measures similar constructs it can do so in a population that the explicit measure would classify differently. Study two also aims to improve upon methodological shortcomings in study one. Study two does this by clarifying the aims of the policies and their intended beneficiaries, incorporating more policies explicitly related to diversity, and changed the policy rating scale to capture opposition to policies more robustly.

Finally, study two also explores how ideology (in the form of both instrumental diversity rationales and colorblindness) can mediate the relationship between Dominance Profiles and policy support. We hypothesize that although Implicit Dominants and True Egalitarians will show similar levels of support for racial diversity and positivity towards Black people in the abstract as compared to True Dominants and Secret Egalitarians, Implicit dominants will depart from True Egalitarians in their support of redistributive policies, especially those that endorse instrumental diversity ideologies. Therefore **Study 2** hypotheses include

H1: A replication of Study 1 results is anticipated, reinforcing the findings of the initial investigation.

H2: No significant difference between True Egalitarians and Implicit Dominants is expected in their support for racial diversity in the abstract or their racial attitudes toward Black people. This is aligned with the theoretical framework advanced herein, positing that racial antipathy and bias may not be necessary for racial discrimination to occur.

H3: Egalitarians, as measured by explicit SDO (including both True Egalitarians and Implicit Dominants), will support racial redistributive and remedial policies, and social issue policies more than Social Dominants (True Dominants and Secret Egalitarians) as measured by explicit SDO. This hypothesis examines the alignment of explicit egalitarianism with support for policies aimed at addressing racial inequities.

H3: However, for redistributive racial justice policies, Implicit Dominants will support these policies significantly less than True Egalitarians. This indicates that among individuals who explicitly disavow social dominance, those who implicitly endorse it will support racial justice policies less than those with low implicit social dominance. The main policies for which this

effect is expected to manifest include Affirmative Action, Defunding the Police, Welfare Policies, Reparation Policies, Racial Minority Inclusion Policies, and Bans on Diversity programs that do not include white people.

H4: Implicit Dominants will share a political profile closer to True Egalitarians, indicating that Implicit Dominants represent a distinct type of dominant, politically speaking, compared to those who explicitly endorse SDO.

H5: It is unclear if True Egalitarians will show a difference in endorsement between moral and instrumental rationales for diversity. However, it is anticipated that Implicit Dominants will prefer instrumental rationales for diversity over moral rationales. This hypothesis explores the motivations behind support for diversity initiatives.

H6: Several moderated mediation models are proposed:

- Support/opposition for racial justice policies will be driven by instrumental diversity endorsements for Implicit Dominants who value diversity. In contrast, True Egalitarians who value diversity will support racial justice policies independently of instrumental endorsements.
- Colorblindness is anticipated to mediate the relationship between Dominance Profiles and policy support as well.

Finally, we propose **exploratory analyses** of race differences in ISDO, contingent on the sample size, to investigate potential variations in implicit social dominance orientations across different racial groups.

Participants & Procedure

Participants. Participants were drawn from an online sample of adults in the U.S. on Prolific. I recruited 450 participants. After removing participants who failed attention checks, tested positive as bots, or received an error rate of less than 80% on the ISDO measure we were left with a total of 402 participants, with 257 of them self-identifying as White. The sample was roughly balanced in terms of gender, comprised of 187 females and 196 men (48.76%). Most participants had some college or post-high school educational experience. The median response for household income was $40,000-$59,999. The sample tended to skew towards the democratic party with a sizable portion (just over a quarter) of the sample identifying as moderates. In terms of age, the mean of the sample was 41.36.

Procedure. Participants were invited to participate in a 10-minute online survey. They first completed the ISDO measure. Participants then rated each policy, completed the explicit SDO measure as well as the other criterion validity measures and answered demographic items.

Measures

The Implicit Social Dominance Orientation (ISDO).
This is the same ISDO measure created and used in study one.

Social Dominance Orientation (SDO)
This is the same 16-item Social Dominance Orientation (SDO) scale (Ho et. al. 2015) used in study one.

Policies
The study included the same 15 social policy issue areas from study one. However, the policies were further adapted to better indicate the intended beneficiaries or focus of the policies where possible. For instance, instead of just saying "Reparations," the policy in study 2 said "Reparations for Black people," or "Restricting Immigration" as opposed to just "Immigration," and "Affirmative Action for racial minorities in college admissions" instead of just "Affirmative Action." An additional seven "diversity" policies were included in this study for a total of 22 policies overall. These policies more explicitly discussed diversity and inclusion related policies including: "Bans on diversity programs that exclude white people", "Funding for cultural spaces that only racial minorities can access" (see Table 22 Appendix for list and shorthand policy names). The scale for the policies ranged from -50 (strongly opposed) to 50 (strongly favor).

Racial Attitudes
Racial attitudes were assessed using a thermometer scale asking participants to rate how they felt towards Black and White people on a scale from -10 (Cold) to 10 (Warm).

Colorblindness
Colorblindness was a 9-item scale from 1 to 7 (1 = Strongly Disagree; 5 = Strongly Agree) adapted from Whitley, Webster, & Wildschut (2022) Multidimensional Assessment of Racial Colorblindness (MARC). This scale captures the extent to which people feel that race should be ignored and is comprised of three subcategories: equality orientation (e.g., "Everyone should be treated the same regardless of their race or ethnicity) color evasion (America would be better off if we stopped placing so much importance on race), and rejection of racial categorization (Seeing people in terms of race or ethnicity creates inequality among groups).The truncated scale had an alpha of 0.9. Higher numbers correspond to higher beliefs in colorblindness and no items were reverse coded.

Diversity Endorsement
Diversity endorsement was measured with a single binary choice question "Do you value racial diversity?"

Diversity Beliefs
Diversity Beliefs were a set of questions relating to beliefs about diversity including the importance of meritocracy and reverse discrimination. Items include: "Diversity programs should give everyone, including white people, the same opportunity to participate," "In making decisions about people, qualifications should be what matters, not applicant's racial, ethnic, or other background factors," "Difference of ideas, perspectives, personality and hobbies are just as important measures of diversity as social identities like race, gender and class," "It is important to balance the need for diversity with merit and qualifications," "Diversity programs for racial minorities is reverse discrimination." These items were not analyzed as a scale (see Table 24 in Appendix for shorthand labels).

Diversity Rationale Endorsement

Polarity Measure. Diversity Rationales in this study included Instrumental Rationales and Remedial (or moral) Rationales. I measured preference for either of these rationales with two questions using a sliding scale anchored by an instrumental rationale vs a remedial (moral) rationale. Specifically, the scale measured how important one of two reasons for valuing racial diversity were using a slider scaled -5 ("Because it benefits white people too, not just racial minorities") to 5 ("Because it addresses past and current discrimination"). The second question used the same scale but asked participants to indicates which reason they agreed with most.

Instrumental Rationale Items. Instrumental Diversity was also captured through 5 items anchored 1 - 5 (1 = Strongly disagree; 5 = Strongly agree). Principal Component Analysis revealed that only three of the items factored together to have a reliability of 0.91. The remaining two items were "My racial and/or ethnic group should have the opportunity to benefit from diversity," and "We should only pursue racial diversity if that will benefit white people too". (see Table 25 in Appendix including shorthand labels)

Remedial (Moral) Rationale Items. The remedial or moral Rationale for Diversity, emphasizing valuing diversity because of its remedial and intrinsic moral goodness was designed to include 4 items scaled 1 - 5 (1 = Strongly disagree; 5 = Strongly agree). Principal Component Analysis revealed that only three of the items factored together to have a reliability of 0.93. I used those three items as a scale to create a composite score for participants. The remaining item "Diversity should be about leveling the playing field rather than treating everyone the same" was left out of the scale (see Table 25 in Appendix including shorthand labels).

Results

Dominance Profile Descriptives. There were differences in the racial, gender, class, and political identification composition of the four dominance profiles. Overall True Dominants and Secret Egalitarians (the "Social Dominants" group who were high in *explicit* dominance) were more alike than they were to Implicit Dominants and True Egalitarians (the "Egalitarians" group who were low in *explicit* dominance). However, important differences emerged, especially among Egalitarians, that indicate the four dominance profiles tap into slightly different groups of people.

True Egalitarians

Composing the largest dominance profile in the sample (n = 199), True Egalitarians were the most politically liberal (M = 2.31)[5] and on average significantly more liberal than their explicit egalitarian counterparts, Implicit Dominants (M = 3.03). True Egalitarians were majority white and more female on average than both True Dominants and Secret Egalitarians (i.e., the Social Dominants).

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[5] On a scale of political orientation ranging from 1 = extremely liberal to 7 = extremely conservative.

Implicit Dominants

Implicit Dominants (N = 48) were similar to True Egalitarians with some important differences. First, they were significantly more conservative on average than True Egalitarians, but significantly less so than True Dominants or Secret Egalitarians. Interestingly, replicating findings in study 1, Implicit Dominants had the largest proportion of Black participants (n = 21), nearly half of the entire profile.

True Dominants

True Dominants (N= 57) tended to make slightly more money on average than both Implicit Dominants (mean difference = 1.06, 95% CI: 0.057, 2.069, $p < .03$) and True Egalitarians (mean difference = -1.006, 95% CI: -1.778 to -0.235, $p < 0.005$). True dominants were also more politically conservative on average and had greater proportions of conservatives than Implicit Dominants and True Egalitarians, but not Secret Egalitarians. True dominants are mostly white and had a higher relative proportion of males to other dominance profiles (see Figure 9).

Secret Egalitarians

Secret Egalitarians (N= 98) tended to mirror True Dominants in their racial composition, class, gender dynamics (see Figures 9, 10, 11).
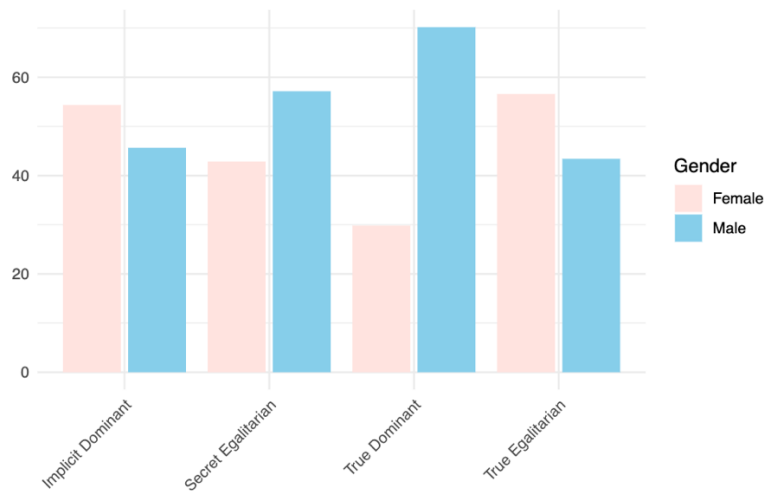
Figure 7 (Paper 1, Study 2): Graph of relative proportion of sex for each Dominance Profile
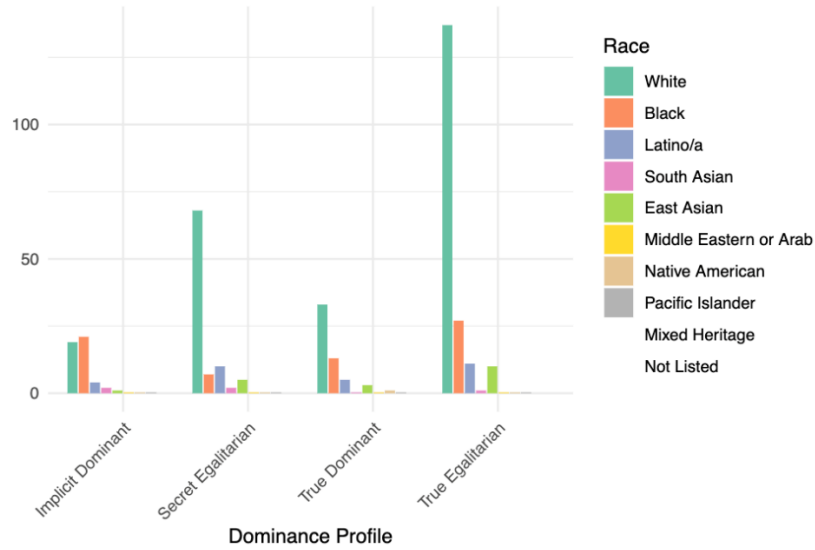
Figure 8 (Paper 1, Study 2): Graph of race demographics for each Dominance
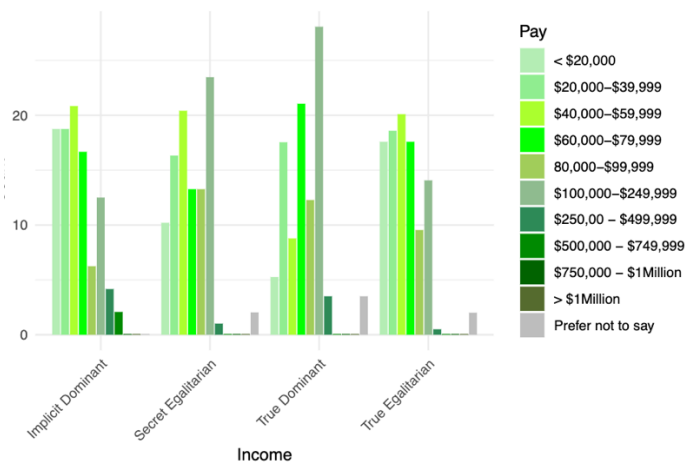
Figure 9 (Paper 1, Study 2) Graph of income demographics for each Dominance Profile

Diversity Endorsement. I hypothesized that most people in the sample would endorse diversity and that there would be a main effect of explicit SDO. That is, Egalitarians (those low in explicit SDO) and Social Dominants (those high in SDO) would differ in their diversity endorsement but there would be no difference among Egalitarians (i.e., Implicit Dominants and True Egalitarians). Logistic regression model confirms this hypothesis as it was significant, χ^2 (3 , N=402) = 56.54 , p<.001, indicating that the Dominance Profile significantly influenced the likelihood of supporting diversity. Specifically, as shown in Table 1, compared to True Egalitarians, both Secret Egalitarians (β=−2.69, p<.001) and True Dominants (β=−2.63, p<.001) were significantly less likely to support diversity but there was no difference among Implicit Dominants and True Egalitarians (β=0.19, p=0.863).

Table 4 (Paper 1, Study 2) Diversity Support and Dominance Profile Regression Output

Dominance Profile	Estimate	Std. Error	z-value	p-value
True Egalitarian (*Intercept*)	3.6584	0.4529	8.077	<.001
Implicit Dominant	0.1917	1.1074	0.173	0.863
Secret Egalitarian	-2.6916	0.5062	-5.317	<.001
True Dominant	-2.6288	0.5437	-4.835	<.001

Nonetheless, the sample (n= 402) overwhelmingly supported diversity with Social Dominants (i.e., True Dominants and Secret Egalitarians) being the groups to have the most people explicitly opposing diversity (see Figure 10).
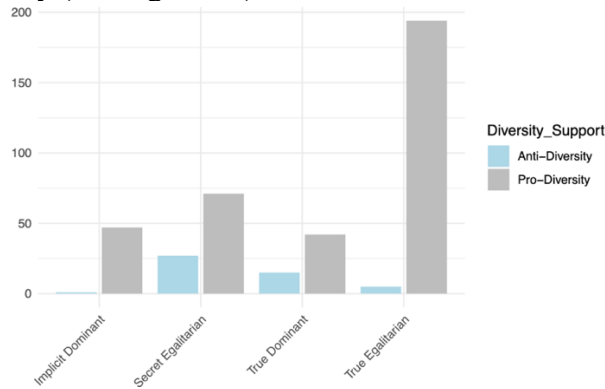
Figure 10 Graph of Diversity Support Frequency for each Dominance Profile

Explicit Racial Attitudes. There was no correlation between ISDO and warmth towards either White or Black people. The only correlation that emerged was a small negative relationship between SDO and warmth towards Black people (r = -0.14, p <.05). True Dominant, β =4.94, t(402) =-0.37) , p <.001, and Secret Egalitarian, β =4.94, t(402) =-0.37) , p <.001, dominance profiles predicted less warmth towards Black people. Additionally, as expected, there was no difference in the explicit racial attitudes of Egalitarians (those low in *explicit* SDO) towards Black people. In fact, their ratings of warmth towards Black people were higher than their ratings of warmth towards White people (see Table 5).

Table 5 (Paper 1, Study 2) Racial thermometer regression output

Race Thermometer: Black People

Dominance Profile	β Estimate	Std. Error	*t*-statistic	*p*-value	95% CI
Implicit Dominant (*Intercept*)	7.666667	0.6147072	12.1420618	0.0000000	[6.458188, 8.875146]
True Egalitarian	7.407035	0.6848418	-0.3791116	0.7048071	[6.060676, 8.753395]
Secret Egalitarian	4.316326	0.7502944	-4.4653672	0.0000104	[2.841291, 5.791362]
True Dominant	4.947368	0.8343064	-3.2593522	0.0012127	[3.30717, 6.587567]

Race Thermometer: White People

Dominance Profile	β Estimate	Std. Error	*t*-statistic	*p*-value	95% CI
Implicit Dominant (*Intercept*)	4.854167	0.6346506	7.6485653	0.0000000	[3.606480, 6.101853]

Race Thermometer: White People					
Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
True Egalitarian	4.929648	0.7070606	0.1067540	0.9150379	[3.539608, 6.319689]
Secret Egalitarian	5.418367	0.7746367	0.7283423	0.4668324	[3.895476, 6.941258]
True Dominant	5.421053	0.8613743	0.6581180	0.518428	[3.727640, 7.114465]

While this may indicate social desirability concerns with not wanting to appear prejudice (Plant & Devine, 1998), together these results indicate that Egalitarians' (both Implicit Dominants and True Egalitarians) explicit racial attitudes and diversity support align with their professed egalitarian identity, as expected. Essentially, their racial attitudes and diversity commitments align with their explicit orientation towards group-based dominance and hierarchy. However, further analysis suggests that for those egalitarians with a greater implicit orientation to social dominance, these principles are not born out in their policy attitudes and behaviors leading to support for policies and ideologies that are not aligned with racially egalitarian outcomes.

Policy Correlations. I hypothesized that ISDO and SDO would be moderately correlated. I also hypothesized that SDO and ISDO would have similar directional correlations with redistributive policies. Replicating study 1, ISDO was moderately correlated with SDO ($r = 0.28$, $p < .001$). Furthermore, as expected ISDO correlated with some policies in the same direction as the explicit SDO measure, though the strength of the correlation was weaker. For instance, SDO was negatively correlated with redistributive policies like welfare (r = -0.57, $p < .001$), reparations ($r = -0.46$, $p < .001$), and affirmative action ($p < .001$) and positively correlated with immigration (r = -.46, $p < .001$). And ISDO was also negatively correlated with welfare (r = -.19, $p < .001$) and affirmative action ($r = -0.13$, $p < .01$), Immigration restriction ($r = -.17$, $p < .001$). (see Table 6).

Table 6 (Paper 1, Study 2) ISDO x SDO policy correlations (overall sample vs White participants)

	Overall Sample (n = 402)			White Participants Only (n = 257)		
	M	1	2	M	1	2
1. ISDO[a]	-0.34	---		-0.43	---	
2. SDO[b]	2.18	0.28****	---	2.24	0.29****	---
3. Diversity in Workforce	26.82	-0.20****	-0.67****	23.74	-0.28****	-0.69****
4. Diversity in Schools	27.11	-0.20**	-0.68****	24.21	-0.29****	-0.69****
5. Reparation	1.89	-0.09	-0.46****	-7.63	-0.21***	-0.45****
6. Diversity Grants	11.31	-0.18***	-0.57***	4.97	-0.26****	-0.56****
7. Hiring Programs	7.96	-0.15**	-0.56****	1.42	-0.24****	-0.55****
8. Diversity Ban	-0.23	0.20**	0.29****	1.93	-0.24***	0.28****
9. Affinity Spaces	-8.67	0.01	-0.30****	-15.40	-0.09	-0.33****
10. HBCU Funding	21.77	-0.16**	-0.52****	16.23	-0.23***	-0.52****
11. Board Minimums	8.01	-0.09	-0.55****	1.61	-0.22***	-0.55****
12. Pipeline Programs	12.10	-0.19***	-0.56****	6.08	-0.30****	-0.58****
13. Abortion	26.38	-0.22****	-0.50****	24.50	-0.32****	-0.55****
14. Immigration	-5.73	0.17***	0.46***	-3.93	0.25****	-0.48****
15. Welfare	26.52	-0.19****	-0.58****	26.04	-0.25****	-0.60****

16. Same-Sex Marriage	28.95	-0.27****	-0.52****	28.33	-0.33****	-0.60****
17. Gun Ownership	18.17	-0.19***	-0.46****	18.00	-0.30****	-0.48****
18. Medicaid	35.40	-0.24****	-0.57****	35.17	-0.28****	-0.58****
19. Free Speech	24.60	-0.09	0.05	26.25	-0.03	0.04
20. Religious Freedom	6.62	0.10*	0.26****	5.72	0.16**	0.30****
21. Affirmative Action	10.01	-0.13**	-0.54****	4.18	-0.22***	-0.55****
22. Defunding Police	-12.24	-0.14**	-0.30****	-15.82	-0.20**	-0.32****
23. Green Tax	16.32	0.12*	-0.47****	13.80	-0.22***	-0.47****
24. Voter ID	7.25	0.26****	0.28****	6.69	0.28****	-0.33****

Note: *p < .05; **p < .01; ***p < .001; p < .0001
Note: All policies rated -50 – 50
[a] Positive scores indicate a stronger implicit social dominance orientation
[b] Mean from 16-item scale; the metric used for correlations was the centered variable.

With ISDO the strength of these relationships was weaker, and some of the redistributive and diversity policies I expected to have a significant negative relationship with ISDO, like reparations did not. As in study 1, this may be in part due to the racial composition of the implicit dominants (Jefferson, 2023).[6] When cabining to just white participants, the anticipated negative relationship between ISDO and reparations emerged ($r = -0.21^{***}$, $p < .001$) (see Table 6).

SDO and ISDO had similar directional correlations for diversity and inclusion related policies as well. For example, SDO was positively related to Diversity Ban support ($r = 0.29$, $p < .001$) and negatively related to Pipeline Program policy support ($r = -0.56$, p < .0001) and Affinity Space support ($r = -0.30$, $p < .001$). And ISDO was also positively related to Diversity Ban support (r = .20, $p < .0001$) and negatively related to Pipeline Program policy support ($r = -0.19^{***}$, $p < .001$). As with the redistributive policies, the relationship between ISDO and policy support was weaker and one hypothesized policy relationship (with Affinity space policies) was not significant. When cabining the sample to just white participants, the anticipated negative relationship between ISDO And affinity spaces emerged ($r = -0.21^{***}$, $p < .001$).

Correlations between ISDO and policy support among egalitarians (i.e. those low in explicit SDO; True Egalitarians and Implicit Dominants) versus Social Dominants (those high in explicit SDO; True Dominants and Secret Egalitarians) further aligned with hypotheses about the nature of Implicit Social Dominance. For Social Dominants, their levels of ISDO did not yield a significant relationship with policy support for opposition to Gun Reform ($r = -0.16$, $p < .05$) and Medicaid ($r = -0.20$, $p < .05$). However, their *explicit* SDO rating yielded more significant relationships with policy attitudes. Conversely, for Egalitarians, their implicit levels of social dominance did yield significant relationships with policies (see Table 7). This was even the case for policies previous literature says egalitarians typically do not support or oppose. For instance, as Egalitarians' implicit levels of social dominance increase, so too did their support for policies like Diversity bans ($r = .19$, $p < .01$) Defunding the police ($r = .17$, $p < .01$) and opposition to policies like Abortion Access ($r = -.17$, p <.01) and Same-Sex marriage ($r = -.25$, p <.001). (See Table 7) Importantly, for egalitarians, ISDO captured these significant relationships whereas SDO did not. Though we hypothesized that explicit SDO would be an important predictor of

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[6] Black people are a politically complex group documented to simultaneously support liberal and conservative policies.

egalitarians policy attitudes –and correlations confirmed this given that even for low SDO participants SDO was still significantly correlated with policies (see Table 7)—these findings are important because they also begin to suggest that the ISDO measure may be sensitive to nuances of egalitarian populations who are not as likely to endorse group-based dominance explicitly.

Table 7 (Paper 1, Study 2) Correlation Table of Policies (Egalitarians vs. Social Dominants)

Policies	Egalitarians[a] (n = 247)			Social Dominants[b] (n = 155)		
	M	1	2	*M*	1	2
1. ISDO	-0.44	---		-0.19	---	
2. SDO	1.38	0.11	---	3.45	0.10	---
3. Diversity in Workforce	39.45	-0.06	-0.17**	6.70	-0.10	-0.55****
4. Diversity in Schools	39.55	-0.05	-0.22***	7.27	-0.13	-0.57****
5. Reparation	13.25	0.03	-0.19**	-16.23	-0.04	-0.39****
6. Diversity Grants	24.54	-0.03	-0.18**	-9.78	-0.13	-0.48****
7. Hiring Programs	20.95	-0.02	-0.19**	-12.74	-0.06	-0.47****
8. Diversity Ban	-7.55	0.19**	0.03	11.42	0.08	0.24**
9. Affinity Spaces	-2.02	0.07	-0.12	-19.27	0.09	-0.31****
10. HBCU Funding	32.14	-0.02	-0.16*	5.25	-0.11	-0.44****
11. Board Minimums	20.17	0.03	-0.30****	-11.36	-0.01	-0.43****
12. Pipeline Programs	24.17	-0.10	-0.27****	-7.14	-0.08	-0.46****
13. Abortion	37.17	-0.17**	-0.08	9.18	-0.11	-0.45****
14. Immigration	-17.10	0.08	0.18**	12.40	0.08	0.27***
15. Welfare	35.99	-0.10	-0.28****	11.42	-0.10	-0.51****
16. Same-Sex Marriage	40.09	-0.25****	-0.12	11.19	-0.15	-0.45****
17. Gun Ownership	29.40	-0.07	-0.13*	0.27	-0.16*	-0.34****
18. Medicaid	43.67	-0.11	-0.20**	22.21	-0.20*	-0.48****
19. Free Speech	24.45	-0.09	-0.05	24.84	-0.1	0.12
20. Religious Freedom	0.30	0.07	-0.08	16.71	0.02	0.20*
21. Affirmative Action	22.58	-0.02	0.21****	-10.01	-0.04	-0.46****
22. Defunding Police	-5.19	-0.17**	0.11	-23.48	0.05	-0.23**
23. Green Tax	25.61	-0.01	0.17**	1.51	-0.06	-0.41****
24. Voter ID	0.87	0.27****	0.13*	17.42	0.13	0.22**

*Note: *p < .05; **p < .01; ***p < .001.*
[a] Inclusive of True Egalitarians and Implicit Dominants
[b] Inclusive of True Dominants and Secret Egalitarians

As before, certain policies hypothesized to have significant relationships with ISDO did not when looking just at Egalitarians, including Reparations, Pipeline Programs, Immigration, and Affirmative Action that did not. When limiting these analyses to White participants the strength of the association between ISDO and all of these policy ratings grew but only Pipeline Program (r = -0.19, p < .05) and Immigration Restriction became significant (r = 0.18, p < .05) (see Table 8).

Table 8 (Paper 1, Study 2) Policy correlations for Egalitarians and White Egalitarians

Policies	Egalitarians (n = 247)			White Egalitarians (n = 156)		
	M	1	2	*M*	1	2
25. ISDO	-0.44	---		-0.55	---	
26. SDO	1.38	0.11	---	1.39	0.06	---
27. Diversity in Workforce	39.45	-0.06	-0.17**	37.57	-0.13	-0.19*
28. Diversity in Schools	39.55	-0.05	-0.22***	38.12	-0.13	-0.24**
29. Reparation	13.25	0.03	-0.19**	2.67	-0.16	-0.31***
30. Diversity Grants	24.54	-0.03	-0.18**	18.85	-0.10	-0.24**
31. Hiring Programs	20.95	-0.02	-0.19**	14.60	-0.00	-0.26**
32. Diversity Ban	-7.55	0.19**	0.03	-5.26	0.25**	0.05
33. Affinity Spaces	-2.02	0.07	-0.12	-8.39	-0.03	-0.20*
34. HBCU Funding	32.14	-0.02	-0.16*	27.62	-0.08	-0.21**
35. Board Minimums	20.17	0.03	-0.30****	15.15	-0.08	-0.29***
36. Pipeline Programs	24.17	-0.10	-0.27****	19.56	-0.19*	-0.32****
37. Abortion	37.17	-0.17**	-0.08	37.27	-0.22**	-0.11
38. Immigration	-17.10	0.08	0.18**	-16.62	0.18*	0.19*
39. Welfare	35.99	-0.10	-0.28****	36.32	-0.12	-0.32****
40. Same-Sex Marriage	40.09	-0.25****	-0.12	41.85	-0.26***	-0.08
41. Gun Ownership	29.40	-0.07	-0.13*	29.72	-0.16*	-0.21**
42. Medicaid	43.67	-0.11	-0.20**	43.93	-0.03	-0.22**
43. Free Speech	24.45	-0.09	-0.05	27.21	0.06	0.06
44. Religious Freedom	0.29	0.07	-0.08	-1.60	0.11	0.08
45. Affirmative Action	22.58	-0.02	0.21****	17.57	-0.07	-0.29***
46. Defunding Police	-5.19	-0.17**	0.11	-7.18	0.20*	-0.16
47. Green Tax	25.61	-0.01	0.17**	24.33	-0.04	-0.18*
48. Voter ID	0.87	0.27****	0.13*	-1.33	0.25**	0.17*

Policy Regressions

I hypothesized that despite Egalitarians' support for diversity and positive racial attitudes, Implicit Social Dominance (ISDO) would meaningfully influence their policy ratings in ways that undermine racial justice. Furthermore, I anticipated that explicit SDO would matter for policy support, but that ISDO would moderate these effects for self-professed egalitarians especially. This means that Implicit Dominants and True Egalitarians would not differ in their diversity support, but Implicit Dominants would oppose (and support) policies in ways that diverge from True Egalitarians for key policies like Bans on Diversity, Reparations, Affirmative Action, Pipeline Programs, and Affinity Spaces—manifesting the principle-policy gap. We find some support for these hypotheses (see Figure 13).
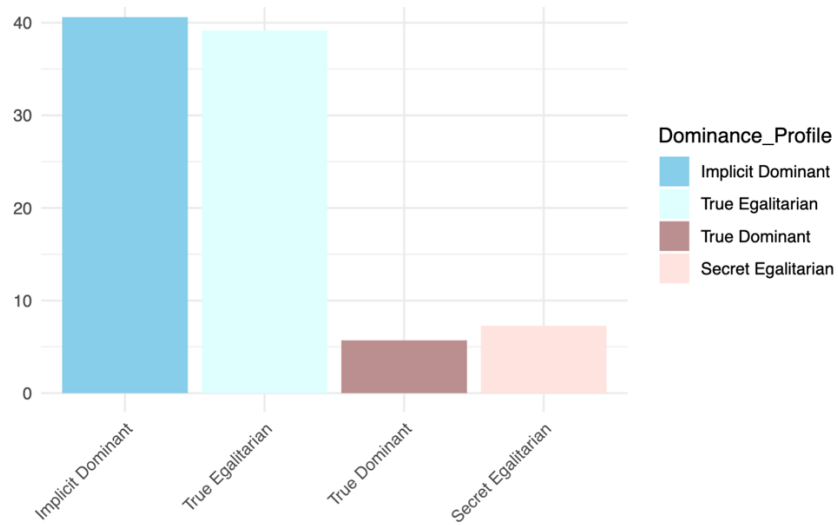
Figure 11 (Paper 1, Study 2) Graph of policy means by Dominance Profile for "Diversity in The Workplace" policy
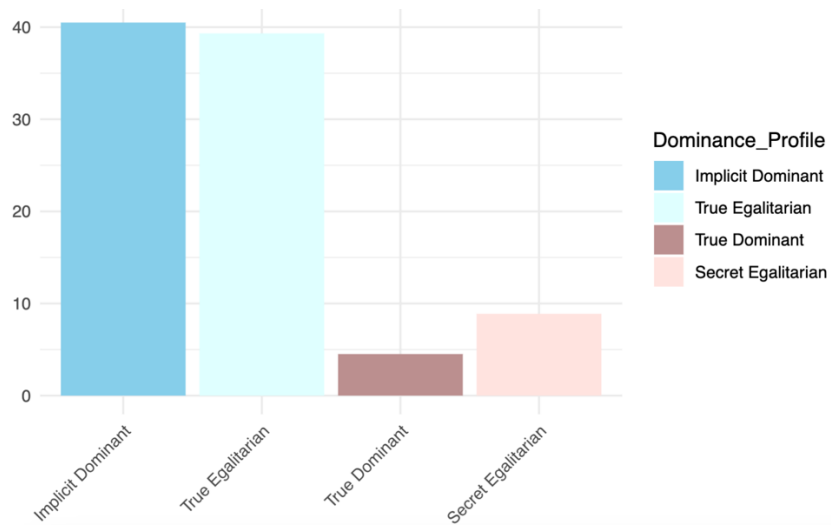
Figure 12 (Paper 1, Study 2) Graph of policy means by Dominance Profile for "Diversity in Schools" policy

We observed some evidence for the principle-policy gap among egalitarians. For instance, as expected, those high in SDO supported diversity in the workplace (see Figure 11) and schools (see Figure 12) less than those low in SDO, with no significant difference among True Egalitarians and Implicit Dominants—Egalitarians support for diversity was aligned with their explicit dominance orientation (see Table 26 in Appendix). However, for some of the predicted policies, Implicit Dominants and True Egalitarians significantly diverged such that Implicit Dominants behaved more like Social Dominants despite being self-professed egalitarians. Specifically, for policies stipulating Bans on Diversity Programs that do not include White people, $\beta = -14.51$, $t(402) = -2.70$, $p < .007$, and Instituting stricter voter ID laws, $\beta = -20.64$, $t(402) = -4.01$, $p < .0001$, Implicit Dominants supported this policy significantly more than True Egalitarians (see Table 9). For other racial justice policies like Defunding Police Departments, $\beta = 21.27$, $t(402) = 4.02$, $p < .0001$, Implicit Dominants supported those policies less than True Egalitarians. The same held true for other social policy issues like "Religious

35

freedom to refuse services that violate one's faith" *β* = -13.02, *t*(402) = -2.42, *p* < .05, "Abortion Access", *β* = -10.60, *t*(402) = 2.13, *p* < .05, and "Same-Sex Marriage", *β* = 16.42, t(402) = 3.39, *p* < .001. Thus, participants who were not social dominants but had higher levels of implicit social dominance nonetheless supported some of the policies aligned with preserving group-based dominance.
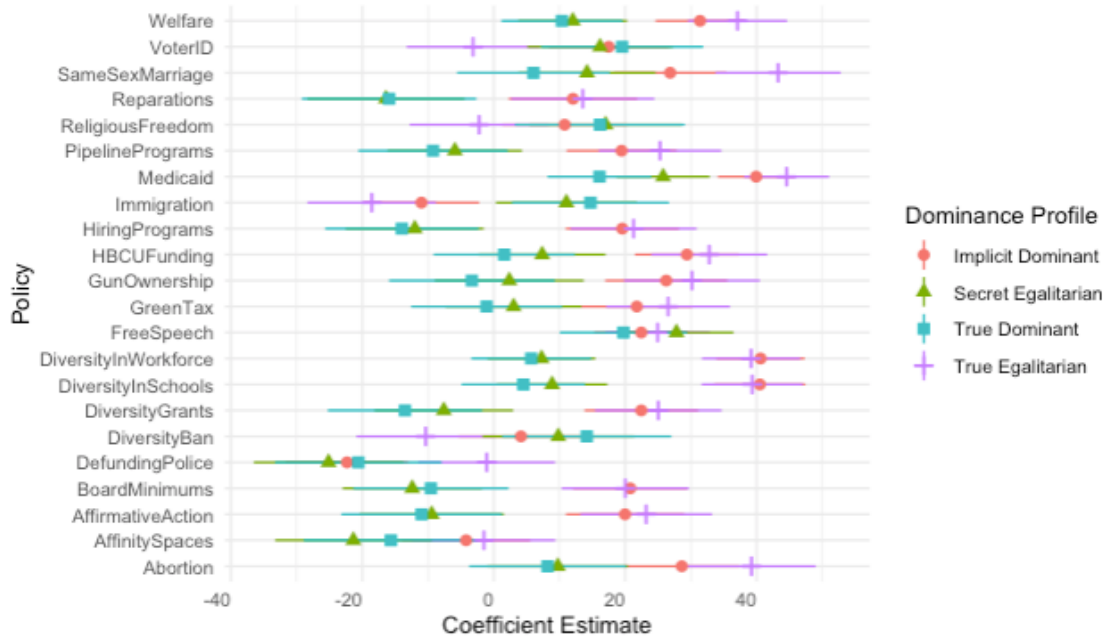
Figure 13 (Paper 1, Study 2) Regression plot for policy support across dominance profiles

Table 9 (Paper 1, Study 2) Regression outputs for policies with significant differences between Implicit Dominants and True Egalitarians

Diversity Ban Policy Support

Dominance Profile	*β* Estimate	Std. Error	*t*-statistic	*p*-value	95% CI
Implicit Dominant (*Intercept*)	4.145833	4.815404	0.8609523	0.3897827	[-5.32, 13.61]
True Egalitarian	-14.512667	5.364814	-2.7051574	0.0071205	[-25.05, -3.96]
Secret Egalitarian	5.680697	5.877548	0.9665081	0.3343769	[-5.87, 17.24]
True Dominant	10.012061	6.535668	1.5319109	0.1263389	[-2.84, 22.86]

Defunding Police Policy Support

Dominance Profile	*β* Estimate	Std. Error	*t*-statistic	*p*-value	95% CI
Implicit Dominant (*Intercept*)	-22.333333	4.742520	-4.7091706	0.0000034	[-31.66, -13.01]
True Egalitarian	21.273032	5.283614	4.0262276	0.0000679	[10.89, 31.66]
Secret Egalitarian	-2.809524	5.788586	-0.4853558	0.6276911	[-14.19, 8.57]
True Dominant	1.719298	6.436746	0.2671068	0.7895253	[-10.93, 14.37]

Voter ID Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	17.500000	4.615830	3.7913010	0.0001731	[8.43, 26.57]
True Egalitarian	-20.645729	5.142469	-4.0147499	0.0000711	[-30.76, -10.54]
Secret Egalitarian	-1.316326	5.633952	-0.2336418	0.8153832	[-12.39, 9.76]
True Dominant	2.043860	6.264797	0.3262452	0.7444104	[-10.27, 14.36]

Abortion Access Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	28.62500	4.460496	6.417448	0.0000000	[19.86, 37.39]
True Egalitarian	10.60616	4.969413	2.134288	0.0334298	[0.84, 20.38]
Secret Egalitarian	-18.86990	5.444356	-3.465956	0.0005859	[-29.57, -8.17]
True Dominant	-20.43202	6.053971	-3.374978	0.0008108	[-32.33, -8.53]

Same-Sex Marriage Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	26.85417	4.347292	6.177217	0.0000000	[18.31, 35.40]
True Egalitarian	16.42724	4.843293	3.391750	0.0007640	[6.91, 25.95]
Secret Egalitarian	-12.66029	5.306183	-2.385951	0.0175018	[-23.09, -2.23]
True Dominant	-20.81908	5.900326	-3.528462	0.0004668	[-32.42, -9.22]

Interestingly, contrary to predictions, redistributive policies like affirmative action and reparations did not show significant differences among True Egalitarians and Implicit Dominants. Given the racial demographics of the Implicit dominant profile of this sample, I examined policy support for Whites only. Upon limiting analyses to white people in the sample, a significant difference between Implicit Dominants and True Egalitarians emerged for more of the predicted policies. In particular, policies regarding Affinity Group spaces and Reparations. While no white person particularly cared for Affinity Spaces, among self-professed egalitarians, Implicit dominants were more opposed to a marginally significant degree. Similarly, in regard to Reparations, True Egalitarians were the only group to support it with White Implicit dominants significantly opposed (β = -22.57, p < .003) (see Table 10). These differences between Implicit Dominants and True Egalitarians suggest that ISDO may be picking up on dominance motivations that the explicit measure would suggest Egalitarians as a class do not have. This has implications for the behavioral and attitudinal factors that influence policy and decision-making.

Table 10 (Paper 1, Study 2) Tables of regression output for policies with significant differences between Implicit Dominants and True Egalitarians (White participants only)

Affinity Spaces Policy Support (White Participants)

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	-22.578947	7.478150	-3.0193225	0.0027926	[-37.31, -7.85]
True Egalitarian	16.155590	7.979877	2.0245412	0.0439651	[0.44, 31.87]
Secret Egalitarian	-4.391641	8.458617	-0.5191914	0.6040812	[-21.05, 12.27]
True Dominant	-2.148325	9.387261	-0.2288554	0.8191662	[-20.63, 16.33]

Reparations Policy Support (White Participants)					
Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	-22.578947	7.478150	-3.0193225	0.0027926	[-37.31, -7.85]
True Egalitarian	16.155590	7.979877	2.0245412	0.0439651	[0.44, 31.87]
Secret Egalitarian	-4.391641	8.458617	-0.5191914	0.6040812	[-21.05, 12.27]
True Dominant	-2.148325	9.387261	-0.2288554	0.8191662	[-20.63, 16.33]

Other Criterion Variables. ISDO and SDO had similar directional correlations and significant relationships with variables commonly associated with group-based dominance motivations including colorblindness, meritocratic beliefs, and instrumental diversity rationales.

Diversity Rationales.

Polarity Scale
Social Dominants had a slight preference for Instrumental rationales compared to Egalitarians, as measured by the polarity scales. Egalitarian participants showed no preferential differences in terms of importance, t(402) = 0.93, p < 0.35, or agreement t(402) = 0.-48, p < .63 between instrumental preference vs. moral preference among egalitarians. (see Figure 14).
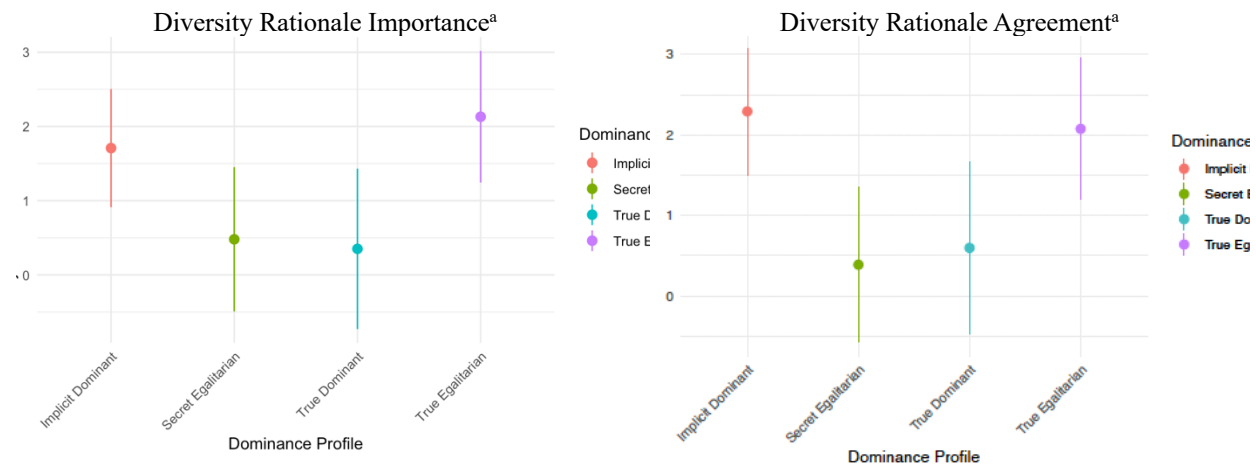
a Measured from -5 (Instrumental) – 5 (Moral/Remedial)

Figure 14 (Paper 1, Study 2) Regression plot for instrumental vs. moral rationale importance and agreement as measured by polarity scale

Instrumental Diversity Items
Instrumental diversity rationale support was also measured with a 3-item instrumental diversity scale (α =.91); *M*= 4.17; *SD*= 1) and two other survey items "We should only pursue racial diversity if that will benefit white people too" and "My racial and/or ethnic group should have the opportunity to benefit from diversity" (see Table 25 in Appendix for full list and shorthand labels). SDO and ISDO were negatively correlated with all Instrumental items except "We should only pursue racial diversity if that will benefit white people too" which was positively correlated, (r = .30, p < .001). This means that both implicit and explicit social dominance were positively related with a diversity rationale when that rationale made diversity conditional on

white benefit. It also means that for some people who explicitly endorsed egalitarianism, as their implicit social dominance increased so too did their support for the instrumental belief that diversity should benefit white people especially (see Table 11). In fact, regression analysis revealed that True Egalitarians were significantly less likely to endorse this sentiment than Implicit Dominants (β=-4.55, p < .0001) (see Figure 15). The only item for which there was no correlation with ISDO was "My racial and/or ethnic group should have the opportunity to benefit from diversity" (see Table 11).

Table 11 (Paper 1, Study 2) ISDO & SDO Instrumental rationale correlations

Instrumental Correlations	*M*	1	2
1. ISDO	-0.34	---	
2. SDO	2.18	0.28****	---
3. Diversity Rationale Importance [a]	0.43	-0.07	-0.33****
4. Diversity Rationale Agreement [a]	0.46	-0.04	-0.33****
5. Instrumental Diversity (3-item scale)	3.53	-0.16**	-0.55****
6. Scale Item 1: Instrumental Learning Benefit	3.64	-0.19***	-0.55***
7. Scale Item 2: Instrumental Benefit Everyone	3.54	-0.15**	-0.46****
8. Scale Item 3: Instrumental Diversity Fun	3.40	-0.14**	-0.50****
9. Scale Item 4: Instrumental Group Benefit	3.74	-0.02	-0.38****
10. Scale Item 5: Instrumental White Benefit	2.86	-0.30****	-0.30****

*Note: *p < .05; **p < .01; ***p < .001; p < .0001*
Note: Scale items rated on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree)
[a] *Measured on a sliding scale -5 (instrumental pole) to 5 (moral/remedial pole)*
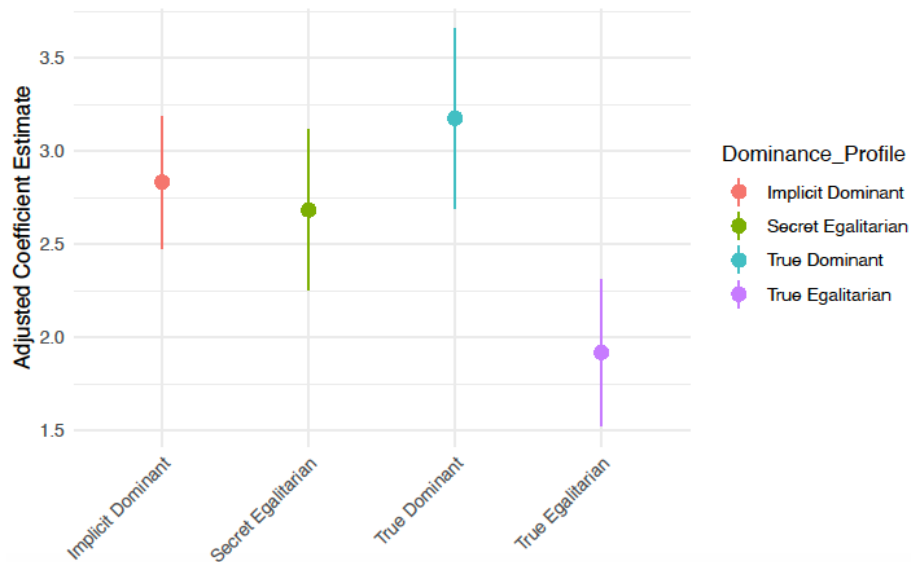
Figure 15 (Paper 1, Study 2) Regression coefficient graph for "We should only pursue racial diversity if that will benefit white people too"

Moral Diversity Items

   Moral diversity was measured with a 3-item scale (α=.93); *M*= 4.17; *SD*= 1) and one other survey item, "Diversity should be about leveling the playing field rather than treating everyone the same." Social Dominants supported moral diversity rationales less than Egalitarians and there was no difference among egalitarians with only one exception. The True Egalitarian dominance profile predicted slightly more support for the sentiment, "Diversity should be about leveling the playing field rather than treating everyone the same", β = 3.87, t(402) = 2.54, p < .02, than Implicit Dominants (see Figure 16). Nevertheless, both SDO and ISDO were negatively correlated for all moral items (see Table 12).

Table 12 (Paper 1, Study 1) ISDO & SDO moral rationale correlations

Remedial (Moral) Correlations	*M*	1	2
1. ISDO	-0.34	---	
2. SDO	2.18	0.28****	---
3. Diversity Rationale Importance [a]	0.43	-0.07	-0.33****
4. Diversity Rationale Agreement [a]	0.46	-0.04	-0.33****
5. Moral Diversity (3-item scale)	3.52	-0.25****	-0.64****
6. Scale Item 1: Moral Increasing Access	3.57	-0.23****	-0.61****
7. Scale Item 2: Moral Societal Discrimination	3.41	-0.18***	-0.61****
8. Scale Item 3: Moral Level Playing Field	2.97	-0.17***	-0.30****
9. Scale Item 4: Moral Right Thing	3.57	-0.27****	-0.56****

Note: *p < .05; **p < .01; ***p < .001; p < .0001
Note: Scale items rated on a scale from 1 (Strongly Disagree) to 5 (Strongly Agree)
[a] *Measured on a sliding scale -5 (instrumental pole) to 5 (moral/remedial pole)*
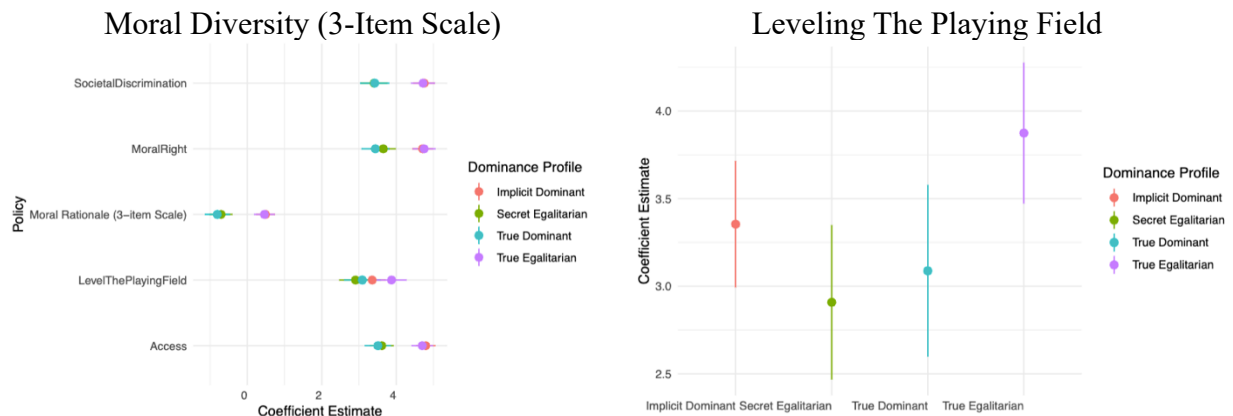
Figure 16 (Paper 1, Study 2) Regression estimate plots for moral diversity rationale support by Dominance Profile

Diversity Beliefs.

   Diversity Beliefs were a set of questions probing perceptions of diversity and how to approach it (see Table 24 in Appendix for list and shorthand labels). ISDO and SDO were correlated with different diversity beliefs to different magnitudes. For instance, the meritocratic belief that "In making decisions about people, qualifications should be what matters, not applicant's racial, ethnic, or other background factors" was positively correlated with SDO (*r* =

0.33, p < .0001) and ISDO ($r = 0.16$, p < .00001. As was the notion that diversity is akin to reverse discrimination SDO ($r = 0.20$, p < .0001) and ISDO ($r = 0.16$, p < .0001).

 While neither ISDO nor SDO were significantly correlated with some of the other beliefs, significant differences between Dominance Profiles emerged. For all diversity beliefs, Social Dominants tended to predict greater support than Egalitarians (see Figure 17). However, there were two beliefs where Egalitarians significantly diverged from one another. Implicit Dominant were more likely to support the sentiment that Diversity programs should give white people the opportunity to participate as well than True Egalitarians ($\beta = 3.90$, p< .006). In fact, Implicit Dominants ($\beta = 4.39$) support for White inclusion in diversity was higher than even True Dominants ($\beta = 4.09$) though not quite significantly so.

Table 13 (Paper 1, Study 2) ISDO & SDO correlation with Diversity Belief Items

Diversity Beliefs Correlations	*M*	1	2
1. ISDO	-0.34	---	
2. SDO	2.18	0.28****	---
3. White Inclusion in Diversity	4.02	0.04	0.01
4. Qualifications not Race	3.95	0.16*	0.33****
5. Broad Diversity Construal	3.88	0.06	0.08
6. Balance Diversity with Merit	4.28	0.01	0.02
7. Diversity is Reverse Discrimination	2.53	-0.20****	0.50****
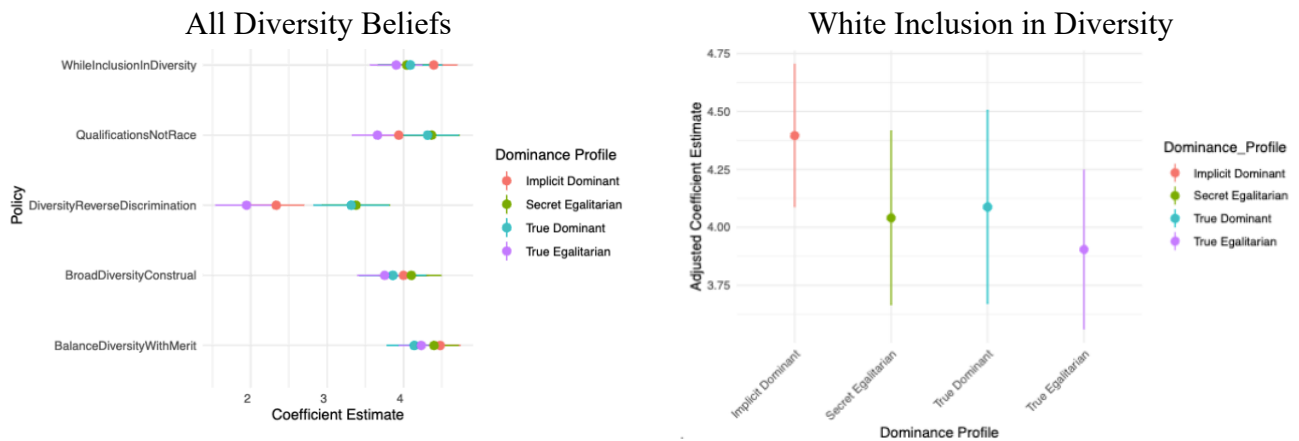
Figure 17 (Paper 1, Study 1) Graph of Coefficients for Diversity Belief Items

 This is evidence of the unique posture of the Implicit Dominant profile that this paper argues ISDO helps to make visible – those who explicitly reject group-based dominance but implicitly endorse it are at once supportive of diversity and racial progress perhaps genuinely seeing it as a good thing, but ultimately want to it to sustain hierarchal and group-based dominance patterns. For instance, while True Egalitarians and Implicit Dominants did not differ in support of the moral claim that we should value diversity because it addresses societal

discrimination, β = 4.72, t(402) = 32.28, p < .90), there was a significant difference among True Egalitarians and Implicit dominants regarding diversity being something we should pursue only if it benefits white people (see Figure 18).
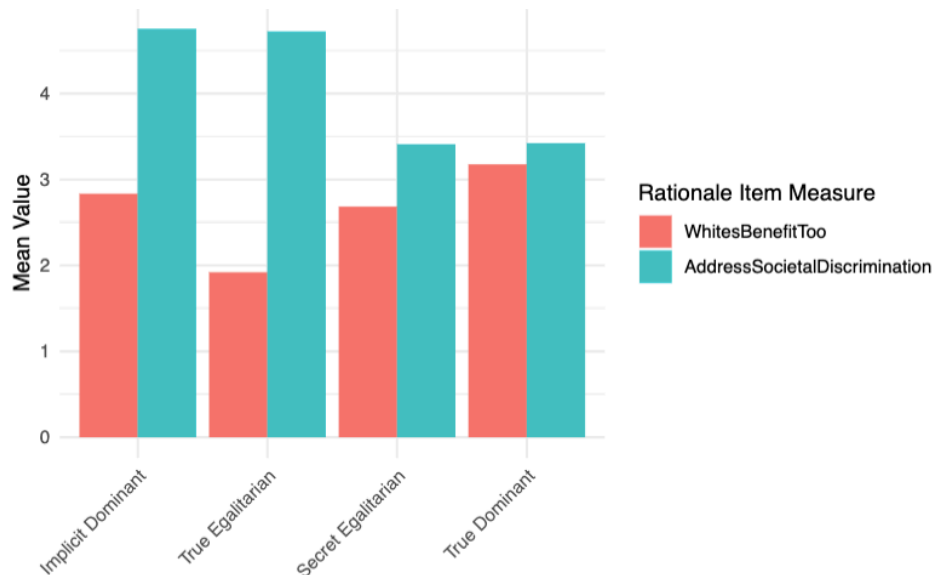
Figure 18 (Paper 1, Study 2) Graph comparing means support of the instrumental statement "We should only pursue racial diversity if that will benefit white people too" and the moral statement "We should value racial diversity because it addresses societal discrimination"

Colorblindness.

Colorblindness was measured by the truncated *MARC* colorblindness scale *(α = .93)*. Overall, the sample moderately supported colorblindness (*M* = 3.67; *SD* = 0.92). Support for the equality orientation dimension colorblindness was particularly high (M = 4.37; SD = 0.69.) in the sample compared to Race Rejection (*M* = 3.34; *SD* = 1.2) and Color evasion (*M* = 3.31; *SD* = 1.32). ISDO and SDO correlated with colorblindness items in similar directions although ISDO had slightly weaker relationships. The only item for which ISDO had no relationship and SDO did was the item "Everyone should be treated the same regardless of their race or ethnicity." (see Table 14)

Table 14 (Paper 1, Study 2) ISDO & SDO Colorblindness correlations

Colorblindness Correlations	*M*	1	2
1. ISDO	-0.34	---	
2. SDO	2.18	0.28****	---
3. Colorblindness (*MARC scale*)[a]	3.67	0.17***	0.33****
4. Equality Orientation 1: IndividualNotRace	4.31	0.08	0.04
5. Equality Orientation 1: BroadCharacteristics	4.24	0.11*	0.12*
6. Equality Orientation 1: SameTreatment	4.55	0.03	0.11*
7. Race Rejection 1: RaceIsRacist	3.17	0.16**	0.26****
8. Race Rejection 1: RaceIsInequality	3.39	0.14**	0.23****
9. Race Rejection 1: Individuality	3.46	0.15**	0.24****
10. Color Evasion 1: RaceNotImportant	3.53	0.11*	0.38****

11. Color Evasion 2: RaceObsessionBad	3.39	0.16**	0.39****
12. Color Evasion 3: RaceFocusBad	3.00	0.20****	0.41****

*Note: *p < .05; **p < .01; ***p < .001; p < .0001*
ᵃ *Measured on a sliding scale 1 (Strongly disagree) to 5 (Strongly agree)*

Examining Colorblindness among dominance profiles revealed interesting differences. Social Dominant profiles (i.e., those with high levels of explicit SDO) were often aligned in predicting higher levels of Colorblindness compared to Egalitarians (see Figure 19). But importantly, as predicted, True Egalitarian and Implicit Dominant profiles significantly diverged in their Colorblindness endorsement (as measured by *MARC*), β = -0.28, *p* < .005 (see Table 15). In fact, for several of the Colorblindness items True Egalitarians were less likely than Implicit Dominants to endorse sentiments, including "Seeing people in terms of race or ethnicity creates inequality among groups" (β = -0.50, t(402) = -2.55, *p* < .02), "It is important to pay attention to the individual characteristics that make a person unique rather than ethnic, racial, or other social background" (β =-0.26, t(402) = -1.99, *p* < .05), and "Categorizing people by race is in and of itself racist" (β = -0.52, t(402) =-2.55, p < .02).
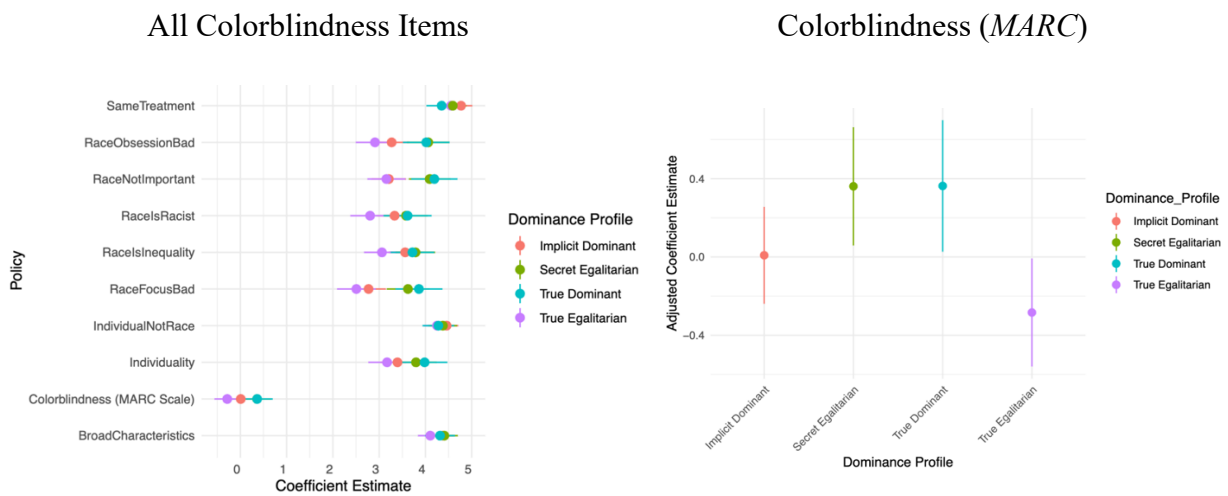
Figure 19 (Paper 1, Study 2) Regression coefficients for colorblindness

Table 15 (Paper 1, Study 2) Regression outputs for colorblindness items

Colorblindness (MARC) Regression					
Dominance Profile	*β* Estimate	Std. Error	*t*-statistic	*p*-value	95% CI
Implicit Dominant (*Intercept*)	0.0084646	0.1257398	0.0673186	0.9463619	[-0.238 – 0.255]
True Egalitarian	-0.2835626	0.1400859	-2.0846293	0.0377400	[-0.558, -0.008]
Secret Egalitarian	0.3626313	0.1706593	2.0752854	0.0386019	[0.059, 0.662]
True Dominant	0.3626313	0.1706593	2.0752854	0.0386019	[0.027, 0.698]

Colorblindness (Same Treatment) Regression

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	4.7708333	0.1232777	38.699882	0.0000000	[4.528, 5.013]
True Egalitarian	-0.2180695	0.1373430	-1.587773	0.1131318	[-0.488, 0.052]
Secret Egalitarian	-0.1789966	0.1504693	-1.189589	0.2349173	[-0.475, 0.117]
True Dominant	-0.4199561	0.1673177	-2.509933	0.0124714	[-0.749, -0.091]

Colorblindness (RaceIsRacist) Regression

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	3.3333333	0.1764948	20.1847283	0.0000000	[2.951, 3.716]
True Egalitarian	-0.5293132	0.1966319	-2.5540036	0.0150581	[-0.956, -0.103]
Secret Egalitarian	0.2482993	0.2154246	1.0361595	0.2964629	[-0.219, 0.715]
True Dominant	0.2807018	0.2395461	0.6545638	0.2884999	[-0.239, 0.800]

Colorblindness (RaceIsInequality) Regression

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	3.5625000	0.1764948	20.1847283	0.0000000	[3.216, 3.909]
True Egalitarian	-0.5021985	0.1966319	-2.5540036	0.0110209	[-0.889, -0.116]
Secret Egalitarian	0.2232143	0.2154246	1.0361595	0.3007568	[-0.200, 0.647]
True Dominant	0.1567982	0.2395461	0.6545638	0.5131267	[-0.314, 0.628]

Colorblindness (BroadCharacteristics) Regression

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	4.3750000	0.1215011	36.0079014	0.0000000	[4.136, 4.613]
True Egalitarian	-0.2694724	0.1353637	-1.9907285	0.0471942	[-0.536, -0.003]
Secret Egalitarian	0.0331633	0.1483008	0.2236215	0.8231665	[-0.258, 0.325]
True Dominant	-0.0592105	0.1649064	-0.3590554	0.7197441	[-0.383, 0.265]

Mediation Analyses.

These data revealed that the Implicit Dominant profile and (ISDO specifically) were related to colorblindness even though those people explicitly endorse the identity-conscious ideology of diversity. Additionally, these data suggest that Egalitarians who were high in Implicit SDO are more likely to support the instrumental notion that diversity should be pursued only if it benefits the dominant group (i.e., White people). Finally, these data have shown that Egalitarians who are high in Implicit SDO (Implicit Dominants) support policies in ways that depart from Egalitarians low in Implicit SDO (True Egalitarians); in ways that undermine the principles of racial justice. The 3D framework posits that this gap between commitments to diversity and racial progress and ultimate support and opposition towards policies in contravention of those principles occurs in part because of implicit social dominance (ISDO). Specifically, the instrumental diversity rationale and the colorblind ideology both appeal to implicit group-based dominance motivations. Thus, I conducted two models of mediation to further explore the mechanisms operating with implicit social dominance. In particular, I ran mediation models that

explored the role of instrumental diversity rationales and colorblindness in the relationship between the Implicit Dominance profile and ultimate policy support (see Figure 20).

Instrumental Endorsement Mediation   Colorblindness Endorsement Mediation
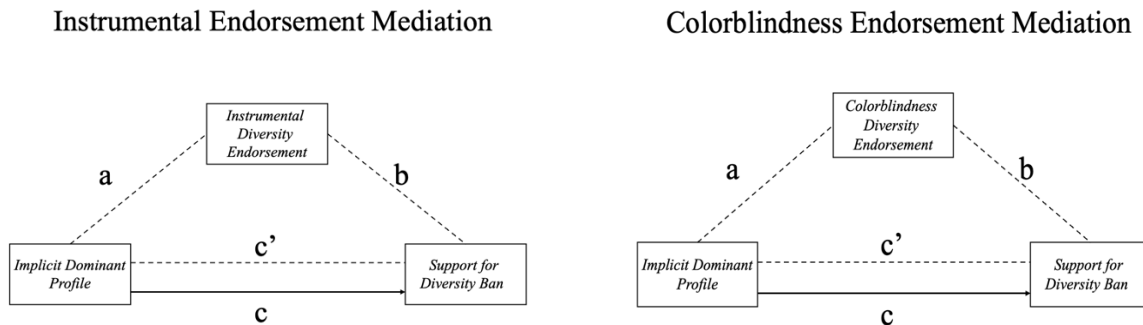
Figure 20 (Paper 1, Study 2) Graphics of mediation models for Dominance Profiles and Policy support

Instrumental Mediation. Analyses for the mediation models for colorblindness and instrumental diversity endorsement used items that were statistically significant for Implicit Dominants in study 2, specifically the instrumental item, "We should only pursue racial diversity if that will benefit white people too". Additionally, mediation analyses were limited to the diversity-related policy for which there was a statistically significant difference among Implicit Dominants and Egalitarians, the ban on diversity policies.
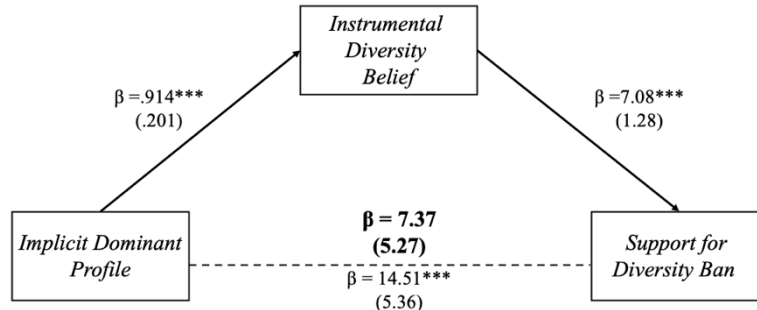
Figure 21 (Paper 1, Study 2) Mediation Model with Instrumental Item ("We should only pursue racial diversity if that will benefit white people too")

*Note: The model presents standardized regression weights (β) and associated standard errors (SEβ). Adjusted mediation statistics are bolded. p < .05; **p < .01; ***p < .001*

Instrumental belief of Whites benefiting mediated the relationship between Implicit Dominant profile and support for policies that ban on diversity programs (see Figure 21). Following the Baron & Kenny method, mediation analysis examined the effect of Dominance Profile on the endorsement of a Diversity Ban policy, mediated by the Instrumental Item: "We should only pursue racial diversity if that will benefit White people too."

The results showed that individuals categorized as Implicit Dominant had a significant positive association with the endorsement of the Diversity Ban (β=14.513, *SE*=5.35, *p*<001.). When examining the effect of Dominance Profile on Instrumentality, Implicit Dominants showed a significant positive association (β=0.914, SE=0.201, p<0.01). Furthermore, the Instrumental

Item had a significant positive effect on the endorsement of the Diversity Ban (β=7.809, SE=1.284, $p < 0.01$). When the instrumental item was included in the model, the direct effect of the Implicit Dominant profile on the Diversity Ban became non-significant (β=7.377, SE=5.270, $p>0.05$). This suggests that the relationship between being an Implicit Dominant and endorsing the Diversity Ban is fully mediated by higher scores on believing diversity should benefits white too. In contrast, the positive associations for Secret Egalitarians (β=14.227, SE=4.063, $p<0.01$) and True Dominants (β=14.718, SE=5.064, $p <0.01$) remained significant even after accounting for Instrumental beliefs. These results suggest that while the Instrumental Item explains the positive association between Implicit Dominant profiles and endorsement of the Diversity Ban, the same cannot be said for Secret Egalitarians and True Dominants (see Table 27 in Appendix)
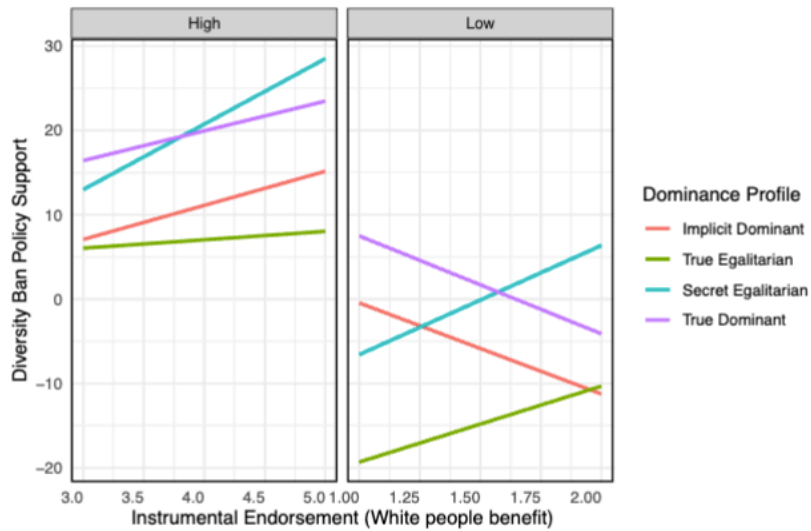
Figure 22 (Paper 1, Study 2) Diversity Ban Support as a function of Dominance Profile and Instrumental Endorsement

Colorblindness Mediation. Analysis, using the Baron & Kenny method, revealed a partial mediation effect where Colorblindness (as measured by *MARC*) partly explained the relationship between dominance profiles and support for the diversity ban policy (see Figure 23).

The Implicit Dominant profile was significantly associated with higher support for the diversity ban policy ($\beta = 14.513$, $p < 0.001$), compared to True Egalitarians. Both the Secret Egalitarian (β = 20.193, $p < 0.001$) and True Dominant (β = 24.525, $p < 0.001$) profiles were also associated with higher support for the diversity ban policy. When examining the effect of dominance profiles on colorblindness (Model 2), we found that all three profiles were significantly associated with higher levels of colorblindness: Implicit Dominant ($\beta = 0.292$, $p < 0.05$), Secret Egalitarian ($\beta = 0.644$, $p < 0.001$), and True Dominant ($\beta = 0.646$, $p < 0.001$). The inclusion of colorblindness as a significant predictor of support for the diversity ban policy in the model (β = 12.163, $p < 0.001$), reduced the direct effect of the Implicit Dominant profile on support for the diversity ban policy ($\beta = 10.961$, $p < 0.01$), indicating partial mediation. Similarly, the effects of the Secret Egalitarian ($\beta = 12.357$, $p < 0.001$) and True Dominant ($\beta = 16.665$, $p < 0.001$) profiles remained significant but reduced (see Table 28 in Appendix).
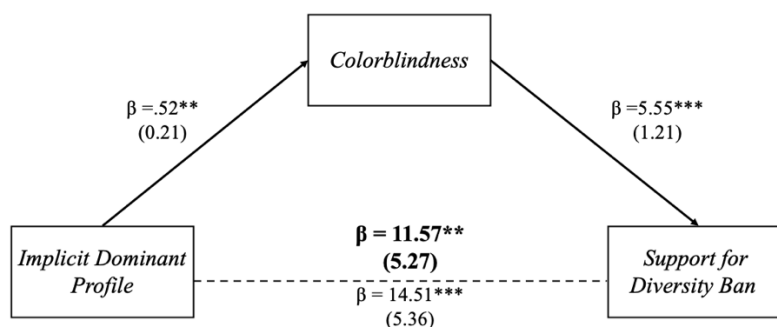
Figure 23 (Paper 1, Study 2) Mediation Model with Colorblindness (as measured by truncated MARC scale)

Note: The model presents standardized regression weights (β) and associated standard errors (SEβ). Adjusted mediation statistics are bolded. p < .05; **p < .01; ***p < .001

Higher support for the Diversity Ban policy among the Implicit Dominant, Secret Egalitarian, and True Dominant profiles is partly explained by their higher endorsement of colorblindness attitudes. Each of these three profiles have at least one dimension of preference for group-based dominance that is high, providing some evidence that the Implicit Dominant profile, while distinct from Social Dominants, may still harbor group-based dominance motivations that resonate with hierarchy-enhancing ideologies.

Discussion

Study 2 provides further evidence for the validity and potential of ISDO as a measure of group-based dominance. ISDO and SDO consistently correlated to ideologies, policy, and social attitudes shown to be related to SDO in similar directions suggesting they are measuring similar underlying constructs. However, ISDO may allow us to tap into group-based dominance motivations for a group of people the explicit measure would classify as egalitarians, Implicit Dominants. This group, low in explicit SDO but high in implicit SDO, had a slightly different political profile than Social Dominants and were more likely to endorse diversity and racial justice and possess greater feelings of warmth towards racial minorities (i.e., Black people). They were even more likely to support rationales for the importance of diversity that centered its ability to remedy past discrimination. Basically, in terms of their principles and certain ideological beliefs, they looked like typical Egalitarians. However, Implicit Dominants did not always behave or possess the attitudes that their True Egalitarian counterparts did. They were more likely to endorse instrumental diversity beliefs. That is, even though they believed diversity was a good thing and a possible way to remedy past discrimination, Implicit Dominants were also more likely to believe the benefits of diversity should flow to dominant groups (i.e., White people) as well (see Figure 18).

Additionally, mediation analyses indicate that the instrumental appeal of diversity ideology— particularly its framing as beneficial for dominant groups—activates implicit social dominance motivations even among those who explicitly endorse egalitarian principles. This mediation suggests that individuals who ostensibly support egalitarian ideals may still exhibit behavior consistent with dominance motivations when diversity is framed instrumentally. The significant indirect effect of implicit social dominance, as measured by instrumental rationales, on policy

support underscores the covert operation of dominance motives. Additionally, although ardent supporters of diversity, an explicitly color-conscious ideology, egalitarians who are high in *implicit* social dominance were more likely to believe that diversity should be (and for some must be) inclusive of white people, as well as endorsing colorblind sentiments than True Egalitarians. Mediation analysis reveals that these colorblind sentiments partially mediated the relationship between the Implicit Dominant profile and support for policies like a Ban on Diversity programs not serving white people.

Study 2 provides critical insights into the complex interplay between diversity ideology, implicit social dominance motivations, and policy support among self-identified egalitarians and yield evidence of the 3D phenomenon of discrimination that contributes to the principle policy gap. The results demonstrate a nuanced landscape where instrumental diversity rationales significantly influence support for policies that actually undermine racial justice efforts like the Diversity Ban Policy, relating to underlying *implicit* social dominance orientations (SDO) for individuals who nevertheless have positive racial attitudes.

General Discussion

Across two studies I find evidence for implicit social dominance and its relationship to the principle-policy gap. Even though Implicit Dominants do not differ from True Egalitarians in their racial attitudes towards Black people, their differing levels of Implicit Social Dominance influenced their support for racial justice policies. We also found evidence that part of what explained Implicit Dominants opposition for racial justice policies is the instrumental rationale for diversity.

Overall, this work provides initial evidence for the existence of implicit social dominance orientation and its relevance for understanding egalitarian decision-making that may spur the diversity principle-policy gap. Specifically, this work provides preliminary evidence suggesting that implicit social dominance can co-exist with diversity/valuing diversity, and that diversity, even though color-conscious, can smuggle in colorblind ideals that influence policy support. Individuals can be egalitarian and value diversity and even feel warmth towards racially non-dominant groups and still discriminate against them through policy support related to group-based dominance motivations.

Interestingly, these findings challenge conventional interpretations of the principle-policy gap, which typically attribute disparities between stated egalitarian principles and policy support to racial antipathy. Our data suggest that even in the absence of explicit racial animus, implicit dominance motivations can drive policy preferences that undermine true racial equity. This divergence is observed among individuals classified as egalitarians based on explicit measures, yet who display dominance-oriented behavior when influenced by instrumental diversity appeals.

These results highlight a critical absence in conventional SDO measures, which may fail to capture a subset of individuals who harbor implicit dominance motivations. By focusing solely on explicit dominance, traditional methods might miss those who, despite their professed egalitarianism, still seek to maintain hierarchical social structures under the guise of promoting diversity. This underscores the need for a more nuanced approach to measuring SDO, one that

includes both explicit and implicit dimensions to fully understand the dynamics of diversity ideology and its impact on policy support.

Future research will examine the unique dominance profiles and implicit social dominance motivations of different non-dominant groups, particularly the racially non-dominant group of Black people. In both studies Black people comprised much of the Implicit Dominant profile sample. This is a fruitful area of future research in that this measure might be picking up on the complexity of black psychology and political profiles evidence in previous work (Jefferson, 2023). High implicit social dominance orientation among Black individuals, who are as likely to be Implicit Dominants as True Egalitarians, adds depth to this argument. It indicates that within the Black community, there are individuals whose dominance motivations might drive their support for certain policies, reflecting a conservative stance not necessarily rooted in explicit racial antipathy but in a desire for hierarchical stability. These findings about the principle-policy gap, where individuals might express egalitarian principles but support policies diverging from those principles due to implicit social dominance motivations, resonate with insights into the inconsistencies in Black political behavior. Additionally, this may signal behavior consistent with system-justification theories that discuss the acquiescence of the subordinate to the hierarchical status quo (Jost, Pelham, Sheldon, & Sullivan, 2003). For non-dominant groups the implicit measure may also be tapping into an affinity for group-based hierarchy more along the lines of liberal authoritarianism of a politically oppressed class (Conway, Houck, Gornick, & Repke, 2018).

Future research should examine implicit racial attitudes among different dominance profiles as an important metric for disentangling the influence and importance of racial antipathy versus hierarchy preservation on behavior and decision-making. Finally, future research could also examine the contours of other profiles, while not the focus of this paper, the secret egalitarian profile presents a unique psychological and political profile that may be particularly relevant for the current political landscape and intergroup relations.

Part III: Implications For Law & Policy

ISDO Implications in Law

The way courts conceptualize decision-making and discrimination is at odds with insights from social science. Intentional animus is only one of many mechanisms that create inequality. Yet, courts have focused increasingly narrowly on individual intent while simultaneously limiting the evidence acceptable to infer such intent. At the same time, courts have endorsed both Colorblind and Instrumental Diversity informed "solutions" to inequality and discrimination from this intent-based understanding of discrimination. Findings in this paper challenge both ideological regimes in law. Furthermore, our findings, connecting implicit motivations for social dominance to colorblind and diversity ideologies, has implications for both the doctrine of intent that pervades anti-discrimination law, and laws treatment and analysis of race-conscious inclusion efforts.

Intent doctrine

We provide preliminary evidence for the existence of *implicit social dominance* (ISDO). This finding adds to a growing body of literature on implicit cognition and its relevance for decision-making and conceptions of discrimination (Greenwald & Banaji, 1995; Greenwald & Krieger, 2006; Kang, J., Bennett, M., Carbado, D., Casey, P., Dasgupta, N., Faigman, D., ... & Mnookin, 2012; Lawrence, 2008). Specifically, it adds to the literature that challenges the assumption that humans are always consciously aware of their motivations and desires that is embedded into the intent doctrines governing anti-discrimination law (Greenwald & Kriger, 2006; Kang, J., Bennett, M., Carbado, D., Casey, P., Dasgupta, N., Faigman, D., ... & Mnookin, 2012; Lawrence, 2008). However, this work draws an important distinction from theories of *implicit racial bias*. Previous research draws a distinction between implicit racial bias and explicit racial bias to challenge narrowly defined notions of intentional discrimination. We draw a distinction between racial bias –overt and covert—and bias for group-based dominance/hierarchy itself to challenge narrowly defined notions of intentional discrimination. This, we argue, is especially important given a current societal and cultural context where ostensibly racially egalitarian ideologies and stances are prevalent. These ideologies may conceal motivations that nonetheless contribute to discrimination.

Given this distinction, these findings draw attention to a distinction in law that is relevant for analyzing discrimination: the intent to discriminate versus the motivation to benefit. We argue that these are two important, but distinct, motivations that influence decision-making and discrimination. That is, group-based dominance motivations encompass motivations to benefit for non-dominant groups and this may result in discrimination. We find that people who may not otherwise be motivated to intentionally discriminate on the basis of race were still more likely to be motivated for their group to benefit from race leading to policy support that undermined racial inclusion efforts (see Figure 18). This pattern of decision-making may extend beyond policy support to daily decisions related to hiring, promotion, renting, and much more with implications for claims of discrimination. For instance, it may motivate a landlord to reject a tenant from a non-dominant group from moving to another building they own because they want the person to remain next to them. Or it may motivate a manager to refuse promotion because they want to keep the person on their team for the advantages of diversity they feel they reap. Neither of these would seem to be motivated by racial antipathy but both decisions treated the Black individual unjustly due, in part, to a desire to reap group-based benefits. This form of discrimination keeps racial hierarchies intact but may not be motivated by or confined to racial prejudice, nor purposeful in nature.

The motivation to benefit is not a legally legible cause of group-based inequality and discriminatory behavior. In fact, law may even see it as a neutral motivation given its centrality in legal rationales used in anti-discrimination laws. This distinction is lost when we only understand discrimination as prejudice. Thus, when these motivations are conflated in ways that make it easy for instances where inequality is being perpetuated (through desires to benefit) psychological motivation and mind-states that are actively contributing to discrimination are rendered invisible. However, when we understand discrimination and the roots of inequality as the things that maintain dispossessive hierarchies then the distinction becomes more clear and more consequential.

Motivations to benefit and beliefs among dominant groups that one should benefit from diversity still represents an intent (even if unconsciously held) that align with a group-based caste system. In this way, it preserves existing hierarchies operating inside individuals and institutions as an ideological position and cognitive impetus that impact decision-making and behavior that ultimately upholds group-based inequality. Indeed, as evidence in study two of this paper of the dissertation that showed that instrumental rationales partially mediated the relationship between implicit dominance and support for policies that were ultimately in opposition to racial diversity (e.g., bans on diversity, opposition to affinity groups).

Race-Conscious Programs

Both Colorblindness and Diversity have been employed as justifications for racial inclusion and both have evidenced an ability to maintain racial hierarchies. This dissertation posits and provides evidence for the reality that this is in part because both appeal to underlying group-based dominance motivations. Law participates in that through the ideologies and rationales that find legitimacy and legibility through legal decree and jurisprudence.

Our findings evidence an association between Colorblindness and implicit motivations for group-based dominance and hierarchy, even among those who endorse racial equity. This association between Colorblindness and ostensible progressive thought is not new and has origins in American jurisprudence. For instance, in *Plessy*, which upheld the separation of the races in U.S. public spaces, it was Justice Harlans' dissent (which was progressive for the time) that argued the U.S. constitution was colorblind and thus intolerant of such segregation (*Plessy v. Ferguson*, 1896, Harlan, J., dissenting). Despite its progressive intent, the reality is that the U.S. constitution and indeed most of U.S. society is far from colorblind. Thus, appeals to colorblindness given a structural reality to the contrary often only serves to reinforce the status quo (Bonilla-Silva, [2003] 2018). This logical conclusion of such colorblindness was realized and reinforced in law over a century later, for example, when Chief Justice Roberts in *Parents Involved*—a decision that gutted integration efforts in public schools. In penning the Court's decision Justice Roberts said that "The way to stop discrimination on the basis of race is to stop discriminating on the basis of race" once again relying on narrow definitions of discrimination and colorblindness to draw false equivalencies between racism and remediation. (*Parents Involved in Community Schools v. Seattle School District No. 1, 2007*, Roberts, C.J., majority opinion, p. 748).

Our findings also suggest that implicit social dominance was associated with instrumental rationales for diversity. Until recently, law had endorsed an identity-conscious solution of diversity, specifically an instrumental conception of diversity emphasizing advantages to dominant racial groups and institutions (rather than its intrinsic or remedial value) as the only legal permissible rationale for race-conscious initiatives seeking to remedy racial injustice (*Bakke*, 1978; Grutter vs. Bolinger ; Fisher II). Once again, as with Colorblindness in *Plessy*, the instrumental conception of diversity in *Bakke* was leveraged in service of an argument for progressive policy (Hurd & Plaut, 2018). In *Bakke*, finding that race could be considered as one of several factors in college admissions except through the use of quotes, Justice Powell wrote the controlling decision that crystallized the instrumental diversity rationale (Bakke, 1978). The

"diversity-benefits" instrumental rationale was impervious to a more power-conscious argument and structural – diversity is simply morally right in a society plagued with ongoing societal discrimination (Hurd & Plaut, 2018). Indeed, Justice Powell rejected every remedial reason for race-conscious admissions that focused on the benefits to the primary recipient, who would be a person from a marginalized, historically excluded group. For example, he said it was not a permissible use of racial classification to use it as a means of correct historical discrimination. The only justification he said was permissible was the desire to create a more diverse student body, which is the one possible justification he considered that assumes the benefits of diversity should belong to people other than a student who is admitted via affirmative action. Not to mention, the examples he used to demonstrate the potency of this diversity rationale for achieving the aims of affirmative action were ones that positioned students inclusion as conditional to what they have to offer. For instance, Powell in an appendix to his opinion, stated a "A farm boy from Idaho can bring something to Harvard College that a Bostonian cannot offer. Similarly, a black student can usually bring something that a white person cannot offer . . . ." (*Bakke* at 316). Maybe this sounds racially neutral, presumably the farm boy from Idaho is white, but the fact is that the inclusion of both the rural student and the Black student is for the benefit of a dominant group – elite white students. This type of diversity rhetoric and justification in quintessentially instrumental in nature.

Previous work has shown how these different rationales from the *Bakke* opinion influenced decision-making especially for those with social dominance orientations – that is they could endorse diversity but oppose policy that would actually usher in the racial inclusion and diversity they say they want (Hurd & Plaut, 2018). Further, the present paper found that Implicit Dominants, endorse diversity in the abstract, but do not support redistributive racial diversity efforts at commiserate with their racial egalitarian stances. This, we argue, represents the logical extension of the *Bakke* rationale—people may see diversity as a good thing as long as they enjoy the benefits, but they draw the line where the benefits flow instead to others, especially if they perceive that it takes something away from them. The "diversity benefits" rationale in law that is instrumental rationale may inculcate in dominant groups (e.g., Whites) an expectation to benefit and a motivation to benefit from the inclusion of non-dominant groups (Hurd & Plaut, 2018; Starck et. al., 2021). Thus, as with colorblindness, the "diversity-benefits" instrumental rationale may serve to maintain the status-quo.

This feature of the instrumental diversity approach to protecting racially-conscious inclusion efforts was ultimately exploited in the recent *Fair Admissions* decision overturning *Bakke* and finding race-based affirmative action in admissions unconstitutional (*Fair Admissions*). Lay and legal actors equated intentional discrimination against historically marginalized groups with identity-conscious programming aimed to support marginalized groups, both of them cast as intentional discrimination. This is what made instrumental diversity vulnerable as a mechanism for inclusion – the emphasis on prejudice and antipathy meant an emphasis on identity that made it vulnerable to prevailing narrow definitions of discrimination that understood it only as intentional prioritization of one group or another (even if to support or benefit marginalized groups) that ultimately cannibalized it.

Possibility in a Paradigm Shift

Despite recent challenges to diversity and other race-conscious programming, the legal rejection of the instrumental diversity rationale represents an opportunity to revisit remedial arguments through the lens of impact, disparity, caste and hierarchy. This may open us up to make new legal arguments that shift away from identity and its tenuous relationship with intentional discrimination to a focus on the reasons why identities are consequential and protected in the first place -- caste. As legal advocates, organizational leaders, and those in-between look to new arguments and approaches to racial inclusion, our findings offer caution in relying on frames that may actually serve to reinforce group-based caste systems

In recent decades, many sociologists, critical race scholars, and cultural psychologists have emphasized structural factors that contribute to inequality (Bonilla-Silva, 1997; Banaji, Fiske, & Massey, 2021; Adams, et. al., 2008). While focusing on structure is an important, productive, and necessary intervention in the study of discrimination, the emphasis on structure was, in part for fear of shoring up reliance on individual "intent" in legal doctrine. And this fear may have contributed to insufficient attention to psychological mechanisms that create inequality. Psychology scholars have pointed to the importance of individual psychology and implicit cognition to expose the myriad (and more scientifically valid) ways that bias operates and comes to exist – unconsciously where ingrained cognitive processes of categorization and such function with input from culturally-created meaning.

Implicit SDO connects these two lens of understanding to challenge logics inside anti-discrimination law that discrimination is defined only by purposeful actions and that instrumental construal of diversity are a sound rationale for racial inclusion. Furthermore, ISDO gets us out of the binary and antagonistic relationship between the atomistic/individual views vs the macro/structural takes on discrimination. It builds on both psychological learnings that motivation is not always conscious and motivation is not always racially biased to highlight a deeper bias and orientation about structure itself that may be unconsciously held and contributing to discriminatory behavior.

The development of ISDO is an attempt to take on the conundrum of individual support for equality coupled with lack of support for policies directed at reducing group-based hierarchies, in this case, inequality on the basis of race. When coupled with observations of how the ideological frameworks that interact with ISDO (i.e., colorblindness and instrumental diversity) have origins in law, we get a clear example of the sociocultural model of dominance at play. Individual group-based dominance motivations and ideologies that justify group-based dominance coalesce to maintain the racial status quo.

Conclusion

The findings from this paper underscore the intricate dynamics between diversity ideologies and implicit social dominance orientations (ISDO), providing critical insights on the nature of discrimination and persistence of the principle-policy gap through a 3D lens framework— Diversity, Dominance, and Discrimination. Specifically, this framework elucidates how seemingly egalitarian or pro-diversity stances can still stabilize racial hierarchies and perpetuate discrimination through, in this instance, implicit motivations for group-based dominance.

Analyses reveal that Implicit Social Dominance Orientation (ISDO) captures underlying motivations present in the explicit SDO measure but for groups that the explicit measure treats as the same – Implicit Dominants and True Egalitarians. Our findings suggest that those Egalitarians with high ISDO despite endorsing similar principles as Egalitarians low in ISDO, nonetheless support and oppose redistributive policies in ways that differ. Importantly, our mediation analyses highlight that their endorsement of instrumental diversity rationales-- viewing diversity as beneficial for instrumental reasons rather than moral imperatives-- significantly influences their attitudes towards diversity policies, that do not ostensibly benefit dominant groups. True Egalitarians expressed no such interest.

This nuanced understanding challenges the conventional view that support for diversity initiatives is solely based on explicit egalitarian principles. Our results indicate that implicit social dominance motivations can shape policy preferences in ways that are not captured by explicit measures of social dominance orientation (SDO). Additionally, mediation pathway helps explain why some self-identified egalitarians may endorse diversity initiatives superficially but resist substantive policies aimed at achieving racial equity. The 3D framework suggests that such instrumental rationales can serve as a veneer that masks underlying dominance motivations, thereby maintaining the status quo.

Our study contributes to the broader literature by elucidating how diversity ideologies, particularly when framed instrumentally, can appeal to implicit social dominance motivations. This challenges assumptions in anti-discrimination law around intent and the effectiveness of diversity rationales, suggesting that superficial commitments to diversity may perpetuate rather than alleviate discrimination. Further, it begins to suggest that a shift towards rationales and approaches that center power, rather than identity may be better equipped to address the nuances of racial inequality.

In conclusion, this paper advances our understanding of the subtle yet powerful influence of implicit social dominance on diversity policy support. By highlighting the role of instrumental diversity rationales and implicit social dominance through the 3D framework, we pave the way for more nuanced and effective approaches to promoting racial justice and equity in organizational and societal contexts.

Paper 2: Dominance Terms: The 3D of Race Justice & Venture Capital Control Provisions

Paper 2 Abstract

The Venture Capital ("VC") industry in the United States plays an important role in innovation and emerging technologies across the globe—it has helped to anoint the world's four most valuable companies (Schmidt, 2003). Despite this enormous impact, there is effectively no legal backstop that ensures non-dominant groups (e.g., Black people, women) have an equal opportunity to share in its wealth creation and innovation. While many VCs have pledged efforts to increase representation in VC firms and in investment to founders from non-dominant backgrounds, racial disparities persist (Pardes, 2021). Sizeable research and resource have been directed towards understanding and addressing the race gap in VC funding (cite). While an important aspect of curtailing racial discrimination in capital markets, the decision to invest in founders of color is not the only one relevant for addressing racial inequality. A more pernicious and subtle form of discrimination may be occurring in VC through routine contracting practices involving control terms, even amid the glacial increase of investment to founders of color. We argue that the VC industry's increased focus on diversity may conceal and coincide with the preservation of racial hierarchies through the form of control terms in investment contracts. By applying a novel interdisciplinary 3D framework of discrimination, this paper explores how control terms in Venture Capital investment agreements can disproportionately constrain Black founders. Such that even when VC invests in Black founders, they do so in ways that keep the status quo in place –Black people are subordinated and disproportionately disempowered. With this framework, we offer empirical evidence and theoretical explanations for the gap between VCs' stated diversity principles and observed racial inequalities and discusses the limitations of current anti-discrimination legal regimes in addressing these nuanced forms of discrimination.

Introduction

Consequences of Control

Stacy was a Black entrepreneur with a groundbreaking idea that would ultimately shake up the film industry—MoviePass—a subscription-based movie ticketing service. Being one of the first-movers in the market, the idea was a hit. The concept was simple yet innovative, quickly capturing the attention of investors. Stacy, like many founders, needed more capital to grow the business and took on further investment from Helios and Matheson. Not long after, subscriptions and company stock soared (Oberoi, 2022; Dockterman, 2022). Brian was another visionary Black founder committed to developing AI technologies free from bias against Black and Brown communities. Brian successfully raised nearly $13 million to build Kairos, an ethical facial recognition technology at the cutting edge of AI and equity that had companies champing at the bit (Sands, 2021).

At first glance, Brian and Stacy's stories seem like exemplars of what is possible when Venture Capital (VC) invests in Black founders—everything from the arts to AI is better served. However, a deeper look reveals that these stories may better exemplify a more complex narrative around diversity and equity in VC. One where investments ostensibly meant to empower Black

founders can simultaneously reinforce racial hierarchies and subordination. A silent mechanism operates within VC that makes this possible—contracting and control.

In both stories, the investments came with strings, and control, attached—limiting the power these founders had in their own companies. While a feature of VC investment, Black founders may experience levels of control that far outweigh those of White founders with implications felt by founders, investors, and society at large. In Stacy's case, at the behest of key investors, the infusion from Helios came with the appointment of headstrong CEO and the imposition of a subscription model that Stacy tried to tell the investors was unsustainable. Despite Stacy's objections, the investor-loaded board had the final say, eventually ousting Stacy from the company he founded and MoviePass collapsing under the weight of mismanagement and unmanageable customer demands. Brian did not fare much better. Despite the board's insistence that he take on a lucrative government contract with Homeland Security—a contract he believed would weaponize company technology against the very Black and Brown communities he sought to protect—Brian refused. In response, the board, wielding their control, ousted Brian on now-disproven allegations of wrongdoing.

Both Stacy and Brian's experiences highlight a critical issue in the venture capital industry: while investments in Black founders fulfill diversity commitments, the terms of these investments can maintain racial hierarchies and control dynamics that undermine true empowerment and racial equity. The same investment that gave these Black founders enough rope to jump was ultimately the rope that sealed their fate, and the terms of contracting agreements facilitated that while diversity ideologies and rhetoric that may have surrounded such investments made it potentially difficult to fully see and understand.

Diversity & Dominance in Venture Capital

Risk and control are foundational to the operation of VC. High-risk investments can come with high rewards and investors are motivated to ensure their money is protected and their interests are prioritized (Gompers & Lerner, 2024). Control rights are mechanisms for achieving this. Essentially investors and founders bargain for an ostensibly mutually beneficial deal, including trading price, ownership, and control. Investment agreements are a tool VCs use to balance these interests, complete with both economic and control terms. Control terms are provisions in investment agreements that protect investors financial interests and influence company operations by limiting what founders can do with their companies without investor permission (Kaplan & Stromberg, 2003). These terms are varied but they generally include terms related to voting rights, distribution of investment proceeds and entitlements, board representation and protective provisions (Sahlman, 1990; Gompers & Lerner, 2001). While many VCs use template term sheets with boilerplate language[7], these terms can and are negotiated (Gordon & Orozco, 2015; Robinson & Wasserman, 1999). These terms are standard practice throughout the industry and deemed necessary to protect the interests and informational vulnerabilities of investors (Sahlman, 1988; Sahlman 1990).[8] However, when systemically deployed with Black founders they may function as "Dominance Terms"—contract terms that let VCs reflect and uphold

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[7] In particular the National Venture Capital Association (NVCA), an organization that represents the US venture capital community and advocates for certain industry-wide policies, provides model documents with boilerplate provision standards that VCs use model their agreements after.

[8] Research has suggested that the information asymmetry an agency problems between entrepreneur and investor regarding the day-to-day operation of venture is a vulnerability.

patterns of group-based dominance and hierarchy in society by exercising disproportionate control over Black founders than White founders, even though they invest in Black people.

This, we argue, is an important part of the "diversity problem" in VC that has garnered less attention but is no less consequential for the project of racial justice in VC. It is not just that Black founders should experience equity in funding but also in the very terms of investment.

Diversity has captured the VC industry's attention, with efforts primarily focused on increasing representation—getting more dollars into the hands of Black founders and more Black decision-makers into VC firms. While critical, this focus on representation can sidestep an equally crucial issue of control: namely, who holds the power in these ventures and how the terms of investment contracts broker that power. Investors may recruit control rights and mechanisms disproportionately with Black founders, mirroring existing patterns of racial dominance and subordination. Importantly, though, these investors may not have any racial animus when they do it, some even welcoming the opportunity to invest in a founder from a non-dominant group.

However, the control and dependency-oriented relationships between investors and founders inherent to the VC model make it uniquely susceptible to forms of decision-making and discrimination that may be hard to see when pro-diversity attitudes are salient. Previous research has married insights from sociology and psychology to highlight how individual and structural decision-making processes contribute to gaps in VC investment including implicit racial biases[9] (Gompers & Kovvali, 2018; Ewens & Townsend, 2020), homophily (Gompers, Huang, Wang, 2017; Gompers, Mukharlyamov & Xuan, 2016; Choi, 2023) and pattern-matching[10] (Griffith, 2017). The present research also draws from theories in social and cultural psychology, but we offer a different lens through which to view and assess the forces that contribute to racial inequality in VC, given widespread explicit commitment to diversity throughout the industry. We provide some of the first ever empirical data on racial disparities in control terms of contracts to begin quantifying and illuminating how control plays a role in continued racial disparity in VC investment. Further, we advance a 3D (Diversity, Dominance & Discrimination) framework for racial justice to understand how the current model in VC (even one that explicitly calls out diversity) can still nonetheless keep race (and other identity-based) hierarchies stable through contracting and control practices.

The paper proceeds in three parts. Part One provides background on a novel 3D (Diversity, Dominance & Discrimination) framework for understanding modern manifestations of discrimination where ostensibly egalitarian practices, tools, and decisions both recruit diversity ideologies and stabilize racial hierarchies. It applies the framework to features of the venture capital industry to explain how even when investment in Black founders aligns with diversity interests on the surface, such features can still achieve racial domination through other means (e.g., contracting). Part Two presents data on racial disparities in control terms within investment agreements of venture capital firms (with varying commitments to diversity). Specifically, we analyze of over 500 series A contracts to explore the prevalence of control terms in founder contracts, even controlling for valuation. Part Three discusses the current legal regime for addressing discrimination that undergirds VC including anti-discrimination law and disclosure-based regulation. We evaluate its effectiveness for tackling the nuanced forms of

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[9] Especially in the pitch and selection stages.

[10] Pattern-matching refers to the heuristic based decision-making where VCs favor founders who look like those who have started successful companies in the past. Given who has been the majority recipient of venture funding for decades due to individual and structural bias, this of course reinforces a homogeneous environment.

racial discrimination and inequality that may be operating in venture capital contracting and highlight recent challenges and possibilities in both areas. We argue for an expansion and reinterpretation of anti-discrimination and disclosure regimes to develop a mixed-methods approach to anti-discrimination and diversity efforts in VC, in order to envision regimes to address these systemic issues effectively and fundamentally shift the way VC discusses the issue of diversity and racial equity.

Part I: The 3D of Venture Capital

Diversity in VC can be understood along two lines: diversity within firms (i.e., the demographics of workforces and investors in large funds) and diversity in firm portfolios (i.e., the demographics of the founders they fund). Much research and many resources have been directed towards understanding and addressing both. Especially in the years after 2019, VC interest and commitment to diversifying VC has exploded, with diversity programs and racial equity initiatives nearly doubling in the industry (VC Human Capital Survey, 2021). Yet, White males still control over 90% of VC and Black founders, in particular, comprise less than 2% of all VC investment (NYCEDC, 2023; Forbes, 2022). This gap between the principles of increased representation and inclusion and implementation of strategies that allow the continued and pronounced investment disparity is not unique to venture capital. In fact, many businesses and social institutions that purport to endorse the ideals of diversity (e.g., racial equity, inclusion, etc.) routinely fail to do so (Feiner, 2020; Deloitte, 2023; Dixon, Durrheim, & Thomae, 2017). The ubiquity of this principle-implementation gap may indicate that it is a feature of the type of diversity orthodoxy that has captured the industry—one where diversity is understood in superficial and instrumental terms—rather than a bug. As such, there may be dimensions of this gap that advocates for racial equity in VC have not fully appreciated: specifically, that even when VC invests in founders from racially non-dominant groups, disparity and inequity may still be present in the actual terms of investment. While the decision to invest in founders of color is an important aspect for addressing racial disparities in VC, it is not the only one relevant for the expression of racial discrimination in capital markets. The nature of diversity ideologies and the model of VC itself may make the industry particularly susceptible and ill-equipped to see and address a more pernicious and subtle mechanism of discrimination occurring in VC even amid the glacial increase of seemingly egalitarian and pro-diversity investment decisions—routine contracting practices involving control terms.

The exploration of racial inequality in VC benefits from the application of a 3D (Diversity, Dominance & Discrimination) perspective of racial justice. The 3D framework, which draws from theories of social dominance, critical diversity, and social and cultural psychology, serves as a model for exploring instances of a contemporary form of discrimination—where seemingly egalitarian practices, tools, and decisions both recruit diversity ideologies and stabilize racial hierarchies, ultimately leading to racial discrimination. Specifically, the framework posits that when individuals and organizations pursue racial or other forms of inclusion, justified and primarily viewed through the lens of how the institution or dominant groups stand to benefit, it triggers and aligns with ideologies, structures, and cognitive

processes across the sociocultural reality[11] that enhance inequitable hierarchical arrangements, where historically dominant groups remain at the top of group-based dominance hierarchies. Previous research has shown that commitments to diversity rooted in the benefit institutions and dominant groups (e.g., white people) stand to gain can lead to decisions and support for practices that do not serve the primary beneficiaries—underrepresented groups (Hurd & Plaut, 2018; Hurd Dissertation "Paper 1"). The same may be true in VC with the use of control terms for Black founders.

Given increased attention to diversity in VC investment, investment in Black founders may present a unique context where the "expectations to benefit" present in both prevailing commitments to diversity ideologies and in the nature of the investment relationship itself coalesce to influence perceptions of risk and subsequent allocation of control. The "expectation to benefit" is inherent to the relationship between founder and entrepreneur–VCs invest with the intention of a return on their investment in founders (Fried & Hisrich, 2002; Sahlman, 1990). And control terms allow VCs to protect this interest (Gompers, 1995; Gompers & Lerner, 2001). Perceptions of risk determines not only the size of the investment but the terms of that investment as well (Gompers, 1995). While it may be the case that Black founders' risk characteristics justify (potentially greater) control provisions, research has shown that perceptions and assessments of risk are not race-neutral (cite) nor reliant only on objective metrics (cite). Risk profiles of Black founders may be unduly influenced by race via various processes like pattern-matching and homophily Gompers & Kovvali, 2020). This paper, in applying the 3D framework, extends this body of literature to suggest that race may also yield skewed metrics of risk, even in the absence of overt or covert racial prejudice because of group-based dominance and hierarchy. The brokering of power and papering of hierarchy in inherent in control terms of investment agreements. And, according to the 3D framework, so are instrumental rationales for diversity, like the business case for diversification of VC. From this theoretical position, it is not just the hierarchy-relevant elements in control terms but also inside of instrumental appeals for diversity that may help expose and explain how even in a seeming racially egalitarian decision—investing in a Black founder—racial inequality can still proliferate to undermine racial justice in VC.

In the next section, we briefly explore each element of the 3D framework applying it to the VC model and its relevance for the relationship between diversity, race, and control (Hurd Dissertation, Paper 1)[12]. In so doing, we argue that the forms of diversity orthodoxy in venture capital may correspond with contracting practices and, more specifically, control terms to ultimately create dominance terms—the disproportionate use of control terms in investment agreements with Black founders that allow pro-diversity investment decisions to still maintain prevailing racial hierarchies where Black people are constrained. Thus, the 3D framework enables exploration of the relationship between diversity and less obvious mechanisms of racial discrimination and disparity in VC that, while appearing neutral or even egalitarian, are no less

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[11] The sociocultural reality refers to the relationships between the person and the environment including social institutions and culture. It posits a theory of mutual constitution where culture shapes individual behavior, cognition, and emotions, while individuals also contribute to the creation and transformation of culture through a host of individual, interpersonal, and institutional. (Markus & Hamedani, 2007)
[12] For a more expanded explanation see Part I: Principle-Policy Gap & 3D Framework: Diversity, Dominance & Discrimination in Paper 1 of dissertation.

negatively consequential for the success, empowerment, and well-being of Black founders as pattern-matching and homophily in selection.

Diversity

While diversity has many different sociological and psychological connotations, it generally refers to heterogeneity in race, ethnicity, gender, age, and many other meaningful social identity categories (Plaut 2010). Simply, diversity refers to group differences. Diversity is also a shorthand for two related but distinct concepts relevant for a paradigm for how best to achieve racial justice, diversity ideology and diversity rationales. Diversity ideology refers to the set of values, practices, principles, and beliefs about how to best approach, think about, and navigate group differences in diverse settings to foster inclusion and intergroup harmony (Plaut, 2010; Rattan and Ambady, 2013; Martin, 2023). Research has identified two major types of diversity ideologies endorsed across U.S. institutions; those that are identity-conscious (e.g., multiculturalism) emphasizing the importance of recognizing group differences and those that are identity-oblivious (e.g., colorblindness[13]) suggesting group differences are best ignored (Plaut 2010; Leslie, Bono, Kim, Beaver, 2020). Diversity rationales, on the other hand, are a set of justifications for why valuing diversity should matter, and these are specifically tied to ideologies that value and acknowledge difference. Rationales for diversity can be instrumental (i.e., justifying diversity on the grounds of its direct or indirect benefits for the dominant group or institution) or moral/remedial (i.e., valuing diversity for its own sake or because it redresses anti-discrimination) (Georgeac & Rattan, 2023; Starck, Sinclair, Shelton, 2021; Hurd & Plaut, 2018). Despite their veneer of positivity, a growing body of research suggests that instrumental rationales can prioritize dominant group interests, which can lead to outcomes that do not advance—or even harm—the cause of racial equity (Starck, Hurd, Perez, Marshburn, 2024). For instance, work has shown an association between the instrumental rationale for diversity and the support for policies that privilege white Americans' experiential desires (Hurd & Plaut, 2018), implicit preferences for group-based dominance (Paper 1) and prejudicial attitudes and expectations to benefit among white students (Starck, Sinclair & Shelton, 2021).

Diversity in Venture Capital: Perils of the Business Case

Many organizations across industries express their commitments to diversity and justify those commitments in instrumental terms (Georgeac & Rattan, 2023; Starck et. al., 2021)[14]. The VC industry is no exception. For instance, although VC has still been slow to diversify their funds and investment portfolios, with only 4 percent of VC being Black in 2021 and less than 2% of venture funding going to Black founders, the number of firms with diversity, equity, and inclusion ("DEI") plans has dramatically increased (Venture Forward, 2021). In fact, the NVCA found that in 2020 about 40 percent of sampled firms had diversity strategies, up from a third in 2018. Furthermore, there was an increase in the number of DEI-focused recruitment programs with 33% of sampled programs having formal DEI programs in 2020, and 74 percent having informal programs. Additionally, a survey by Morgan Stanley found that nearly two-thirds of sampled VCs said that the Black Lives Matter Movement affected their investment strategy, and

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[13] There has been a push to move away from this language given that blindness it is a real affliction that people suffer and equating the disease with racism is considered ableist by some (cite)

[14] In fact, some work suggests that nearly 80% of fortune 500 companies use an instrumental rationale (cite)

43 percent said that investing in founders from non-dominant backgrounds had become a "top priority" for their firms (Morgan Stanley, 2019).

The instrumental diversity rationale pervades these commitments and programs. Diversity as beneficial for the market, the bottom line, and investor interests (also known as the business case) has garnered a lot of support. In advocating for diversity in VC investment portfolios, advocates to asset managers alike endorse the idea that "VCs who aren't actively pursuing investments in women and multicultural founders may be leaving money on the table" (Morgan Stanley, 2019; *see also* Gompers & Kovvali, 2018). Indeed, research has shown that VCs with greater diversity perform better financially (Gompers & Kovvali, 2018). Not to mention, in one survey 83% of VCs surveyed indicated that they believed it possible to prioritize investments in companies led by women and multicultural entrepreneurs while still maximizing returns (Morgan Stanley, 2019).

While ostensibly positive and pro-diversity, these instrumental diversity rationales, like the business case, may justify forming expectations about how one (or the institution) stands to benefit from non-dominant groups leading to policy support and decision-making that does not benefit individuals from non-dominant groups (Georgeac & Rattan, 2023; Warikoo, 2016; Hurd & Plaut, 2018). Moreover, the business case often fails to inspire the sort of increased representation and inclusion that the data indicated would bring returns (Morgan Stanley, 2019; Georgeac & Rattan, 2023). This reality coupled with the control-based relationship between investor and entrepreneur may make investment agreements between VCs and Black founders uniquely vulnerable to decisions that undermine Black empowerment. Research has suggested that diversity is more closely associated with racially non-dominant groups (Plaut et. al., 2011). Thus, investment decisions that involve racial minorities may make diversity commitments and ideologies more salient, in turn raising the expectancy and desire to benefit, and likely the motivation to ensure that benefit is realized even at the expense of the Black founder.

Baked into the VC model is an expectation that investors will benefit from the founders' idea as a return for their investment (Sahlman, 1990; Gompers & Lerner, 2001). In investor-founder relationships, investment to Black founders is not altruistic but rather comprised of an expectancy to benefit. With the power differential and transfers of control that occur as part of the staging of investment along with the prevailing diversity ideologies that fashion diversity and inclusion as conditional to the benefit one can receive, these sort of race-salient investments may exacerbate underlying aspects of control. Ultimately, diversity ideology and the race salience of the investment may prime investors to be motivated to truly reap the benefit from Black founders in ways that seed disproportionate amounts of control and outsized perceptions of risk.

Dominance

Dominance, a key element of the 3D framework, refers to mechanisms through which dominant groups maintain power over marginalized groups, primarily explained by Social Dominance Theory (SDT). SDT posits that societies with scarce resources are organized into hierarchies where dominant groups hold disproportionate power and resources (Sidanius & Pratto, 1999). These hierarchies are maintained by ideologies, individual acts, and institutional processes that justify group inequality. Importantly, these hierarchies are based on arbitrary and social

constructed characteristics like "race" and "class" (Sidanius & Pratto, 1999). Essentially, the theory understands group-based dominance and hierarchy as a foundational motivation and ideologies like racism give life, meaning, and consequence to the characteristics like "race" as justification for the inequal distribution of power and resource (Sidanius & Pratto, 1999)

Because hierarchy benefits dominant groups, they have a psychological investment in maintaining the status quo, leading them to endorse hierarchy-enhancing ideologies and institutions and oppose hierarchy-attenuating changes (Sidanius & Pratto, 1999). Thus, a key variable in SDT is Social Dominance Orientation (SDO) which measures the extent to which individuals accept and promote group-based dominance and hierarchy (Pratto & Sidanius, 1994). The 3D framework posits that this investment is not only something that is reflected inside of individual minds and motivations, but it is something that over time and through mutual constitution is reinforced through all levels of the sociocultural reality (Hurd Dissertation, Paper 1). For instance, the interplay of individual dominance motivations, even implicit ones, may be triggered by the group-based hierarchy logics in ideologies like instrumental diversity (Hurd Dissertation Paper 1). It may also be triggered by institutional norms and industry practices embedded with power, like control terms.

Dominance in Venture Capital: Contracting & Control

Contracts, while essential for protecting investors in high-risk ventures, can also preserve existing inequalities by embedding and exacerbating power imbalances through the use of hierarchy and dominance-laden control terms. Venture capitalists face significant risks, primarily informational and agency-related (Sahlman, 1990). Essentially, VCs invest in startups expecting high returns, but they do not manage the day-to-day operations. Instead, they rely on the entrepreneurs to make strategic and operational decisions. This can lead to conflicting interests between the venture capitalists (VCs) who provide the funding (principals) and the entrepreneurs who run the startups (agents) (Fama & Jensen, 1983; Fried & Ganor, 2008). To mitigate these risks, VCs implement a suite of control mechanisms, such as staged financing and control terms, which allow them to monitor and influence the venture's progress (Sahlman, 1990; Gompers, 1995). Control terms—clauses in a financing agreement that grant a venture capitalist the ability to exercise control and influence over a company's operations and strategic decisions—include provisions related to voting rights, cash flow-rights, board representation, and protective provisions (Sahlman, 1990). Protective provisions are among the most direct control mechanisms available to the investors (Gordon & Orozco, 2015). They are negative covenants barring certain business actions without the express consent of investors and function as veto rights for investors (Sahlman, 1990).

These terms give investors a means of watching over their investments and having the power to steer the venture towards success. In this way, these terms, and the contracts that define them, have built-in inequality that is theoretically mutually beneficial for both investor and entrepreneur. The industry logic that VC ownership and control is a necessary ingredient for success is pervasive, with many founders acquiescing to stringent control terms (Wasserman, 2008). However, there is mixed evidence that VCs balance that control well. For instance, board representation—an important control right—is often deemed crucial for maximizing value and productivity (Smith, 2005). Some research suggests that VCs take a reactive approach where dominating board control is leveraged more only to mitigate moments of managerial risk. In fact,

Lerner (1995) found that among VCs examined, when there was a change in top management, the VC board representation increased in response.

However, there is also evidence that board representation is rarely balanced from the beginning. Kaplan and Strömberg (2003) found that, with respect to voting control, venture capitalists obtained majority control in a minimum average of nearly 41% of initial financing rounds. And when voting and board control are combined this provides venture capitalists with nearly ironclad protection against entrepreneurial opportunism (Smith, 2005), but also levels of control that can be a hindrance.

There is also evidence VCs are inflexible around the negotiation of certain control terms. For instance, Gompers, Gornall, Kaplan, and Strebulaev (2020) surveyed VCs and discovered that VCs are generally inflexible regarding key terms. Especially with respect to pro-rata investment rights, which allow investors to maintain their ownership percentage in subsequent funding rounds; liquidation preferences, which ensure VCs are paid back first in case of liquidation; anti-dilution protection, which protects VC's' ownership from dilution in future financing; vesting, which ties founders' equity to their continued involvement; valuation, which determines the company's worth; and board control, which gives VCs significant decision-making power. They also found that, VCs show more flexibility on terms such as the option pool (shares set aside for future employees), participation rights (rights to participate in future funding rounds), investment amount, redemption rights (the right to force the company to buy back shares), and dividends most of all. Additionally, Kaplan and Strömberg (2003) found that these different control terms were linked to different types of risks. Internal risks, originate from within the firm or the startup itself and are those the management team, product development, and operational execution. External risks, on the other hand, originate from outside the firm and are generally beyond the control of the startup like market risk and competitive. They found that liquidation preferences and board control were related to both internal and external risk, anti-dilution protection was related only to internal risk, and redemption rights were related to external risk (Kaplan & Strömberg, 2003). Together this work suggests that VCs are somewhat less flexible on terms that manage internal risk, which are within the company's control, whereas they are more flexible on terms related to external risk.

Characteristics of the founder may be an internal risk that VCs analyze to determine control rights . While some work has assessed how characteristics like sex may impact risk assessment and subsequent control allocation (Ewen & Townsend, 2020), it has largely overlooked race as a salient characteristic. This oversight is critical because the thresholds of "appropriate" control may be skewed when race is salient, as it often is when investing in founders from non-dominant groups.

This has serious implications because although control mechanisms are intended to protect the VC's investment, they can also create inefficiencies and hinder the entrepreneurial process when they are excessive (Fried & Ganor, 2008). Excessive control mechanisms, such as board representation, veto rights, and liquidation preferences, can lead to conflicts of interest and inefficiencies, stifling entrepreneurial innovation and responsiveness (Fried & Ganor, 2008; Fama & Jensen, 1983; Gordon & Orozco, 2015). Too much control can lead to decreased efficiency and managerial productivity (Cestone, 2014), lower confidence, and a reduced sense of initiative, making the founder feel "subordinated and, maybe even, unduly beholden to the investor" (Gordon & Orozco, 2015).

Despite critiques of the regime of control in the industry and its potential for excess, research has largely overlooked the role of race, which may skew perceptions of control to the detriment of the venture, founder, and investor. Ultimately, the control logics and mechanisms in VC contracts ostensibly designed to mitigate risk are *already* a dominance-oriented and inequality-creating tool; the addition of the salience of race in investment decisions that involve Black founders may trigger group-based dominance motivations and skewed perceptions of risk.

In addition, assessments of risk are not race-neutral. For example, research by Biernat and Kobrynowicz (1997) demonstrated that racial stereotypes often lead to biased evaluations of competence, where Black individuals are frequently perceived as less competent compared to their White counterparts, even when they possess similar qualifications. Stereotypes about competence raise vigilance around risk. Though not including Black founders, one study found that VCs tend to ask men and women different questions suggesting that VCs saw women (another group stereotyped as incompetent in business) as riskier. Specifically, VCs asked men "promotion-focused" questions like, "How do you plan to monetize this product?" which indicate hopes, achievements, advancement, and ideals. In contrast, women were more likely to be asked "prevention-focused" questions, which imply concerns about safety, responsibility, security, and vigilance. An example of a prevention-focused question is, "How do you plan to prevent user churn?" (Kanze, Huang, Conley, & Higgins, 2018).

Furthermore, studies have shown that implicit racial biases can influence perceptions of risk, often in ways that reinforce existing power structures (Greenwald & Krieger, 2006). For instance, implicit racial biases that lead to overrepresentation of white founders can create lasting effects that influence perceptions of risk for Black founders through pattern-matching (Gompers & Kovvali, 2018; Jespen, 2023). Basically, Black founders may look riskier to VCs because they rely on a pattern of successful founders that are systematically White.

Applying a 3D lens helps us expand this understanding of how the mechanisms of racial inequality operate to include instances even when race is salient and investors are engaging in ostensibly egalitarian actions by investing in Black founders. It posits that racial antipathy—even of the covert variety—need not be present for decision-making to lead to racial disparities. This is because salience of race in investment decisions may activate individual-level group-based dominance motivations within an institutional context already laden with dominance-oriented logics (e.g., control) and tools (e.g., contracts), thereby replicating existing hierarchical race-based patterns such that Black founders receive less favorable terms.

Even if contracts are race-neutral, they are not dominance-neutral. The dominance and hierarchy logics that operate in them have implications and relevance for other parts of the sociocultural reality that can buttress group-based dominance even among genuinely egalitarian people. Ultimately, interaction between individual orientations and institutional products can result in discriminatory practices that are not immediately apparent but have significant implications for racial equity in venture capital. Different parts of the sociocultural model interact to produce group-based inequality even when cloaked by ostensibly positive and pro-diversity actions. Control terms, while intended to mitigate investment risks, may still function to perpetuate racial hierarchies if they allow VCs to apply them more stringently to Black founders.

Discrimination

Anti-discrimination law comprised of statutory laws and established methods of addressing disputes and claims of discrimination towards members of legally protected classes. Various statutes provide redress for anti-discrimination, including Title VII of the Civil Rights Act of 1964, which prohibits discrimination and segregation based on race, sex, and other protected classes in employment, education, public accommodations, and other sectors, and §1981, which bars discrimination in private contracts. From these statutes emerge theories of discrimination, or disparate treatment, that typically fall into two categories: those that center intent and those that center impact. While both theories of disparate treatment exist, the prevailing definition of discrimination is one that limits discrimination to intentional and purposeful action (Eyers, 2021; Lawrence, 1987; Krieger, 1995), narrowing the scope to only those things that individual nefarious and conscious actors do. This conception of discrimination departs from how sociological and psychological science has shown cognition and decision-making relevant to discrimination actually operates (Greenwald & Krieger, 2006; Greenwald & Banaji, 1995), especially in light of changing social contexts that make overt racism socially unacceptable.

The 3D conception of discrimination uses these theories, along with theories of structural racism and social dominance, to define the key mechanism in racial discrimination as distinct from explicit racial antipathy, implicit racial bias, and structural racist inertia and more related to the preservation of group-based hierarchy or caste itself. The 3D framework integrates insights from CRT and implicit cognition to broaden the understanding of discrimination. It posits that racial discrimination is not simply the result of bad actors acting irrationally or with racial bias (though this part of discrimination exists), nor the product of implicit racial biases (though these exist too), but rather can occur when those with no racial antipathy endorse, create, or engage ideas practices and institutions geared towards preserving hierarchical structures (Wilkerson, 2019; Sidanius & Pratto, 1999).

Discrimination in Venture Capital: Diversity, Race, & Control

Control terms, essential for protecting VC interests, can serve to preserve group-based hierarchies and thus act as vehicles of discrimination. While the balance between founder empowerment and investor control is a classic dynamic for which the industry ostensibly tries to reach equilibrium (Wasserman, 2018), we argue that race may skew this equilibrium for Black founders. Thereby replicating societal dynamics of group-based hierarchy and caste subordination even when investment in Black founders aligns with diversity interests on the surface. This amount of control can lead to the forms of extraction, dispossession of resource, and power that are hallmarks of discrimination and the stabilization of racial hierarchies in the U.S.

Ultimately, there are interests here that, although they need not be in competition, often are. Which is the (sometimes sincere) commitment to diversity and increased representation and the interest in minimizing risks through control and influence. Control terms in VC contracts may allow VCs to split the difference at the expense of founders from non-dominant groups. This

represents a form of 3D discrimination unique to VC that contributes to racial inequity in capital markets. Elements of diversity and dominance coalesce to create a nuanced picture of racial discrimination that may be occurring in VC impacting the well-being of Black founders but is not as readily understood as part of the "diversity problem" in VC. That is, logics inside the institution of VC relating to control and ownership combined with legal tools of contracting can facilitate disparities that keep Black founders (people at the bottom of the racial caste) more subordinated than Whites, even in circumstances where they receive investment in pro-diversity ways. Not to mention the pro-diversity salience may make the desire to benefit stronger, giving more license to enact controlling terms when investing in Black founders.

While the determination of discrimination in financing and contracts is notoriously difficult to test given the limited access to the risk factors that may influence real-world decisions, this paper seeks to offer empirical evidence and theoretical explanation making the case that race may be one factor that is relevant but understudied. We examine the rates of control terms in VC investment agreements, controlling for factors like stage of funding and valuation, to observe any group-based variations in founders' agreements. Observed race differences, while emerging from limited data, would indicate that Black founders systematically start more risky ventures. Such a finding may raise suspicions about the true objectivity of their presumed risk profiles. In the next section we analyze the control terms of agreements with White and Black founders to explore these themes.

Part II: Empirical Evidence of Control Term Disparities

Venture Capital investment agreements or term sheets are a routine practice in VC investments. They are so routine that there are boilerplate templates that VC firms, law firms and nonprofits like the NVCA use to expedite and support these "sausage-making" aspects of a deal. However, inside these contracts are important terms that hold the power to change the nature of a founder's relationship to her business—control terms. These terms are so routine that they are rarely part of the diversity conversation that has captured venture capital. However, these investment agreements house the terms that can become consequential for the success and empowerment of Black founders and important for helping VC live up to the principles and ideals of racial equity in VC.

Contracts have long been understood as instruments of inequality or power (Hart, 2021; Zalesne, 2013). That is particularly pronounced in VC contracts where many of the provisions are quite literally coined "control terms" giving investors means of protecting their investment. These terms provide ownership rights, liquidation rights in the event things go sour or well, voting and board representation rights, well as a host of veto rights or protective provisions that detail blanket prohibitions on what founders can do with their companies without Investor approval. Balancing these terms with the economic terms like company valuation are a part of the calculus of finalizing and negotiating a term sheet. Some research has shown that perceptions of risk influence not just the decision to invest, but also what the terms of the investment deal will be, including valuation (pricing) and control terms (Kaplan & Strömberg, 2004; Gompers et. al., [2016], 2020), where "riskier" investments usually lead to less flexibility on control terms and poor pricing (Gompers et. al., 2020). However, none of the research investigates how race

influences the contract terms of investment deals. The negotiation of terms does not happen in a vacuum and social identity categories like race may influence the nature of a term sheet and the amount of control deemed appropriate for the founder.

This is important for understanding racial equity in VC because when investors, even those who purport to value diversity, invest in Black founders, they may do so with levels of control not exerted over White founders. This may not seem as important to equity in VC given the low rates of investment in Black founders at all. However, control is consequential. This becomes very clear when the time comes to try and exercise power, control, or manage the business and founders are muzzled or kicked out like Stacy or Brian from the beginning of the paper. These terms and contractual decisions are clearly a part of the diversity and racial justice story that can create more liberatory and just venture capital or replicate more of the same race-based caste and dominance hierarchies.

In the present research we provide evidence for the existence of racial disparities in the control terms of venture capital investment agreements, even for venture capital firms that have express commitments to diversity. Specifically, we observe disparities in the incidence of protective provisions in Series A financing agreements in the U.S. Research suggests that control terms are common and relatively inflexible, though deviation from routine provisions is not unheard of (Gompers, Gornall, Kaplan & Strebulaev, 2020; Bengtsson, 2011). Thus, we examine the prevalence of protective provisions especially because variations might indicate differences in negotiating power. Particularly, the in the context of our study, they may indicate the influence of race as a factor.

Sample

The data were drawn from a corpus of Venture Capital Investment deals for first round Series A Financing Agreements available from a database called VC Experts[15]. Our inclusion criteria limited the sample to only Series A financing deals from 2018–2022, in the United States with company valuations and investments over $1 million. There are particularities to negotiating VC contract deals such that different VC firms have different model documents and templates from which they work. These differences may make it difficult to attribute disparities in the presence and frequency of protective provisions in contracts to things other than idiosyncratic negotiating styles and due diligence approaches. To account for this in this project, we cabined the sample of deals.

We limited the sample of deals to include only those that seemed to be using the National Venture Capital Association (NVCA) model charter. Importantly, the NVCA model document outlines standard protective provisions in investment agreements and is a good representation of industry-wide standards regarding charter documents. Deviations from these boilerplate provisions may serve as a proxy for the negotiating power and position of the founders represented in those deals. These inclusion criteria resulted in a total of 1,026 relevant deals. However, not all deals had a corresponding investment agreement available in VC Experts. After removing those deals for which no charter existed in VC Experts and filtering the sample for

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[15] https://www.vcexperts.com

only those deals with companies that had a monoracial founder team, the resulting sample included 569 contracts.

Measures

The dataset houses information about each financing deal including: the name of the portfolio company, race of the founders, presence or absence of "standard" protective provision terms (those in the NVCA model document) vs "non-standard" (those not in the stated in the NVCA model document), VCs that participated in investment for that company (where available), "diversity scores" for VCs, and economic terms (valuation, size of investment, anti-dilution provisions, pay-to-play, etc.).

Founder Demographics

Founder Race. Analysis was cabined to only those deals with companies for which the entire founder team was of the same racial group. Founder demographic data was developed from 2 independent coders and the primary author. Based on information from VC Experts and Pitchbooks regarding company founder names, coders found images of founders from websites, LinkedIn, and other social media platforms to ascertain their best estimation of race and/or ethnicity of the founders. Founders with ambiguous racial identities were flagged and the primary author investigated further and either classified the individual or removed them from the "monoracial" sample. Monoracial race categories included: White, Black, East Asian, South Asian, Middle Eastern, & Indigenous. Black founders were the racial group of interest for many of our analyses.

Protective Provisions

Protective Provisions are negative covenants in contracts for founders barring certain business actions without the express consent of investors (Gompers & Lerner, 1996). The prevalence of protective provisions in each contract were the primary outcome variables of interest. The classification and the coding scheme for these provisions were based off the bracketed and unbracketed protective provisions from the NVCA model document. All provisions found in the contracts that did not match with an established NVCA provision were tagged as "miscellaneous" provisions. As a result, there were two types of protective provisions included in our analysis; nine "Standard" provisions which include the provisions present in contracts that come from the bracketed and unbracketed provisions in the NVCA model document and "Nonstandard" provisions, which were the provisions present in contracts that were not a part of the NVCA model document (see Table 16 and Table 17).

Table 16 (Paper 2) List of standard provisions from the NVCA model document

Provision	Description
Liquidation	Prohibitions on Liquidation Events
AmendCharter	Prohibitions on Amending the Charter (especially in a way that adversely affects the Series A investors)
Security	Prohibitions on creation, increase or decrease, or reclassification of securities
Tokens	Prohibitions on issuance of Cryptocurrency
Dividends	Prohibitions on redemption or purchase of dividends
EquityPlan	Prohibitions on changing or increasing/decreasing Equity Compensation Plan or Stock Options

Debt	Prohibitions on use of new debt securities or instruments
Subsidiary	Prohibitions on creation of subsidiaries or allowing subsidiaries to undertake prohibited actions
Board	Prohibitions on changing the number of board seats

Table 17 (Paper 2) List of nonstandard provisions not found in the NVCA model document

Provision	Description
IP	Prohibitions on the selling or licensing of Intellectual Property
ChangeBiz	Prohibitions on changing the principle nature of the business
Transaction	Prohibitions on interested party transactions or agreements
JointVenture	Prohibitions on entering into 'joint ventures' or 'strategic partnerships' with other entities
AmendSection	Prohibitions on amending the protective provision section of the charter specifically through agreements or otherwise
IPO	Prohibitions on initiating an IPO and/or using a SPAC
Bankruptcy	Prohibitions on initiating Bankruptcy
Merger	Prohibitions on mergers and acquisitions
Loan	Prohibitions on making loans
Unidentified	Provisions that could not be classified based on established categories

VC Diversity Score

The VC Diversity score measure represents an overall rating of the diversity commitment of a VC. We calculated the Diversity Scores for all VCs that invested in a company with a Black founder group. The score was calculated from five key metrics. The first four metrics were binary coded yes/no for their presence or absence. The first was whether the company had an explicit DEI or "identity-conscious" mission[16]. The second metric was whether the company had a formal DEI page. The third metric was whether the company mentioned DEI anywhere or otherwise had a DEI statement if they did not have a DEI page. The fourth metric was whether they mentioned or expressed the diversity of the founders in their portfolio. The final metric was an assessment of the demographic make-up of the management team.[17] To calculate this management team score, two coders were tasked with counting the number men of color, women of color, White women, and White men. VCs were scored such that those with a management team that was 20% people of color or less received a 1, those with a management team that had 21% to 59% people of color received a 2, and those with a management team of 60% or more received a 3. The overall VC Diversity Score was an unweighted summation of the 5 metrics.

Economic Terms

Economic terms of the deal included the pre-money valuation of the company, the size of the investment, dividend rate, liquidation preference, and redemption rights.

Procedure

Study procedures unfolded in three phases: contract retrieval, contract coding, and provision analysis.

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[16] For instance, Backstage Capital explicitly commits to investing in founders of color. See https://backstagecapital.com
[17] Here management team did not include the board but CEO, officers, executives C-Suite, partners, etc.

Contract Retrieval

All contracts were downloaded from VC Experts, a database housing information about Venture capital deals and portfolio companies (V.C. Experts, n.d.). Placing all the inclusion criteria into VC Experts generated a spreadsheet of the relevant deals that met the criteria. We downloaded the Investment Agreement Contracts (Charters of Incorporation) that corresponded to the deals in the spreadsheet and converted the PDF version of these contracts to .txt files. We then extracted the protective provision sections from all the contracts. These resulting .txt files with the isolated protective provisions were then cleaned and filed.[18]

Provision Coding: Algorithmic Development & Testing

The second phase of data analysis comprised creating a dataset on which to train a Natural Language Processor ("NLP"). Creation of that data set entailed first tagging the provisions of the NVCA with a substantive label. Finally, it involved running the NLP to measure contracts' deviations from the NVCA protective provision list. Coding the provisions of the contracts required the assistance of machine-learning programs. To begin this, we had two phases. The first was to create the training set upon which the Machine-Learning (ML) program would be trained. As part of this, we randomly generated a sub-sample of protective provision files comprised of 10% of the contracts from the full sample. Three independent coders used the NVCA model document to manually code the sub-sample (i.e., our training dataset for the presence of the nine provisions from the model document). Interrater reliability averaged above 80% for all provisions ($\kappa = .83$). We developed a machine learning algorithm trained using neural networks on the hand-coded training set to read through all the contracts in the sample and classify them into the correct provision based on the NVCA template. Initial models were yielding classification report accuracy scores below 80%. However, after building a multi-layer Custom Classifier that leveraged sentence transformer word embedding with TFIDF, MLP, and a set of rule-logic guidelines to differentiate between the provisions based on word embeddings the final accuracy report yielded 95% for all provisions.

The resulting program was able to extract each provision from a contract file and successfully place it in the corresponding column in our dataset that represented the matching NVCA provision. Those provisions that could not be classified were labeled as "miscellaneous". The principal investigator reviewed the resulting miscellaneous provisions for accuracy and updated any misclassified provisions to the appropriate column. As part of this process, the principal investigator manually coded the miscellaneous provisions for the emergence of patterned provisions. We then used those codes as part of the rule word embeddings in the algorithm this time running it exclusively on the "miscellaneous" provisions. These resulted in 9 additional "nonstandard provisions" that emerged in the sample plus another category of those provisions that once again could not be identified (called "Unidentified"). The principal investigator once again reviewed these remaining "unidentified provisions" ensuring the algorithm did not miss provisions that should have been classified.

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[18] Here cleaning just means getting the files into a format where they were formatted and numbered in a way that the AI could more easily read.

Provision Analyses & Results

Provision Rates. Most contracts ranged between 8 to 10 protective provisions, $M = 7.79$, (see Figure 24). Furthermore, most contracts tended to include most of the standard provisions, $M = 6.94$, (see Figure 25). Nonstandard provisions, while not uncommon, were less frequent overall. Contracts tended to have no more than 2 nonstandard provisions in them $M = 0.84$ (see Figure 26).
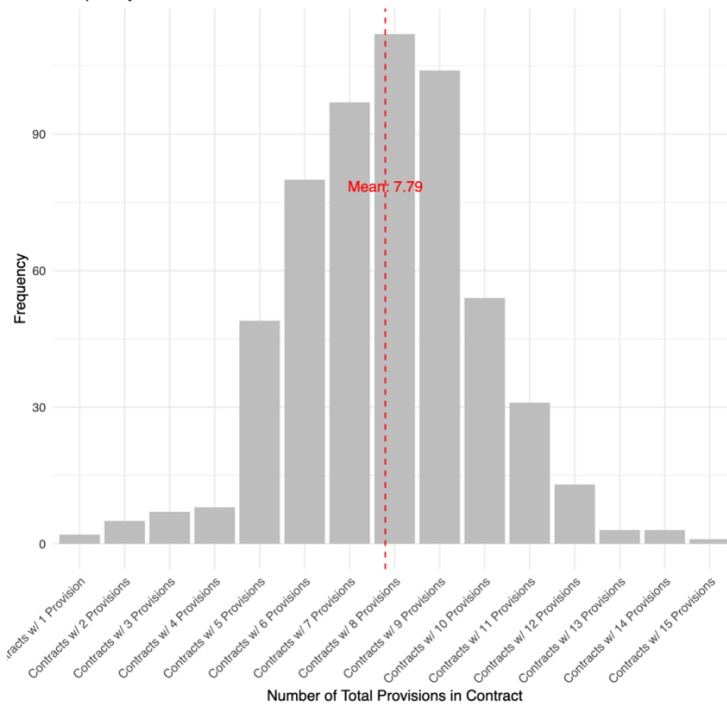
Figure 24 (Paper 2) Distribution of contracts with varying numbers of contracts
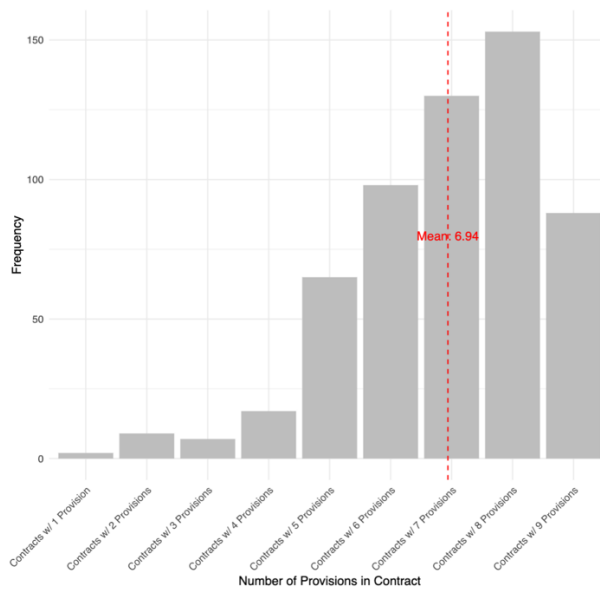
Figure 25 (Paper 2) Distribution of contracts based on standard provisions
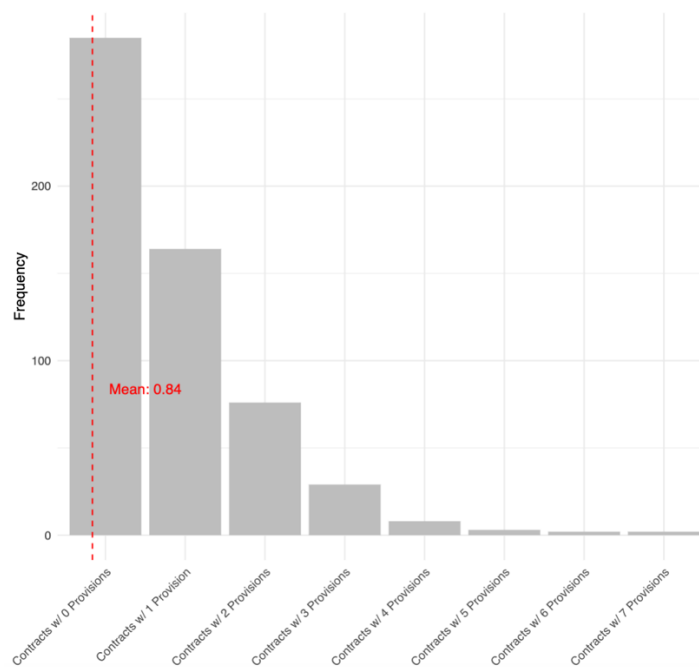
Figure 26 (Paper 2) Distribution of contracts based on nonstandard provisions

However, there was variation in the incidence of standard protective provisions in the contracts. Some standard provisions were less common than others in our sample (see Table 18). For instance, 45% of contracts had a digital tokens protective provision. 47% of contracts had an Equity Compensation Plan provision. Nearly all contracts had provisions related to liquidation (94.9%), Security creation (98.9%), Dividends (96.3%) and Charter amendments (98.7%) Interestingly, 49% of the sample had miscellaneous provisions. This means that nearly half of the sample had nonstandard provisions. Conversely, nonstandard provisions overall were relatively rare with the exception of a provision prohibiting interested party transactions or agreements (24%).

Table 18 (Paper 2) Percentages of Standard and Non-standard provisions in sample contracts

Standard Provisions	Count	Percentage
1. Liquidation	540	94.90334
2. AmendCharter	562	98.76977
3. Security	556	97.71529
4. Tokens	260	45.69420
5. Dividends	548	96.30931
6. EquityPlan	268	47.10018
7. Debt	380	66.78383
8. Subsidiary	344	60.45694
9. Board	490	86.11599
10. Miscellaneous	284	49.91213

Nonstandard Provisions	Count	Percentage
11. IP	53	9.3145870
12. ChangeBiz	34	5.9753954
13. Transaction	141	24.7803163
14. JointVenture	6	1.0544815
15. AmendSection	79	13.8840070
16. IPO	13	2.2847100
17. Bankruptcy	4	0.7029877
18. Merger	48	8.4358524
19. Loan	12	2.1089631
20. Unidentified	74	13.0052724

Race Differences. Of the 569 monoracial founder groups only 11 were of Black founders. This statistic alone could be seen as an indictment on the venture capital industry. Further analysis revealed that race seemed to matter for the contractual provisions likely to be observed in contracts. For instance, even though Equity Provisions were seen in only 47% of contracts, 81% of contracts with Black founders had this provision (see Table 19). The Debt Security Provision (in 66% of contracts), Digital Tokens Provision (in 45% of contracts), and Miscellaneous Provisions (in 49.91% of contracts) were found in fewer contracts overall. Yet, contracts with Black founders contained 90%, 54%, and 63% of those provisions, respectively.

Table 19 (Paper 2) Provision percentages within each race group

Provision	Sample	Black	East Asian	Latinx	Middle Eastern	South Asian	White
Liquidation	94.9	90.91	95.74	75.0	100.0	98.81	94.61
AmendCharter	98.77	90.91	97.87	100.0	85.71	100.0	99.02
Security	97.72	100.0	100.0	100.0	100.0	100.0	96.81
Tokens	45.69	54.55	48.94	25.0	57.14	48.81	44.85
Dividends	96.31	100.0	97.87	83.33	100.0	97.62	96.08
EquityPlan	47.10	81.82	44.68	33.33	42.86	58.33	44.61
Debt	66.78	90.91	70.21	75.0	71.43	65.48	65.69

Subsidiary	60.46	63.64	61.7	50.0	57.14	63.1	60.05
Board	86.12	100.0	85.11	58.33	85.71	86.9	86.52
Miscellaneous	49.91	63.6	42.6	58.3	28.6	53.6	51.5
IP	9.31	18.18	6.38	16.67	0.0	8.33	9.11
ChangeBiz	5.98	10.0	8.51	8.33	0.0	4.76	5.88
Transaction	24.78	45.45	27.66	25.0	0.0	22.62	24.75
JointVenture	1.05	18.18	0.0	8.33	0.0	1.19	0.49
AmendSection	13.88	36.36	2.13	0.0	14.29	15.48	14.71
IPO	2.28	9.09	2.13	0.0	0.0	1.19	2.21
Bankruptcy	0.70	0.0	0.0	0.0	0.0	1.19	0.74
Merger	8.44	9.09	4.26	16.67	0.0	15.48	7.35
Loan	2.11	9.09	4.26	8.33	0.0	1.19	1.72
Unidentified	13.01	27.27	19.15	16.67	28.57	10.71	15.69

Furthermore, contracts with Black founders ($M = 1.8$) had a slightly higher average of nonstandard provisions compared to White founders ($M = 0.82$). For individual nonstandard provisions, Black founders once again had certain provisions at rates not comparable to White founders. For instance, Intellectual property was a relatively rare provision in the sample, appearing in only 9% of contracts in the sample. Yet, just over 18% of contracts with Black founders had this provision (see Table 19 in Appendix).
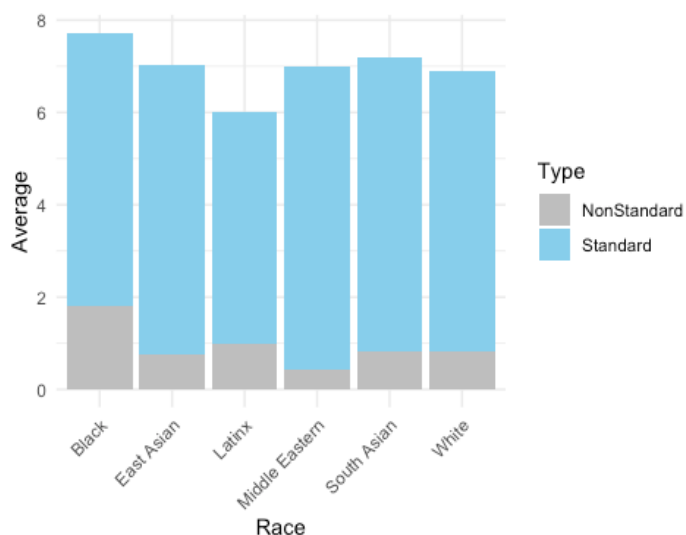
Figure 27 (Paper 2) Graph of average standard vs. nonstandard provisions by race

Race Significance Testing. To assess whether these differences were significant, we first completed the Fisher's exact test.[19] This test determines whether the proportions of one categorical variable differ significantly across the categories of the second categorical variable. In all the tests performed we observed that the Equity Compensation Plan provision (and marginally the Amend Section provision) were the only ones for which there was a significant difference between the proportions of Black vs. White founders who had these provisions in their contracts. (see Table 20).

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[19] A significance test of proportions, Fisher's Exact test analyzes the exact probability of observing the data given the null hypothesis of no association between the variables of Race and a given provision.

Table 20 (Paper 2) Significant provisions based on Fischer's Exact test and permutation testing

Provision	Fisher Testing (*p-value*)	Permutation Testing (*p-value*)
EquityPlan	0.02699719	0.028
Tokens	0.55394761	0.388
Debt	0.10816208	0.056
Board	0.37281887	0.371
IP	0.27471732	0.514
Transaction	0.15517798	0.100
AmendSection	0.07080060	0.027

We also conducted permutation analysis to analyze the significance in the race disparities of contractual provisions. Permutation testing is a non-parametric method for testing the null hypothesis that two different groups come from the same distribution as opposed to two separate distributions, without assuming a specific distribution shape (e.g., normal distribution). This analysis creates a distribution from which we can determine the likelihood of observing incidences of provisions like we saw among Black founders. For each provision with a significant Fisher's test between Black and White founders (i.e., Equity Plan, Debt Security, Tokens Provision, Boards Provision, IP Provision, Transaction Provision, and Amend Section Provision), we calculated the observed difference in the mean between Black and White founders in the sample. The mean for each provision was essentially a percentage because provisions were coded as 1 if they were present in a contract of 0 if there were not. To assess whether the observed statistic (i.e., the mean difference between Black and White founders) was significant or mere chance, for each provision we ran 1000 permutations where each permutation randomly shuffled the values of a provision while keeping the race labels unchanged. This shuffling process disrupted the original association between race and the variable, creating a distribution of the 1000 permutation statistics (i.e., the mean difference for each permutation) under the null hypothesis that there is no association between race and the provision's mean difference. Put another way, permutation testing allows us to see had these Black founders been White, what the chances their incidences of Equity Plan Provisions and Debt security provisions, for example, would be. (see Figure 28).

The distribution created through permutation testing represents what the differences in means between Black and White founders might look like purely due to random chance. Negative values on the distributions x-axis represent instances where Black founders had a higher mean (i.e., a higher incidence of the provision) than White founders, and the dotted line shows where our original observed statistic falls. Furthermore, the p value represents the proportion of permuted mean differences that were greater than or equal to the absolute value of the original observed mean difference. Essentially, the p-value represents the likelihood of observing a difference as extreme as the one in the actual data, under the null hypothesis.
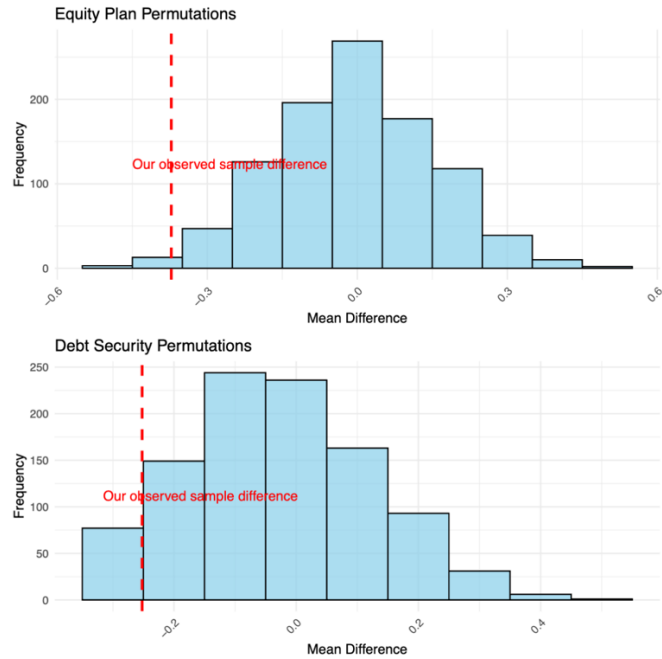
Figure 28 (Paper 2) Permutation distributions for Equity Plan and Debt Security provision
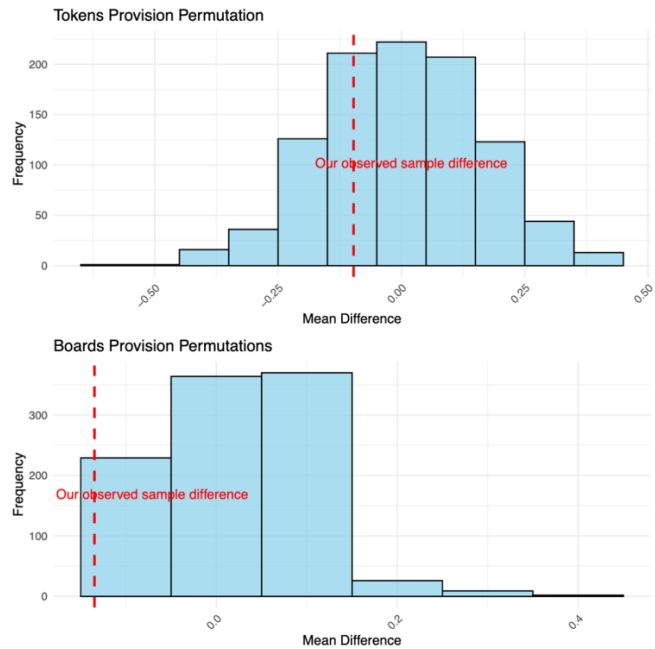
Figure 29 (Paper 2) Distributions of Tokens and Board provision permutations

Analysis revealed significant differences between Black and White founders for the Equity Compensation Plan provision, Debt Security provision, and Amending Section provisions (see Table 20). This indicates that there is a difference between Black founders' incidence of

these provisions vs. White founders such that had the founders been White, it is very unlikely that they would have experienced these provisions in their contracts to this degree.
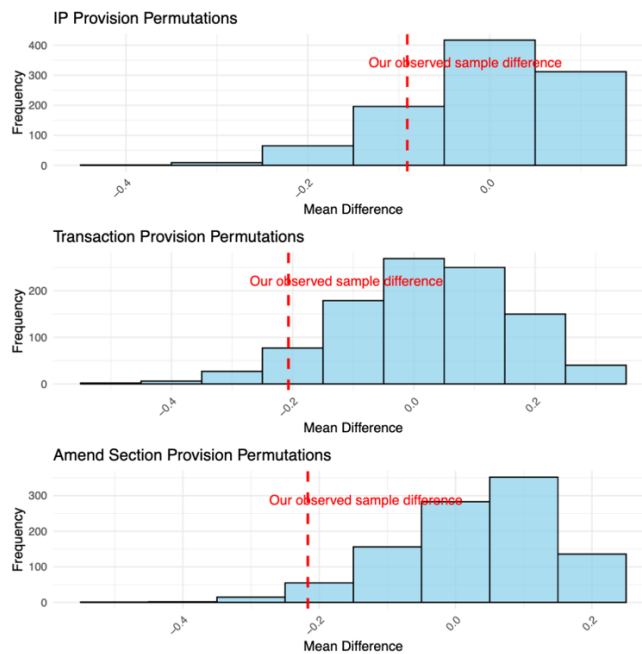
Figure 30 (Paper 2) distributions for IP, Transaction, & Amend Section provision permutations

Regression analyses. We further examined the influence of founder race on the inclusion of various contractual provisions in venture capital agreements, while controlling for the valuation of the venture. Logistic regression analyses were conducted for each provision that yielded a significant result in the permutation testing, focusing on the comparison between Black and White founders. Results of the logistic regression analyses indicate that racial differences exist in the presence of various contractual provisions, with some groups (e.g., Latinx and Black founders) facing more greater likelihood compared to others. The role of company valuation was also a factor in some cases, particularly for dividend and board provisions, where higher valuations were associated with lower likelihoods of securing these rights (see Table 30). We interpret these results with a great deal of caution given the inequality in racial group size which could inflate or miss some differences. For instance, analysis suggests a lower likelihood of the AmendCharter provision being present in Black founder contracts compared to Whites (β = -2.4801, p = 0.0354) even though all but one Black founder group had the provision.

In any case, Black founders were significantly **more** likely to have provisions related to Equity Plans (Estimate = 1.718, p = 0.0293) and Joint Ventures (β = 3.657, p = 0.000576), indicating potential disadvantages in maintaining control over these aspects of their businesses. Latinx founders were also significantly **less** likely to have control provisions related to Liquidation Rights (β = -1.808, p = 0.0101), Dividends (β = -1.654, p = 0.0430), and Board Rights (β = -1.57, p = 0.00934). This suggests that they retain more control over these areas compared to White founders.

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Regarding valuation, it was significant for both the Board provision (β = -1.397e-09, p = 0.01933) and the Change of Business provision (β = 1.187e-09, p = 0.0483). For the Board provision, a higher valuation was associated with a decreased likelihood of having this control provision, suggesting more control for founders with higher valuations. Conversely, a higher valuation increased the likelihood of having the Change of Business provision, indicating more restrictions and less flexibility for those founders.

Overall, the findings highlight how control provisions are differentially imposed across racial groups, with Black founders facing significant challenges in some areas, while Latinx founders appear to retain more control in certain key provisions. In sum, provisions related to changes in the terms generally and ownership-based compensation were more likely to appear in contracts with Black founders. This is in line with research suggesting that terms linked to internal risk are more flexible.

Discussion

Certain protective provisions occurred more frequently in agreements with Black founders than White founders. These differences remained when controlling for company valuation, underscoring that the observed effects of race on contractual provisions are not merely artifacts of differences in valuation between ventures. However, we interpret these results with some caution. While the results indicate some significant findings regarding the influence of founder race on contractual provisions, it is important to note the following limitations. First, the analysis is based on a sample of 11 Black founders. While this is an indictment on the diversity efforts of VC on its own, this small sample size may affect the robustness of the results due to the imbalance in group sizes. This imbalance can lead to reduced power to detect significant effects (Type II error) and potentially inflate Type I error rates. Additionally, various factors contribute to decisions around financing terms and our sample of contracts has limited information compared to the actual decision-makers involved in the contracts. Though we accounted for race and stage of venture there are a number of variables like investor characteristics and industry that influence a founder's risk profile and the terms deemed necessary. Finally, during the range of time that covers our sample[20], the NVCA was updated. Importantly, the Equity Compensation Plan provision was added to the protective provision section of the NVCA. There were an equal number of deals with Black founders prior to and after the change and their rates of Equity Compensation Plan provisions did not differ. However, this change leads us to interpret findings cautiously. Future research should aim to address these limitations by including larger and more balanced samples, considering additional relevant variables, and exploring the effects across different contexts and demographics.

Nevertheless, the race differences for the equity provision, and provisions regarding amendments to charters were observed across three different tests for significance. The robustness of these results suggests that racial considerations play some role in the structuring of venture capital agreements.

Black founders comprised an abysmal portion of the Series A investment deals in our sample. Corroborating existing research that racial diversification of VC portfolios has been slow compared to the proliferation of explicit commitments (Venture Forward, 2020). Importantly, this study provides initial, limited, evidence for another dimension of racial inequality impacting

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[20] 2018 - 2022

Black founders and their experience with VC. Every single VC that invested in Black founders expressed a commitment to diversity. Yet, racial disparities between Black founder contracts and White founder contracts existed.

Some may question whether these contractual differences matter when Black people are still struggling to even receive VC funding at all. This project is not trying to say contractual fairness matters more than investment fairness or that one should be addressed before the other. Rather, this project is suggesting that there may be multiple dimensions to racial inequity that VC needs to contend with if the industry is serious about the project of racial equity in venture capital. If dominance and the reification of racial hierarchies through dependency and out-sized control is happening even when contexts are explicitly pro-diversity, there might need to be a deeper discussion of the dynamics involved in the decision to invest and interventions and the regimes of accountability we use to address it.

Part III: Implications For Legal Regimes Governing/Accessible to Venture Capital Actors

Addressing discrimination in capital markets implicates two bodies of law and regulation: key theories and statutes in anti-discrimination law and agency regulatory regimes. Both avenues have different regimes of accountability and redress for race discrimination (i.e., assessment of liability and enforcement of rules/compliance, distribution of liability, blame and justice). Several practical and political factors limit their ability (in current forms) to fully reach the discrimination that may be occurring in VC at the contracting level. I argue for an expansion of our understanding of discrimination and a mixed-method approach to anti-discrimination in VC that takes lessons from diversity disclosure regimes of accountability and affirmative action jurisprudence. While current legislative challenges make this difficult, practices, theories, and laws that operate within these two regimes offer insight into ways law might better address such discrimination. Overall, disclosure is a big part of accountability.

Anti-Discrimination Law

Venture Capitalists are not subject to any specific laws regarding discrimination except for 42 U.S.C. § 1981. Under this legislation, Black entrepreneurs can only proceed with discrimination lawsuits if they have concrete evidence of purposeful (intentional) racial discrimination. An exceptionally high bar given the requirements and fictions endogenous to law that discrimination is always intentional and above-board. This means theories of implicit dominance-based discrimination may not have purchase under the statute.

Section 1981 & Its Limitations

Section 1981 guarantees to all citizens of the United States certain rights to be protected against impairment by nongovernment (private) and state discrimination (Civil Rights Act of 1866, 42 U.S.C. § 1981, 1866). More specifically, § 1981(a) states that "all persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts . . . and to the full and equal benefit of all laws and proceedings for the

security of persons and property as is enjoyed by white citizens." §1981(b) goes on to define "make and enforce contracts" to include "the making, performance, modification, and termination of contracts, and the enjoyment of all benefits, privileges, terms, and conditions of the contractual relationship" (42 U.S.C. § 1981). Section 1981 applies only to claims of intentional discrimination and race-based discrimination and does not require an administrative exhaustion where a claimant would have to file a charge through an agency like the EEOC for instance before bringing their claim to court. Given that §1981 allows individuals to sue for discrimination based on race or ethnicity in private contracts it is relevance for addressing discrimination claims that arise from private equity and venture capital contexts is apparent.

While a critical tool for addressing racial discrimination in contractual relationships, the application of §1981 suggests that it fails to live up to its promise of racial justice, especially for Black citizens (Hampton, 2023). First, over the years, §1981's effectiveness in addressing discrimination in private contracts has been gradually eroded with the burden of proof on claimants growing to suspiciously high levels given it was a law arguably designed to help protect Black citizens. The extreme burden of proof stems from the unanimous 2020 Supreme Court decision case *Comcast Corp. v. National Association of African American-Owned Media*. In it, the Supreme Court ruled that a plaintiff asserting racial discrimination under Section 1981 had to prove the racial bias was the "but for" cause of the plaintiff's injury, raising the bar for bringing claims under this law, (Comcast Corp. v. National Association of African American-Owned Media, 2020). In the case, Byron Allen, founder of Entertainment Studios, filed a suit under §1981 against Comcast Corp in 2016 alleging that Comcast had racially discriminated against him by refusing to carry his network channels. The Court ruled that because Allen could not prove there was racial bias as opposed to other legitimate reasons in Comcast's decision to not carry his channels, he would not find protection under §1981.The imposition of this higher burden of proof ignored the sociological and psychological reality that discrimination is not always conscious and intentional. With this decision, the Court essentially decreed allegations of racial discrimination absent "smoking gun" evidence akin to "I'm not investing with you because of your race," would find no redress in court. This sort of "smoking gun" form of discrimination is not the only (and perhaps not the most common) form of discrimination that preserve racial inequality.

Secondly, as is the case with many anti-discrimination statutes, the test of §1981's boundaries and scope are currently being defined through adjudication of cases where White claimants allege to be victims of discrimination in VC contracting. Specifically, §1981 has been at the center of the new legal landscape for Diversity, Equity, Inclusion (DEI) policies. American Alliance for Equal Rights ("AAER"), an organization run by Edward Blum, who also led the lawsuits against Harvard and UNC that culminated in the *Fair Admissions* decision, filed suit against The Fearless Foundation ("Fund"), a nonprofit organization that provides grants to businesses led by women of color. AAER alleged that the Fund's Strivers" program, which awards $20,000 grants to Black women-owned businesses, violated §1981's "guarantee of race neutrality" in making contracts (*Fearless Fund, 2023*). A federal appeals court found that the "racially exclusionary" VC grant program designed exclusively for Black women-owned businesses was "substantially likely to violate 42 U.S.C. § 1981" (*Fearless Fund, 2023*).

This determination is drawn, in part, from the insistence that the remedial race-consciousness designed to address a legacy of injustice directed towards Black people is the of the same ilk as the state-sanctioned race-consciousness (*Students for Fair Admissions, Inc. v. President and Fellows of Harvard College*, 2023, Jackson, J., dissenting).[21] This false equivalency has been used to include remediation efforts into the definition of intentional discrimination. This ultimately dilutes the potency of anti-discrimination efforts designed to buffer against the impacts of racial inequality and of the laws ability to remedy when its truly occurring.

The present research adds to a body of work suggesting that requirements of intentionality and legal resistance to race-conscious remedial programs makes current-regimes in anti-discrimination law ill-suited to address discrimination potentially occurring in contracts, especially discrimination that is accompanied by ostensibly pro-diversity and positive investments in black founders. Gaps in contractual terms, racial disparities in the exercise of control, and dispossession facilitated by contracting and control terms is not likely to constitute the "smoking gun" the court said is now required of §1981 claims despite mounting evidence that this form of discrimination, especially in a world where diversity is valued and overt racism is socially unacceptable, is more common than direct, intentional forms of discrimination. And this regime is not likely to adapt to this evidence, despite there being theories of discrimination based on disparate impact available that might be better suited to address this form of discrimination, namely disparate impact theories (*Griggs v. Duke Power Co.*, 1971)[22].

Additionally, from a practical standpoint, a §1981 claim places the burden of seeking justice on the founder. In a context where founders are cash and capital strapped, any litigious expression from founders might leave them with a scarlet letter that impairs their potential for future investment. Essentially, it disincentivizes people to avail themselves of adjudicative remedies. Thus §1981 presents limited potential for redressing the dominance-based discrimination that may be occurring in contracts.

Administrative Regime: The SEC & Disclosure

Today's society is shaped to a considerable extent by regulatory oversight rather than by common law. For instance, food safety isn't established based on legal principles determined by court rulings. Instead, the Food and Drug Administration, an executive agency, establishes and enforces food safety standards. The same is true for the health of capital markets and securities. While congress enacted the federal securities, the main task of monitoring markets, enforcing securities laws, and developing new regulations is largely left with an administrative agency: The Securities and Exchange commission ("SEC"). The Commissions' primary regime of regulation is disclosure. The disclosure-based regulatory regime of the SEC has relevance for VC.

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[21] In Justice Ketanji Brown-Jackson's dissent in *Fair Admissions*, she discussed how the colorblind ideology emanating from the majority decision relies on and promulgates a false equivalency between a race-consciousness designed to mitigate harm for communities impacted by a legacy of injustice, and the "state-sanctioned" race-consciousness that created the legacy of racist harm in the first place.

[22] In *Griggs v. Duke Power Co.*,' the United States Supreme Court extended Title VII to include the prohibition of facially neutral employment practices with an adverse impact on persons of a protected class.

However, while useful in some ways (disclosure can theoretically usher in accountability to change behavior) the regime may not be equipped to address issues in contracting.

The SEC & Disclosure

The SEC is a disclosure-based regulatory agency. As stated on the Commission's website: "[t]he laws and rules that govern the securities industry in the United States derive from a simple and straightforward concept: all investors, whether large institutions or private individuals, should have access to certain basic facts about an investment prior to buying it, and so long as they hold it" (U.S. Securities and Exchange Commission, 2009). This corporate disclosure regime serves as a cornerstone of the SEC's tripartite mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

The key rationale for disclosure-based regimes is that transparency fosters accountability (Healy & Palepu, 2001). Disclosure-based regimes (as opposed to merit-based regimes where a regulator controls when securities, including stakes in companies, are available to public), theoretically seed accountability in ways that both empower investors and fuel market efficiency (Pritchard, 2018). Ultimately the idea is that disclosure requirements hold companies accountable to regulators, their investors and the public which can assess potential issues and pressure and discipline organizations to address shortcomings (Pritchard, 2018).

The disclosure regime for securities regulations was designed to ensure that assessments about the merits of a company, its board or management structure, or its business practices remain with informed investors as opposed to government regulators (Gallagher, 2013). However, the disclosure-based rulemaking was also designed to standardize disclosures so that investors could more easily and effectively make voting decisions on matters the investment classes cared about. This has meant designing rules that are responsive to the needs of investment classes in an ever-evolving landscape of "hot issues".

However, there is an on-going debate about the policy interests in setting boundaries for which information the SEC can impose disclosure requirements in response to "hot issues". For instance, climate change has been particularly important to many members of the investment class (Ponciano, 2023). As a result, the SEC has proposed an update to disclosure rules to requiring companies to disclose risks that are "reasonably likely to have a material impact on its business or consolidated financial statements, and GHG (greenhouse gas) emissions metrics that could help investors assess those risks" (U.S. Securities and Exchange Commission, 2022). This sparked considerable backlash and debate with opponents saying the Commission was engaging in regulatory creep, overstepping its scope set by Congress and acting as environmental regulators as opposed to securities regulators. Furthermore, the claim was that special interest groups, who may not have the best interests of all shareholders in mind, were using disclosure rules to pressure public companies to advance their own agendas (Gallagher, 2013. And while information required by rules around climate, and other hot issues may be germane for humanitarian and social justice purposes, many felt that such disclosure was immaterial to investors in determining the value of a company.

The Commissioner clapped back saying that as a factual matter, the proposal on climate information disclosure was solely about information that public companies should provide so that investors can make better capital allocation decisions. The commissioner claimed that the proposal did not "usurp a board's business judgment… seek to nudge behavior into a normative outcome, regulate the environmental impact of companies, or restructure the capital markets" (Ho, 2023). She went on to say that it was public *and* private funds, among others, had

demanded information about climate-related risks to set them up to fulfill their other obligations to investors (Ho, 2023). In other words, investors wanted these data to help inform their investment decisions. To that end, the disclosures were not designed to move markets or impact climate change but to be responsive to emerging information asymmetries between companies and investors– even though arguably the projected impact would be a shift over time in the market to investor interests in climate change.

Diversity is another "hot button" issue in the realm of VC and private markets. There is an investment class that cares about these issues when determining how to spend and pool their resources among VC firms (Baker, Larcker, McClure, Saraph, Watts, 2023). Private equity and VC funds that purport to care about such issues and invest in founders of color but nonetheless contract in ways that disadvantage Black founders[23] might arguably be of important this class investors in VC. Thus, a disclosure-based regime could ostensibly be part of a method that seeks to unearth this disparity in private markets.

In fact, in August of 2020 the SEC introduced new disclosure requirements designed to provide stakeholders insight into "human capital" (U.S. Securities and Exchange Commission, 2020; PWC, 2021). The impetus behind this requirement was to help investors in evaluations of a business' workforce (PWC 2021). Human capital management has obvious implications for Diversity, Equity, Inclusion (DEI) information in investment companies and ventures. Indeed, the rule left space for DEI information (PricewaterhouseCoopers, 2021).

The SEC has authority over private funds, including VC funds, and VC is subject to the same regulations as other private securities investments. However, disclosure demands are much higher for public companies than private companies. The logic being that private companies are closely held and do not face the same collective action problem investors of public companies face in obtaining information to manage risk and hold corporate managers accountable. In fact, VCs are exempted from many of these disclosures (Investment Advisers Act of 1940, 15 U.S.C. § 80b-3(l), 2010). The Venture Capital Fund Adviser Exemption, also known as Section 203(l) of the Investment Advisers Act of 1940, exempts investment advisers from registering with the SEC which releases them from a host of disclosure requirements. This means they are exempt from the purported disciplining and accountability effects of the disclosure-regime.

Common refrains exist regarding the policy interests in keeping VC exempt from the disclosure regime of the SEC that include limiting the imposition of VC markets to function nimbly and keeping the market efficient. Those interests must be balanced, however, against the policy imperatives represented in ending racial discrimination in VC investment agreement and the impact on the facilitation of fair markets. Indeed, the SEC recently took some steps to provide greater oversight of VC. The Commission approved and passed a proposal extending basic disclosure requirements to private equity and hedge funds. Amendments required "large hedge fund advisers and all private equity fund advisers to file current reports upon the occurrence of certain reporting events that could indicate significant stress at a fund or investor harm" like, extraordinary investment losses and significant margin and default events (U.S. Securities and Exchange Commission, 2023). The final rule would have required private fund advisers to provide investors with quarterly statements detailing information relating to fees, expenses, and performance (U.S. Securities and Exchange Commission, 2023). While the SEC saw the expansion of disclosure rules in private markets as consistent with their mission,

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[23] And other founders of color

especially given the growing impact of private equity on capital markets, recent 5th circuit rulings disagreed. Striking down the rule, the court reasoned that private funds being closely held and monitored could demand the sort of information the SEC was requiring as part of their agreements (National Association of Private Fund Managers v. SEC, 2024). Thus, the rule was redundant and unnecessary overreach of the SEC.

Amongst others, this challenge makes disclosure-based regimes, though useful in some ways, a shaky primary method of addressing discrimination and racial inequity in VC, especially for the forms of discrimination that may be occurring at the contractual level regarding control terms and ownership. Simply adding more categories of information to now be applied to private markets is not enough if the information does not speak to the problem investors are concerned about. For instance, the human capital disclosure rule adopted by the SEC left space for diversity information. However, the rule did not include a definition of "human capital" and business had discretion in the human capital information deemed material (PWC, 2021). The justification was the need for an approach that allowed disclosures to be more responsive to industry-specific changes in the business' environment. In one analysis of over 2000 disclosure forms, only 66% of companies volunteered DEI information (e.g., identity markers) but much of which was qualitative as opposed to objective metrics of demographics (PWC, 2021). Thus, any method that would first include the expansion of disclosure requirements to VC beyond recent rule-updates for private capital would need to have higher standards of specificity for demographic data. Relatedly, demographic information regarding contractual terms would need to be something collected and monitored.

Furthermore, disclosure-based regimes are not always effective in compelling the exact change desired. That is, the reliance on market discipline may not be enough to change behavior especially if the people tasked with changing it do not know what which intervention will lead appropriately to change. For instance, tech has been disclosing their diversity data for nearly ten years now (Griffith, 2021; Lopez, 2022; Rodriguez, 2020). Yet in those ten years, the increase in representation of non-dominant groups has been glacial, at best (Rodriguez, 2020; Deliso, 2021). Additionally, these same disclosing companies have been riddled with allegations of widespread discriminatory practices and norms (Paul, 2021).

Towards a Mixed-Methods Approach

There are downsides to both regimes currently relevant for the forms of discrimination this paper explores in VC contracting. On the one hand, the anti-discrimination regime embedded in §1981 now creates high burdens of proof for claimants via requirements for intentional "smoking gun" discrimination. This means that forms of discrimination that may not involve intentional racial discrimination, but dominance-based discrimination, like those explored in this paper, would not be cognizable. Additionally, recent legal interpretations of remedial race-conscious VC programs through §1981 have equated such race-conscious racial justice efforts with intentional racism, diluting their ability to meaningfully correct for historical and ongoing forms of inequality. On the other hand, disclosure-based regimes seeking to induce accountability through disclosure of diversity information in VC investment does not guarantee that representation and contractual equity will increase. This is primarily because current disclosure regimes do not necessarily induce disclosure of the information most useful in determining inequality. Additionally, prevailing efforts to impose human capital disclosure requirements are limited to publicly traded firms, and the recent vacating of the SEC's private

funds rule by the Fifth Circuit calls into question the legal authority of the SEC to extend such disclosures to private funds, even if the Commission were willing to do so. A mixed-methods approach that combines a more effective disclosure regime with the ability to engage in race (and power) conscious decision-making is needed.

Regarding disclosure, this method would expand recent approaches by narrowing and specifying the information disclosed that can empower agencies and investors in VC funds to identify less visible forms of discrimination when it arises. Specifically, there needs to be a disclosure mechanism that would trigger increased scrutiny to identify and evaluate "suspect" deals with vulnerable populations when they occur. The hope is that this mechanism would not jam up VC disclosure with unnecessary information, hindering its efficiency, but not let deals with founders from vulnerable classes go by unchecked without running afoul of freedom of contract. Furthermore, the disclosure from VC would need a form of specificity tailored to the problem. Investors may be able to demand diversity information through their contracts with VC but may not know which type of information will be most indicative of equity.

Recent legislation in California provides a preliminary model for integration of disclosure and adjudicative based method of approaching discrimination in VC. The first disclosure measure of its kind in the U.S., California Fair Investment Practices by Investment Advisers ("SB 54"), is an attempt to address the lack of diversity and equitable distribution of funding for VC-backed companies, particularly startups owned by women and minorities. The justification for such a bill aligns with the professed benefits of a regulatory regime of disclosure. Disclosure of such data would allow for monitoring of demographic composition and, more importantly, would serve as the basis for any lawsuits that arise. The law would give firms a set amount of time to furnish demographic data to the California civil rights department. Failure to do so would empower the state to take them to court to seek a penalty "sufficient to deter the respondent from failing to comply" in the future (California Senate Bill 54, 2023).

The professed benefits of disclosure are embedded in SB 54. These include things like the power of public scrutiny for accountability. However, the weaknesses inherent in disclosure and the application of the principles underlying the law leave it wanting. First, race and gender statistics about the founders who *were not* funded would not be required or available. The counterfactual data included in disclosures of this nature (e.g., race and gender statistics about founders passed over for funding) would be particularly useful for illuminating the extent to which certain groups of founders face disparate funding opportunities.

Second, this law intervenes on a part of the decision-making process that may have less consequence. Unlike an affirmative action frame, which would allow and encourage power-decision-making that accounts for the legacy of funding inequality and how that might require evaluating the risk profiles and contracts of Black and other non-dominant founders differently, the disclosure regime is one that intervenes once a decision has already been made. Equally important, the disclosure required by SB-54 does not capture the disparity in financing terms, such as the demand for control terms examined in this study, which may reflect evidence of more subtle forms of discrimination. Yet for disclosure to help address discrimination in all its forms, providing some way to disclose these data, while accommodating firm's proprietary interests, is necessary.

Ownership and control are important elements of a deal between investor and founder, and they are influenced by perceptions of risk, price and valuation, and can have a profound impact on the wellbeing, power, and success of Black founders. Attuning to this dimension of racial equality—a more power conscious one, as opposed to one that centers discussions and interventions for racial equity around the identity/bias focused dimensions of representation—would mean recognizing the limits of disclosure-based regime that centers mostly founders demographics because it would miss a whole dimension of the investment process that is often not talked about when discussing issues of DEI in VC—contracting and control.

Race-conscious, and more importantly, power-conscious decision-making is necessary for a more comprehensive approach to racial equity in VC. While SB-54 is a start, lessons from the diversity disclosure push that began in tech back in 2014 highlight gaps in the law's operation. Despite most of the large players in the tech industry (e.g., Meta, Twitter, Alphabet, etc.) consistently providing annual diversity reports where they voluntarily disclosure detailed diversity data, diversity numbers have not changed much (Rodriguez, 2020). Furthermore, these companies even experience allegations of wide-spread discrimination in the very organizations that disclose the raw diversity numbers that the numbers themselves could never speak to (Leskin, 2020). Thus, even with disclosure of race and gender demographics of investment decisions, this would not necessarily provide information that lets investors know there are still ways that discrimination occurs.

Taken together, the regimes of anti-discrimination and disclosure are severely lacking in how they currently can and are addressing discrimination in capital markets generally and VC investment agreements specifically. However, by requiring a specificity of diversity information and allowing for race-conscious evaluation as part of a mixed-methods approach to address discrimination that occurs in VC while not running afoul of congressional mandates and regulatory boundaries.

Conclusion

The importance and relevance of equity in control was demonstrated in Brian and Stacy's stories from the beginning of the paper. Both were ultimately vindicated. Brian was hired back by Kairos as an advisor to help maintain the ethicality of the technologies and all former leadership is gone (Misoon, 2023). Stacy now owns MoviePass and relaunched with success and requests for subscriptions such that their waitlist could not even handle the platform load because of the renewed interest (Sharf, 2023). These stories did not end in complete ruin, though they could have. The question remains, how many other Brians and Stacys are out there that remain unknown and impacted by VC control? How many other other Black founders with technology that is stifled before it can reach market or really blossom to its full potential because of control exist? In those instances, did the investment in Black founders really "count"? Did it really move the needle towards racial equity and an end to the racial dominance that pervades venture capital?

While greater access to movie theaters may not seem like the most important and societally consequential issue of our day, the creation of facial recognition technologies and AI technologies that do not replicate and entrench racial bias in our world as more and more

products rely on AI certainly is. In either case, Black founders played a part and VC acted as gatekeeper—with great consequence.

This project aims to uncover the ways certain diversity ideologies and industry-wide contracting practices coalesce to form an insidious and less visible form of discrimination impacting the diversification of VC. Recruiting social psychological frameworks and empirical methods to investigate VC investment through a social dominance lens may push forward our notions of what discrimination looks like in capital markets. Increasing investment into founders from non-dominant groups is a means of empowering non-dominant groups and disturbing the racial hierarchies that bar non-dominant groups entry into capital markets. Yet, if inclusion into VC is conditional on continued hierarchical racial arrangements and dispossession, is it really achieving the aims of diversity? Investment in Black and other founders of color is necessary for eliminating discrimination in capital markets. However, if that investment comes with a level of control that White founders do not regularly experience is it empowerment? The 3D perspective would suggest it is not. With some initial evidence that Black founders may experience more control terms than White founders, we looked to the disclosure-regimes of the SEC and anti-discrimination statue of §1981 to highlight how these areas may be ill-equipped to address such inequality. We call for a mixed-methods approach that extends limited disclosure requirements to VCs and grants them the ability to use race in evaluating contracting.

Paper 3: Race & Risk in Venture Capital Contracts

The role of Implicit Social Dominance in VC Decision-Making

Abstract

The venture capital (VC) industry plays a pivotal role in fostering innovation and economic growth by funding early-stage startups. However, this process is fraught with inherent risks that VCs seek to mitigate. While previous research has extensively explored the dynamics of risk management in VC investments, the intersection of race and risk perception remains underexamined despite its implications for diversity and the pursuit of racial equity in VC. This study investigates how race, specifically through the lens of Implicit Social Dominance Orientation (ISDO), influences the control terms imposed on Black founders in VC contracts. Drawing on a 3D framework (Diversity, Dominance, and Discrimination), this paper theorizes that even ostensibly egalitarian investment decisions can perpetuate racial inequality through the imposition of stringent control terms because those control mechanism appeal to *implicit* social dominance motivations in the decision-maker. Through an experimental study involving actual VC industry actors, the research examines the relationship between founder race, perceptions of risk, and protective provisions in investment contracts. Although limited by a small sample size, the study aims to show that higher levels of ISDO among investors may lead to more restrictive control terms for Black founders, thus maintaining existing racial hierarchies within the VC ecosystem.

Introduction

Risk is inherent to Venture Capital ("VC") (Sahlman, 1990; Gompers 1995; Wang & Zhou, 2004). VCs invest in startups expecting high returns, but may not necessarily manage the day-to-day operations, relying instead on the entrepreneur to make strategic and operational decisions (Sahlman, 1990).[24] Not to mention, for early-stage ventures VCs often have little information about the entrepreneurs in which they invest and given control, with limited evidence of their skill and value (Gompers & Lerner, 2001). This uncertainty and separation of ownership versus control can lead to profound information and agency risks with steep consequences for the success of the venture overall (Fama & Jensen, 1983; Fried & Ganor, 2008). In a context where failure rates for VC-backed ventures range from 20% to 75% by some estimates (NVCA, n.d.; Gage, 2012; Pollman, 2023) evaluating and mitigating risks is important for the viability of ventures. To mitigate risks, VCs implement a suite of control mechanisms, such as staged financing and control terms in contracts that allow them to monitor and influence the venture's progress (Sahlman, 1990; Gompers et al., 2020). Control terms often include things like voting rights, board representation and negative covenants or veto rights on what founders can do with their companies without VC approval (i.e., protective provisions). Different control rights and mechanisms are employed to minimize different types of risk with research suggesting VCs are particularly skilled at not only identifying promising ventures but deploying these control rights effectively to manage risk (Gompers & Lerner, 2001; Kaplan & Strömberg, 2003;

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[24] VCs may take on a "dual-role as suppliers of finance and managerial experience" that can include more hands-on involvement in day-to-day but typically VCs sit on the board and institute control rights in contracts to be able to take the reins if performance begins to decline (see Tykvová, 2007).

Hellmann & Puri, 2002; Sahlman, 1990; Tykvová, 2007). Indeed, successful ventures (i.e., those leading to profitable exit via Initial Public Offerings (IPOS) or acquisition) and high-quality VCs are typically ones that monitor and guide ventures through a host of control mechanisms like board representation and control rights in contracting giving them wide latitude to set and veto strategic business decisions (Gompers & Lerner 1996; Hellman & Puri, 2002). However, reaching an optimal level of control balanced with founder autonomy is important as too much control can undermine a ventures success (Gompers, 1995; Tykvová, 2007). Research suggests that balanced control mechanisms to strike an "optimal" level of control is critical for the success of specific ventures and the industry at large (Gompers, 1995; Tykvová, 2007). This means that accurate perceptions of risk are important because this often determines the level of control deemed necessary.

At first glance, this story of risk, reward, and control in VC seems rather distant from issues of diversity, race, and inequality. This paper seeks to challenge that notion by highlighting how the foundational processes and critical junction in the VC investment process, contracting, can have steep consequences for racial equality in capital markets and society at large. Success in the VC industry has profound societal impacts. VC has played a crucial role in the success of companies like Apple, Amazon, and Alphabet, which are among the world's most valuable companies and greatest producers of technology and products that fuel our and connect our world. Yet, Black founders do not get to participate in the industry at rates commiserate with their representation in U.S. society or their potential to provide world-transforming ventures (Accenture, 2022; Lomas, 2024).[25] Previous research has shown how race differences emerge in early phases of the investment process. Specifically, how racial biases influence perceptions of risk and subsequent investment decisions. For instance, Black founders are may be perceived as higher risks than their white counterparts, fueled in part by implicit racial biases, and it leads to less funding and funding rounds (Jepsen, 2023). But there are more phases of venture capital investment than just deal sourcing, screening, initial meeting, selection, and capital deployment. Due diligence, investment committee review, term sheet negotiation, monitoring, and exit are key moments in the investment process (Sahlman,1990; Gompers & Lerner, 2001; Klonowski, 2010). Perceptions of risk, and racialized differences in these perceptions, likely plays a part in all these phases with implications for both the decision to invest and decisions about terms that govern such investment.

More attention has been directed towards understanding and addressing racial bias and disparities at the stages of sourcing and selection, with research centering implicit racial biases and prejudice as key mechanisms of risk perception and ultimate racial inequality in VC investment (Gompers & Kovvali, 2018; Hochberg, Ljungqvist, & Lu, 2007). Less attention has been paid to whether and how racial inequality manifests in contracting and control phases of investment. Perceptions of risk matter not only in the selection of prospective founder companies but in the terms that govern investment in and control over those companies— with implications for their success. This paper highlights the key stage of VC investment related to contractual terms and control as a critical and consequential moment in the VC investment process for the actualization (or undermining of) racial equality because the terms have power and influence

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[25] Despite making up approximately 13% of the U.S. population, Black founders receive a disproportionately small fraction of VC funding. The comparison is even more stark when considering that only 1% to 1.1% of venture capital is directed towards Black-founded startups annually.

beyond the initial moment of investment into the very day-to-day operations of the venture—they are long-lasting.[26] In particular, it leverages a 3D framework (Hurd Dissertation Paper 1, 2024) and theories of implicit social dominance (ISDO) to demonstrate how even when VCs invest in Black founders, decisions can still result in racial inequality through disproportionate control terms levied against Black founders compared to White founders. Whereby an investment in Black founders nonetheless calcifies patterns of group-based dominance that keep Black people subordinated, limiting the level of power and ownership black founders have compared to white founders even when they receive VC investment.

Research has shown that implicit racial bias may help explain racial differences in investment decisions because of its influence on recruitment of networks and homophily and risk perception, especially in the phases of selection and deal-sourcing. An interesting paradox arises, however, when we look further down the VC investment phase pipeline that racial antipathy alone many not fully explain. At the point of contracting and term sheet negotiation, VCs have already decided to invest in a Black founder, arguably a racially progressive decision. Furthermore, a decision-maker can be racially unbiased but still desire control over a group (Hurd Dissertation Paper 1). A framework that can account for the psychological distinction between racial antipathy/animus vs preference for hierarchy can help explain decision-making in contractual terms of investment in Black founders can still contribute to racial inequality in VC.

As part of this paper, I designed an experiment to test the influence of founder race on contractual control provision decisions and importantly the mediating effect of implicit social dominance (ISDO). The paper theorizes that even when investing in Black founders, a racially egalitarian decision, VC decision-makers—especially those who have higher levels of implicit preference for group-based dominance and hierarchy—may exert more control on Black founders. And disparate risk perceptions may serve as justifying myth for these decisions. The paper seeks to explain the persisting gap in VC between professed racial commitments and decision-making that seeds racial inequality with a framework that centers preservation of hierarchy as opposed to racial antipathy to better see mechanisms of group-based inequality that are less visible.

Race & Risk in VC & Implicit Social Dominance

Perceptions of risk influence VCs decision to invest and the level of control VCs feel they need in order to make investment "worth the risk" (Gordon & Orozco, 2015). Perceived risk influences monitoring intensity and the specific control mechanisms and terms used in a contract (Gompers & Lerner, 2001; Kaplan & Strömberg, 2003; Hellmann & Puri, 2002; Sahlman, 1990; Tykvová, 2007). Essentially, VCs tailor control rights in response to different types of perceived risks to protect their investments and ensure the startup's alignment with their strategic goals. For instance, market uncertainty may result in the use of staged financing to ensure milestones are met (Kaplan & Strömberg, 2003), information asymmetry might prompt VCs to include information rights to receive regular updates and financial reports (Gompers & Lerner, 2001), and founder inexperience may lead VCs to negotiate for more board seats and veto rights over major decisions (Hellmann & Puri, 2002). Research has shown that VCs have intuitive ideas

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[26] Terms can and often are updated and negotiated in accordance with clauses around performance and VCs governance rights (Gompers, 1995).

about which founder characteristics are most indicative and predictive of success (Riquelme & Watson, 2000). More than anything, entrepreneur quality emerges as one of the most important (and dispositive) characteristics when evaluating ventures (MacMillan, Siegel, & Narasimha, 2019). Research has established that VCs' willingness to invest is not only related to objective factors, like entrepreneurial team experience and capabilities (Amit, Glosten, & Muller; MacMillan, Siegel, & Narasimha, 2019), but also to subjective factors like entrepreneurial passion (Cardon, 2009) and even physical attractiveness of the entrepreneurs themselves (Brooks, Huang, Wood Kearney, Murray, 2014).

A prominent founder characteristics is race. Research has shown how racial biases shape the perception of risk in the venture capital investment process, leading to significant disparities in investment for Black founders. This increased risk perception may be in part due to a lack of familiarity and representation in VC networks that because of implicit racial biases predominantly exclude racial minorities (Gompers & Kovvali, 2018). The tendency of VCs to invest in individuals similar to themselves exacerbates perceptions of risk further disadvantaging minority founders. For instance, implicit racial biases contributing to homogeneous VC networks means that Black founders often do not fit the 'pattern' of past successful entrepreneurs, influencing risk perceptions negatively (Hochberg, Ljungqvist, & Lu, 2007; Gompers, Mukharlyamo, & Xuan, 2016).

Racial biases may also lead to perceptions of decreased founder competence and increased vigilance around risk. For example, Black individuals are frequently perceived as less competent compared to their White counterparts, even when they possess similar qualifications (Biernat & Kobrynoqicz, 1997). Research on perceptions of other non-dominant groups stereotyped as low-competence, like women, found connections between bias and perceptions of risk. One study found that VCs tend to ask men and women different questions suggesting that VCs saw women as riskier. Specifically, VCs asked men "promotion-focused" questions like, "How do you plan to monetize this product?" which invite and imply hopes, achievements, advancement, and ideals. Whereas they asked women more "prevention-focused" questions that implied concerns about safety, responsibility, security, like, "How do you plan to prevent user churn?" (Kanze, Huang, Conley, & Higgins, 2018).

In sum, risk plays a role in investment decisions. However past research has mostly focused on how risk perceptions influence early investment decisions. Yet this is not the only phase of investment that can manifest race differences with consequences for the well-being of Black founders.

A Balancing Act: Contracting & Control

Contracts, while essential tools for protecting the interests of various parties, can also preserve existing inequalities by embedding and exacerbating power imbalances. This is particularly true in VC. Venture Capital investment agreements or term sheets are a routine practice and serve to detail the myriad control mechanisms, rights and terms that govern an investment deal. Control terms-- clauses in a financing agreement that grant a venture capitalist the ability to exercise control and influence over a company's operations and strategic decisions—include provisions

related to voting rights, cash flow-rights, board representation, and negative covenants or "veto rights" barring certain business actions without the express consent of investors (Sahlman, 1990).

The use of covenants or protective provisions in contracts is widespread (Gompers & Lerner, 1996; Bengtsson, 2011). These covenants can emphasize operational covenants restricting specific business activities or governance covenants defining control rights and decision-making processes as a means of preventing risky business decisions and maintaining control over key business operations (Gompers & Lerner, 1996). These covenants are influenced by the perceived risk of the venture which include factors like the stage of investment, industry of the venture and importantly, characteristics of the founder (Gompers & Lerner, 1996; Riquelme & Watson, 2000; MacMillan, Siegel, & Narasimha, 2019). Venture capitalists often invest in early stage, high technology companies where informational risk asymmetries are the highest (Gompers, 1995). Ventures with higher perceived risks tend to have more stringent covenants to safeguard the investment (Gompers & Lerner, 1996). These terms give investors a means of watching over their investments and having the power to steer the venture towards success. In theory, the built-in inequality in terms and the contracts that define them is mutually beneficial for both investor and entrepreneur (Gompers & Lerner, 2001)

The necessity of control is a pervasive industry logic. Indeed, research suggests that well-designed covenants can significantly reduce the likelihood of financial distress and improve the overall performance of the venture (Gompers & Lerner, 1996; Hellmann & Puri, 2002). Successful ventures (i.e., those leading to profitable exit via Initial Public Offerings (IPOS) or acquisition) typically monitor and guide ventures by leveraging a host of control mechanisms like board representation and control rights in contracting giving them wide latitude to set and veto strategic business decisions (Gompers & Lerner 1996; Hellman & Puri, 2002). However, overly restrictive covenants can stifle innovation and hinder the entrepreneurial team's ability to respond to market changes (Gompers & Lerner, 1996); Fried & Ganor, 2008; Fama & Jensen, 1983; Gordon & Orozco, 2015). They can lead to conflicts of interest (Fama & Jensen, 1983) and decreased efficiency and managerial productivity (Cestone, 2014), lower confidence, sense of initiative, and ultimately make the founder feel "subordinated and, maybe even, unduly beholden to the investor" (Gordon & Orozco, 2015).

Investors try to balance control so as not to limit the autonomy of founders to the detriment of the venture but also remain responsive to risks and threats (Chan, Siegel, & Thakor, 1990). There is mixed evidence that VCs achieve this balance well. For instance, Lerner (1995) found that among the VCs examined, increased VC board representation was a reactive practice - increasing in response to management changes. However, Kaplan and Strömberg (2003) found some evidence to suggest that board representation might be unbalanced from the beginning given that venture capitalists obtained majority control in a minimum average of nearly 41% of initial financing rounds.

Additionally, there is some evidence to suggest people from non-dominant groups face more stringent control terms. For instance, female entrepreneurs are often subjected to more stringent control terms related to board representation and veto rights in investment contracts despite being similarly positioned as males (Ewens & Townsend, 2020; Brush, Greene, Balachandra, & Davis, 2018). And there is some evidence that Black founders experience more

stringent protective provisions than white founders (Hurd Dissertation Paper 2 "Dominance Terms).

Despite research detailing how the industry's regime of control has a potential for excess, the research has largely overlooked the role of race in these dynamics. Research, thus far, has focused a great deal on the role risk assessment plays in investment decision and on contractual agreements yet virtually none of this work has examined how race, a salient aspect of founder characteristic, influences perceptions of how much control is needed. This oversight is critical because the thresholds of "appropriate" control may be skewed higher for racially non-dominant groups (e.g., Black people).

Implicit Racial Bias vs. Implicit Social Dominance

Research has shown how racial biases shape the perception of risk in the early phases of venture capital investment processes like selection. However, racial antipathy alone may not fully explain racial disparities in the later phases of the investment process, including contracting. This is because these parts of the investment phase, like contracting, are where a Black founder has already cleared the hurdle of selection. Previous research has shown preliminary evidence of racial disparities in control terms of VC contracts where Black founders have more protective provisions than White founders, even when the VCs involved in the decision were explicitly pro-diversity (Hurd Dissertation Paper 2, "Dominance Terms").

Seemingly racially progressive decisions, such as investing in a Black founder, do not necessarily achieve racial equity in VC when all phases of the investment process are considered. Egalitarian ideas and decisions can coexist with motivations that perpetuate racial inequality. For instance, one study found that efforts to increase demographic heterogeneity were associated with lower perceptions of competence for the people presumed to benefit from them (non-dominant groups) (Heilman & Welle, 2006). Investment in Black founders may trigger such perceptions of increased risk, even if the inclusion of Black founders is desired. In these instances, racial antipathy alone—even covert—may not explain racial disparities.

Instead, drawing from the 3D framework, we examine how and why VCs may exert disproportionate amounts of control terms in contracting with Black founders due to Implicit Social Dominance Orientation (ISDO). The 3D framework elucidates how ostensibly egalitarian ideologies, contexts and decision-makers operate to maintain group-based dominance, preserving racial hierarchies (Hurd Dissertation Paper 1). Through this lens, control terms in investment decisions with Black founders may appeal to individual-level group-based dominance motivations within an institutional context already laden with dominance-oriented logics. The inherent power imbalance and hierarchy embedded in control terms may appeal to implicit group-based dominance preferences of decision-makers that otherwise have no explicit issue investing in Black founders. This lens highlights how patterns of group-based dominance, where extraction from and domination over subordinated groups is a critical part of inequality, can even be reflected in seemingly pro-egalitarian decisions and contexts. Disparities in investment contracting can replicate this pattern, ensuring racial hierarchies are maintained.

ISDO measures an individual's unconscious or automatic preference for group-based dominance and hierarchy (Hurd Dissertation Paper 1). Derived from Social Dominance Orientation, it has been shown to relate to support for anti-egalitarian policies, even among those who are explicitly egalitarian and pro-diversity (Hurd Dissertation Paper 1, 2024). This measure is particularly useful for understanding decision-making in VC investments involving Black founders because it captures the underlying dominance motivations that may not be explicitly acknowledged, but is operating nonetheless.

In the context of VC, ISDO can help explain why VCs (the vast majority of which are comprised of individuals from dominant groups, e.g., White, male), despite their pro-egalitarian decision to invest in a Black founder, might impose more stringent control terms on Black founders. Those high in implicit SDO may enact more stringent control terms on Black founders than White founders not because of implicit racial prejudices, but because of preferences to maintain group-based hierarchies that keep subordinated groups available for extraction and importantly, may justify doing so because of increased perceptions of risk.

Ultimately, the control logics and mechanisms in VC contracts ostensibly designed to mitigate risk may appeal to implicit social dominance motivations of decision-makers in investment decisions involving Black founders, even though the decisions are superficially pro-diversity and egalitarian. Implicit motivations for social dominance may influence decision-making, freeing up decision-makers to leverage already dominance laden tools of contracting to entrench group-based dominance and hierarchy. Ultimately, interaction between individual psychological orientations and institutional control practices can result in discriminatory practices that are not immediately apparent but have significant implications for racial equity in venture capital. Control terms, while intended to mitigate investment risks, may still function to perpetuate racial hierarchies when decision-makers with higher levels of ISDO apply them more stringently to Black founders. Perceptions of risk are not race-neutral nor, from a 3D perspective, dominance-neutral. Risk may serve as a hierarchy-enhancing justification for the decision- to exert more control facilitated by ISDO of the decision-maker.

The Present Research

The present study experimentally investigates the decision-making processes of actual venture capital (VC) industry actors to address several key questions. First, this study examines whether the race of a founder influences the contractual provisions, specifically control concerns, that an investor might have. This includes analyzing which protective provision terms would be considered most important based on the founder's race, assuming the pre-money valuation is set. Second, this study examines whether Implicit Social Dominance Orientation (ISDO), a measure of an individual's automatic preference for group-based dominance, mediates the relationship between participants' perceptions of Black founders and their subsequent decisions including protective provision importance, the likelihood of taking a meeting with the founder, the decision to invest, and the approach to due diligence.

Methods

Participants and Procedure

Participants. Participants were recruited via snowball sampling of venture capital networks. VC was a difficult population to get to persist throughout the study. Only 5 participants completed the study and all of them were counsel.

Procedure. Participants were given a cover story that study procedures were from a research group designing an AI platform to support founders in their fundraising efforts, bridging the gap between founders and investors. Specifically, the cover story stated that study was soliciting responses from experts in the VC industry in order to compare their responses with AI decisions to improve it. As part of study procedures participants first completed a measure of Implicit Social Dominance Orientation (ISDO) they were told was not the point of the study. Participants were then randomly assigned to review a founder profile that either had an all Black male founder team or all White male founder. Participants then gave a risk rating and rated the importance of a set of protective provisions. Finally, participants answered questions about their perceptions of the founders and answered demographic questions.

Measures

Founder Race. Race of founder was either Black or White and captured using pre-tested face pictures and names as part of a fictitious founder pitch deck that participants reviewed.[27] The pitch deck had a founder team comprised of two co-founders of the same race (i.e., White or Black).

Implicit Social Dominance Orientation (SDO). Measure of Implicit Social Dominance Orientation adapted from Implicit Association Task (IAT) measuring the strength of association between two concepts related to social dominance (i.e., dominance and egalitarianism) and two attributes (i.e., good and bad). The task asks participants to rapidly categorize a single word from each conceptual and attribute category that are paired together on a response key. The measure use response time latencies to calculate a score that represents the strength of association between "dominance" and "good." (see Hurd Dissertation, Paper 1)

Outcome Variables

<u>Protective Provision Rating</u>
The study created a list of provisions adapted from the NVCA model document and previous research. This resulted in a total of 8 provisions. Participants rated the importance of each provision on a scale from 1 (Not at all important) to 5 (Extremely important). (see Table 30 in Appendix for list of provisions)

Investment Decisions. Participants also answered a series of questions related to investment decisions including: "Rate your interest in investing in these founders" scaled 1 (Not at all interested) to 5 (Extremely interested) and "How likely are you to take a meeting with these founders? (0% - 100%).

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[27] Pictures taken from the Chicago Face Database. Ma, Correll, & Wittenbrink (2015). The Chicago Face Database: A Free Stimulus Set of Faces and Norming Data. *Behavior Research Methods, 47*, 1122-1135.

Founder Perceptions. Participants also answered questions about their perceptions of the founders including: "These founders would be easy to work with" and "These are founders I would be excited to work with" both scaled from 1 (strongly disagree) to 5 (strongly agree).

Risk. Perceptions of risk were measured with an item "What is your overall assessment of the risk in financing this venture?" on a scale from 1 (A little risk) to 5 (A great deal of risk). Participants also answered an open-ended question explaining their risk rating.

Potential. Participants answered questions related to founder potential and potential of venture success including: "Rate the potential for successful exit (e.g., IPO/acquisition)" scaled 1 (none at all) to 5 (a great deal), "Rate these founders' ability to execute on their idea" scaled 1 (none at all) to 5 (a great deal).

Results

Participants were recruited via snowball sampling of venture capital networks for a total of (n = 5). Participants were mostly White and female. Additionally, the majority of participants were counsel in VC. The small sample sizes currently limits the planned analyses and what conclusions can be reached based off of exploration of the open-ended responses.

Discussion

This paper contributes to the understanding of how racial dynamics influence venture capital (VC) investment processes, specifically focusing on the contracting phase where control terms are determined. While the VC industry has made strides toward diversifying investment portfolios and the demographics of founders, much of the emphasis has been on the initial decision to invest. This study highlights the importance of examining how race influences not just the decision to invest but also the terms that govern that investment, which are crucial for the long-term success and equity of Black founders in the VC ecosystem.

Despite the limitations in sample size, which preclude definitive conclusions, this study offers significant theoretical advancements. It underscores the need for a more nuanced approach to promoting racial equity in the VC industry. Efforts to promote racial equity should not only focus on increasing the diversity of founders receiving investment but also on scrutinizing the terms of those investments. Ensuring that control terms do not disproportionately disadvantage Black founders is essential for fostering genuine equity and long-term success. This framework has important implications for the VC industry, suggesting that efforts to promote racial equity should not only focus on increasing the diversity of founders receiving investment but also on scrutinizing the terms of those investments.

Future and ongoing research will build on these findings by further investigating the role of Implicit Social Dominance Orientation (ISDO) in various stages of the VC investment process. Larger sample sizes and diverse participant pools will be necessary to validate and expand upon the preliminary insights presented here. Additionally, exploring interventions that can mitigate the influence of ISDO on investment decisions will be crucial for developing more equitable VC practices.

This study provides a theoretical foundation for understanding the role of race in VC contracting and highlights the need for a more nuanced approach to promoting racial equity in the VC industry. By integrating the 3D framework and ISDO, it offers a lens through which to view the persistent inequalities that Black founders face, even after receiving investment. Addressing these issues requires a commitment to examining and altering the deeper, often implicit, motivations that drive decision-making in VC. Only by doing so can the industry move toward truly equitable investment practices that support the success of all founders, regardless of race.

Conclusion

3D & The Principle-Policy Gap

This dissertation addresses the principle-policy gap, highlighting how seemingly egalitarian ideologies, decision-makers, and decisions can perpetuate group-based dominance and hierarchy within venture capital (VC) and beyond. The development and application of the 3D framework—Diversity, Dominance, and Discrimination—along with the concept of Implicit Social Dominance Orientation (ISDO), provide a novel and critical lens through which to understand and address these dynamics.

The principle-policy gap, wherein commitments to diversity, equity, and inclusion (DEI) fail to translate into genuine equity, is a feature of broader sociocultural contexts work across individual psychology, interpersonal experiences, structural/institutional practices, and cultural realities to preserve caste. This dissertation demonstrates that discrimination and inequality are maintained not just through overt or covert racial animus but also through implicit motivations for domination and hierarchy. These implicit motivations operate even in contexts and among individuals that appear egalitarian on the surface.

By integrating theories in social dominance orientation (SDO), implicit cognition, and structural racism, this research underscores the importance of addressing the underlying power structures and psychology of those power structures that sustain group-based hierarchy. Importantly, the 3D framework centers how ideology functions to maintain hierarchy. Specifically, it reveals how both colorblind and color-conscious ideologies (like diversity), while ostensibly promoting different visions of equality, can both function as hierarchy-enhancing mechanisms that stabilize racial hierarchies. This insight is crucial for understanding why racial inequalities persist despite widespread adoption of DEI principles.

The empirical studies presented in this dissertation provide robust evidence for the role of ISDO in maintaining racial hierarchies within VC. Paper 1 developed a novel measure of Implicit Social Dominance (ISDO) and provided evidence of its influence on policy. Specifically, those who are high in ISDO but still explicitly egalitarian and pro-diversity nonetheless were more likely to support policies that undermined racial justice. Furthermore, for these same egalitarians their implicit social dominance motivations were related to colorblindness which explained their policy support. Ultimately, the research provides evidence that diversity support can coincide with policy support that undermines racial progress in part because ISDO and its relationship to colorblindness. Diversity can achieve colorblind ideals because of underlying ISDO. Papers 2 and 3 apply the 3D framework to the industry of VC to address a principle-policy gap that may receive less attention: commitments to racial equity in investments but disproportionate control on Black founders. Empirical analyses of the control terms of series A contracts revealed preliminary evidence that Black founders receive more protective provisions than white founders. Control terms may appeal to implicit preferences for group-based dominance can lead to more stringent control terms. These control terms may be justified through perceptions of risk and disproportionately limit the power and ownership of Black founders, thereby perpetuating racial inequality.

This work levies evidence for the existence of Implicit Social Dominance to petition social and legal actors to recognize that it plays a part. Further, this dissertation argues that if we organize around this fact (as opposed to a vision of discrimination that centers purposeful or nonconscious identity-based antipathy), rhetorically, organizationally, and legally, we can better see and understand how individuals and individuals in context arrive at decisions that influence inequality. This lens can help us better attune to the levers that can better address discrimination in all its forms.

Ultimately this work is part of a tradition of scholarship seeking to merge the psychological and the structural in ways that do not just limit that interaction to an aggregate of individual choices but rather highlight the symbiosis of self and structure. From a sociocultural psychology that believes in the mutual constitution of the individual and culture to an empirical Critical Race Theory that understands the power of structure (Salter & Adams, 2013; Salter et. al., 2018), the introduction of implicit social dominance expands how we think, talk about, and work towards racial justice.

A Normative Shift: From DEI to PBJ

This work highlights the limitations of diversity in addressing the root causes of group-based dominance and inequality. I assert that a closing the Diversity principle-policy gap requires a fundamental shift in the way we speak, think about, and approach issues of racial justice and discrimination. This shift is from a diversity (or DEI)[28] paradigm, to a power (or "PBJ") paradigm. The PBJ—Power, Belonging, and Justice—paradigm emphasizes power dynamics across the broader sociocultural reality to offer a more robust and power-conscious approach for achieving social justice and equity. This article explores the rhetorical, legal, and institutional implications of this shift, considering findings from this dissertation.

The Diversity, Equity, & Inclusion (DEI) framework, developed in part from research in the social sciences, has become the dominant paradigm for addressing racial and other forms of inequality in organizations and institutions (Hurd & Plaut, 2018). Despite its widespread adoption, DEI often fails to address the underlying power structures that perpetuate group-based dominance and inequality, in part because it centers *identity* as the primary lens through which to view and understand inequality. When this is the focus, the most obvious culprit and cause for discrimination is identity-based antipathy. The research and theoretical frameworks advanced in this dissertation challenge the primacy of an identity-centered paradigm for racial justice because of its limitation in accounting for the myriad ways that discrimination is maintained. Furthermore, the identity-centered lens makes efforts for racial justice vulnerable to co-option (in other words, malleable to the interests of those with the most power/dominance). For these reasons, I call for a normative shift to the PBJ paradigm, which centers power as the primary lens through which to see and understand discrimination.

Diversity is primarily concerned with representation. It focuses on bringing together individuals from different backgrounds, including various races, genders, ethnicities, and other social categories. The goal is to ensure that organizations reflect the diversity of the larger society. For instance, companies might implement hiring practices designed to increase the

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[28] Diversity, Equity, & Inclusion

number of employees from underrepresented groups. However, this focus on numbers can sometimes lead to tokenism, where the presence of diverse individuals does not necessarily translate into meaningful inclusion or influence within the organization. While diversity initiatives increase representation, they often fail to address deeper structural issues and power imbalances that affect the experience and advancement of these individuals.

Equity goes a step further by aiming to provide fair opportunities and conditions for all individuals, recognizing that different people have different needs and starting points. Equity initiatives often involve creating access to resources and opportunities in a way that accounts for systemic inequalities. For example, schools might provide additional support to students from disadvantaged backgrounds to help them succeed academically. However, these efforts often focus on providing access without addressing the systemic power structures that create inequities in the first place. As a result, equity initiatives can sometimes be superficial, addressing symptoms rather than root causes.

Inclusion is about creating environments where all individuals feel welcomed, valued, and able to contribute fully. It involves ensuring that diverse individuals are not only present but also actively participating and valued in all aspects of organizational life. This might involve developing inclusive workplace cultures through training programs and inclusive policies. However, inclusion efforts can sometimes be superficial, focusing on participation without addressing the underlying power dynamics that affect how individuals are able to show up in a space. For example, an organization might create affinity groups to promote inclusion but leave those groups powerless and not integrated into the broader decision-making apparatus such that their learnings and offerings are not institutionalized.

PBJ: Power, Belonging, and Justice

The PBJ framework represents an evolution beyond DEI by addressing the structural and systemic roots of inequality. Specifically, PBJ situates Power is the primary lever for either justice or oppression. Understanding the core of discrimination as the maintenance of group-based power imbalance requires a paradigm that prioritizes seeing the operation of power– not just the symptoms. Therefore, instead of assessing environments and searching for solutions through the lens of proxies like identity, the PBJ paradigm assesses environments for the arrangement and operation of the levers that give rise to group-based dominance: power, belonging, and justice. In this way, the issues we see and solutions we search do just involve rearranging people but also power and practice.

The PBJ framework acknowledges that every part of the sociocultural context (individual, interpersonal, institutional, cultural) is involved in the expression and negotiation of power and group-based dominance. It shifts from the foci of DEI which are representation, access, and participation to position, reparation, and stewardship (see Figure 31). Basically, PBJ asks what/who has power and how it is maintained in ways that preserve dispossessive hierarchies, whether people are resourced enough to exert power and influence in ways that feel maximize justice and well-being, and how has power been historically used in ways that need to be accounted for and redressed.

Power. Power is the state, capacity, or ability to influence. It generally refers to individual power (or agency) (see Galinsky), institutional power (the control and influence exerted by organizations and institutions over their members and broader society), and societal power (the overarching power structures within society that shape social norms, values, and expectations, which involves understanding how societal institutions perpetuate power imbalances through laws, policies, and cultural narratives). In the PBJ framework, power encompasses an analysis of who holds influence, how power is distributed, and how positions of power are historically derived and maintained. It is arranged and expressed across all aspects of the sociocultural context. Unlike diversity, which focuses on *representation*, power emphasizes *position* and *influence*. By focusing on power, PBJ aims to dismantle the structural hierarchies that perpetuate inequality, addressing the root causes rather than just the symptoms. For example, while VC has predominantly viewed racial justice through a lens of DEI focusing on increasing representation in VC my dissertation shifts the focus onto power. In so doing it invites inquiry into areas of VC previously overlooked for the operation of racial inequality, but which are impactful on a grand scale. A power-conscious approach would involve recognizing that the contractual relationship—not just the representation of founders—is a place where power is contested and inequality is reproduced.

Belonging. Belonging is the safety for agency/the exertion of power at each layer. In other words, it has to do with the mechanisms of power. Belonging is implicated where there are barriers to feel safe, valued, and resourced to contribute meaningfully. It emphasizes collective stewardship and ownership, ensuring that everyone has a stake in the organization's success and feels empowered and resourced to take risks as true steward would. Beyond inclusion, which centers participation, belonging stresses the importance of mutual responsibility and community. This might involve implementing governance structures that ensure all voices are heard, valued, and empowered to influence decision-making processes.

Justice is the balanced exercise of power. Within the PBJ framework, it involves addressing and repairing historical and structural inequalities, ensuring that systems are fair and equitable for all. Justice-oriented interventions focus on reparative actions that correct past injustices and prevent future ones.

DEI			PBJ	
Diversity	Representation	→	Power	Position
Equity	Access	→	Belonging	Stewardship
Inclusion	Participation	→	Justice	Reparation

Figure 31 (Conclusion) DEI to PBJ Foci Shift

Implications and Future Research

Rhetorically, legally, and institutionally the collective uptake of diversity as a paradigm for racial inclusion and eradication of race-based hierarchies is profound (cite). A shift to PBJ would have implications for all these areas.

Rhetorical Implications

Rhetoric can be understood as the strategic use of language and symbols to convey specific meanings and shape perceptions. In the context of diversity, rhetoric encompasses the ways in which concepts like "diversity," "inclusion," and "equity" are employed to project an image of commitment to the values these terms represent. Diversity as a paradigm for signaling and approaching social justice and equality in society is used rhetorically by institutions to legitimize their practices and policies (Berrey, 2015). By adopting the language of diversity, organizations can claim moral and social legitimacy, presenting themselves as modern and socially responsible (Edelman, XXXX). While diversity rhetoric promotes inclusivity, it can also obscure the power dynamics and structural inequalities that underpin group-based dominance (Berrey, 2015). A shift to power and PBJ would mean that rhetorically there is more of a focus on remediation and primary beneficiaries as opposed to instrumentality.

Legal Implications

The transition from DEI to PBJ carries significant and complex legal implications. First, it has the potential to reinvigorate arguments that have been steadily marginalized by the courts. For example, the societal discrimination rationale in *Bakke* (1978), an instrumental approach which posited that addressing societal-level discrimination was a compelling interest, has lost favor in subsequent legal decisions. By framing efforts through PBJ, which centers on power and structural inequities, these legal strategies may gain renewed traction, because the emphasis on power and justice rather than identity can provide a more robust framework for advocating for race-conscious programs aimed at rectifying systemic disparities.

Moreover, the vulnerabilities of DEI, particularly its emphasis on identity and the instrumental focus of diversity, have been exploited in legal challenges. The recent *Students for Fair Admissions v. Harvard* decision, which overturned affirmative action, further illustrates how diversity's instrumental rationale can be used to undermine race-conscious initiatives. PBJ, with its focus on power dynamics and reparative justice, shifts the emphasis from superficial diversity metrics to addressing the root causes of inequality. This approach aligns more closely with a holistic understanding of discrimination that recognizes the importance of structural and systemic factors, making it potentially more resilient to legal challenges.

Additionally, PBJ's focus on power dynamics and structural change can shift the legal understanding of discrimination. Traditional legal frameworks often focus on individual intent and overt acts of discrimination, seeking to identify "bad apples" or explicit racists. PBJ encourages a broader perspective, examining how institutional processes and structures perpetuate power imbalances and dominance. This shift could lead to legal standards that are better equipped to address implicit biases and systemic inequities. By focusing on power-

preserving processes and structures rather than individual intent, PBJ offers a more comprehensive approach to tackling discrimination and promoting justice.

Institutional Implications

Institutions play a crucial role in legitimizing and perpetuating social hierarchies. The DEI paradigm, while promoting representation and inclusion, often fails to challenge the institutional practices and policies that sustain inequality (Berrey, 2015; Bowman-Williams, 2022). PBJ advocates for a comprehensive approach that addresses institutional power dynamics, fosters a sense of belonging through stewardship, and implements justice-oriented interventions to repair past harms.

The shift from DEI to PBJ represents a critical evolution in efforts to achieve social equity. By centering power, belonging, and justice, PBJ addresses the root causes of inequality and offers a more effective framework for structural change. This article calls on scholars, policymakers, and practitioners to embrace PBJ and work towards creating more just and equitable organizations and societies.

This dissertation's integration of the 3D framework and ISDO provides a comprehensive understanding of the mechanisms that perpetuate racial hierarchies. The proposed normative shift from DEI to PBJ is not just theoretical but a practical imperative for achieving true social equity. Future research should build on these insights by exploring interventions to mitigate the influence of ISDO and further investigating the role of power dynamics in various institutional contexts.

Addressing the principle-policy gap requires a commitment to examining and altering the deeper, often implicit motivations that drive decision-making. Only by centering power, belonging, and justice can we move toward truly equitable practices that support the success of all individuals, regardless of race. This dissertation calls on scholars, policymakers, and practitioners to embrace the PBJ framework and work towards creating more just and equitable organizations and societies.

Appendix

Table 21 (Paper 1, Study 1, Appendix) List of Policies

Abortion
Welfare Benefits
Taxes
Reparations
Immigration
Limited Government
Military & National Security Funding
Same-Sex Marriage
Privacy & Cybersecurity
Clean Energy & Climate Reform
Free Speech
Gun Ownership
Religious Freedom
Affirmative Action
Defunding Police

Table 22 (Paper 1, Study 2, Appendix) List of policies used in Study 2

| As Presented in Study	Shorthand Policy Name
Diversity Policies	
Increasing racial diversity in the workforce	Diversity at work
Increasing racial diversity in schools	Diversity in schools
Financial reparations for Black people	Reparations
Federal diversity grants prioritizing racial minorities	Diversity grants
Hiring programs that prioritize applicants from racial minority groups	Diversity Hiring
Bans on diversity programs that exclude White people	Diversity Ban
Funding for cultural spaces that only racial minorities can access	Affinity Spaces
Funding for HBCUS	HBCU funding
Racial diversity minimums for corporate boards	Board Minimums
Pipeline programs for racial minorities to become executives	Pipeline programs
Other Social & Redistributive Policies	
Abortion access	Abortion
Restricting immigration	Immigration
Government welfare programs	Welfare
Same-Sex Marriage	Same-Sex Marriage
Restrictions on Gun Ownership	Gun ownership
Medicaid (government subsidized health care for low-income people)	Medicaid
Broad Free Speech protections (including speech some may deem offensive)	Free Speech
Religious freedom to refuse services that violate one's faith	Religious Freedom
Affirmative Action for racial minorities in college admissions	Affirmative Action
Defunding police departments	Defund Police
Green Tax on products that are harmful to the environment	Green Tax
Voter ID laws	Voter ID
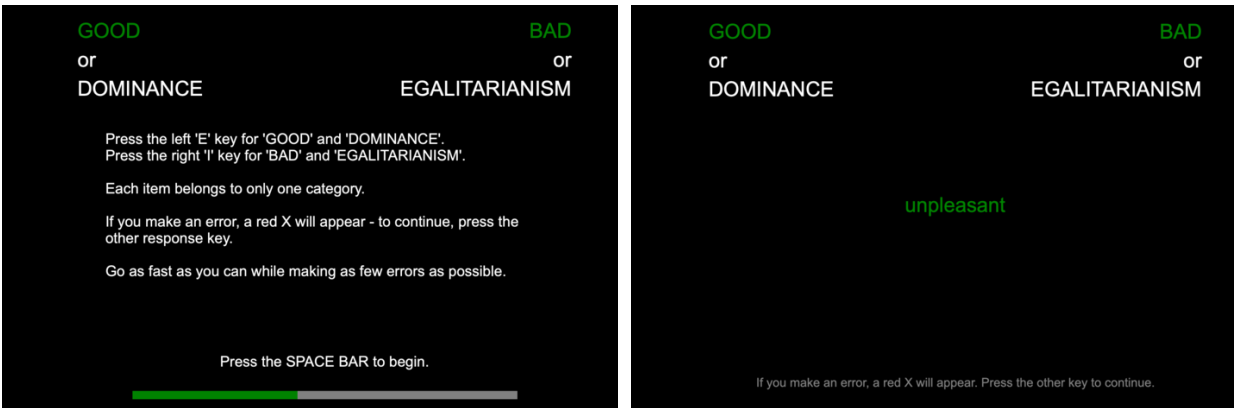
Figure 32 (Paper 1, Study 1) Implicit Social Dominance (ISDO) Task Instructions & Stimuli Screenshot

Table 23 (Paper 1, Study 2) List colorblindness items adapted from Whitley et. al., (2022) Multidimensional Assessment of Racial Colorblindness (MARC)[a]

As Presented in Study	*Category*	Shorthand Item Label
It's best to judge one another as individuals rather than as members of an ethnic group.	Equality Orientation	CB_Individual
It is important to pay attention to the individual characteristics that make a person unique rather than ethnic, racial, or other social background.	Equality Orientation	CB_Broad
Everyone should be treated the same regardless of their race or ethnicity.	Equality Orientation	CB_SameTreatment
Categorizing people by race is in and of itself racist.	Race Rejection	CB_Racist
Seeing people in terms of race or ethnicity creates inequality among groups.	Race Rejection	CB_Inequality
Seeing people in terms of race strips them of their individuality.	Race Rejection	CB_Individuality
America would be better off if we stopped placing so much importance on race.	Color Evasion	CB_RaceNotImportant
We must stop obsessing so much about race and ethnicity in order to have a cooperative society.	Color Evasion	CB_RaceObsessionBad
Nothing good will come out of continuing to focus on race.	Color Evasion	CB_RaceFocusBad

[a] Truncated to only 9 items from the MARC

Table 24 (Paper 1, Study 2) List Diversity Belief items (first three items, α =0 .90)

As Presented in Study	Shorthand Item Label
Diversity programs should give everyone, including white people, the same opportunity to participate.	DB_WhiteInclusion
In making decisions about people, qualifications should be what matters, not applicant's racial, ethnic, or other background factors.	DB_QualificationsNotRace
Difference of ideas, perspectives, personality and hobbies are just as important measures of diversity as social identities like race, gender and class.	DB_ BroadDiversityConstrual
It is important to balance the need for diversity with merit and qualifications.	DB_ BalanceDiversityWithMerit
Diversity programs for racial minorities is reverse discrimination.	DB_ DiversityReverseDiscrimination

Table 25 (Paper 1, Study 2) List of Diversity Instrumental[a] and Remedial (Moral)[b] Rationale Items

As Presented in Study	Shorthand Policy Name
Instrumental Items	
We should value racial diversity because it enriches the perspective and learning of those in the environment.	I_BenefitLearn
Racial diversity is important because it benefits everyone, including white people.	I_BenefitAll
Racially diverse spaces are more fun.	I_DiversityFun
My racial and/or ethnic group should have the opportunity to benefit from diversity.	I_GroupBenefit
We should only pursue racial diversity if that will benefit white people too.	I_WhiteBenefit
Moral Rationale Items	
We should value racial diversity because it allows individuals from racially marginalized groups to get access to similar opportunities.	M_Access
We should value racial diversity because it addresses societal discrimination.	M_Discrimination
Diversity should be about leveling the playing field rather than treating everyone the same.	M_LevelPlayingField
We should value racial diversity because it is the right thing to do.	M_Right

[a] *First three items ($\alpha = .91$)*
[b] *First three items ($\alpha = .93$)*

Table 26 (Paper 1, Study 2) Regression output for all policies

Diversity In Workforce Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	40.604167	3.416236	11.8856432	0.0000000	[33.88, 47.32]
True Egalitarian	-1.438338	3.806009	-0.3779122	0.7056973	[-8.92, 6.04]
Secret Egalitarian	-33.328657	4.169762	-7.9929391	0.0000000	[-41.52, -25.13]
True Dominant	-34.902412	4.636659	-7.5274921	0.0000000	[-44.01, -25.78]

Diversity In Schools Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	40.500000	3.510144	11.5379871	0.0000000	[33.59, 47.40]
True Egalitarian	-1.173367	3.910632	-0.3000453	0.7642992	[-8.86, 6.51]
Secret Egalitarian	-31.622449	4.284384	-7.3808629	0.0000000	[-40.04, -23.19]
True Dominant	-35.991228	4.764114	-7.5546521	0.0000000	[-45.35, -26.62]

Reparations Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	12.062500	4.977501	2.4234048	0.0158209	[2.27, 21.84]
True Egalitarian	1.475188	5.545405	0.2660199	0.7903616	[-9.42, 12.37]
Secret Egalitarian	-28.460459	6.075398	-4.6845421	0.0000039	[-40.40, -16.51]
True Dominant	-27.992325	6.755673	-4.1435290	0.0000418	[-41.27, -14.71]

Diversity Grants Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	22.458333	4.396922	5.1077395	0.0000005	[13.81. 31.10]
True Egalitarian	2.586893	4.898586	0.5280897	0.5977314	[-7.04, 12.21]
Secret Egalitarian	-30.060374	5.366760	-5.6012146	0.0000000	[-40.61, -19.50]
True Dominant	-35.984649	5.967687	-6.0299161	0.0000000	[-47.71, -24.25]

Hiring Programs Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	19.562500	4.373594	4.4728665	0.0000101	[10.96, 28.16]
True Egalitarian	1.723932	4.872595	0.3538016	0.7236749	[-7.85, 11.30]
Secret Egalitarian	-31.582908	5.338286	-5.9163017	0.0000000	[-42.07, -21.08]
True Dominant	-33.544956	5.936024	-5.6510818	0.0000000	[-45.21, -21.87]

Diversity Ban Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	4.145833	4.815404	0.8609523	0.3897827	[-5.32, 13.61]
True Egalitarian	-14.512667	5.364814	-2.7051574	0.0071205	[-25.05, -3.96]
Secret Egalitarian	5.680697	5.877548	0.9665081	0.3343769	[-5.87, 17.24]
True Dominant	10.012061	6.535668	1.5319109	0.1263389	[-2.84, 22.86]

Affinity Spaces Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	-4.208333	4.959220	-0.8485878	0.3966208	[-13.95, 5.54]
True Egalitarian	2.710846	5.525038	0.4906474	0.6239462	[-8.15, 13.57]
Secret Egalitarian	-17.159014	6.053085	-2.8347553	0.0048199	[-29.06, -5.26]
True Dominant	-11.458333	6.730860	-1.7023579	0.0894691	[-24.69, 1.77]

HBCU Funding Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	29.395833	4.020818	7.3109087	0.0000000	[21.49, 37.30]
True Egalitarian	3.403162	4.479570	0.7597072	0.4478794	[-5.40, 12.21]
Secret Egalitarian	-22.028486	4.907698	-4.4885581	0.0000094	[-31.68, -12.38]
True Dominant	-27.799342	5.457222	-5.0940462	0.0000005	[-38.53, -17.07]

Board Minimums Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	20.7708333	4.417611	4.7018245	0.0000036	[12.09, 29.46]
True Egalitarian	-0.7507328	4.921635	-0.1525373	0.8788405	[-10.43, 8.92]
Secret Egalitarian	-33.1789966	5.392013	-6.1533604	0.0000000	[-43.78, -22.58]
True Dominant	-30.3322368	5.995767	-5.0589421	0.0000006	[-42.12, -18.54]

Pipeline Programs Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	19.458333	4.257313	4.570567	0.0000065	[11.09, 27.83]
True Egalitarian	5.853224	4.743048	1.234064	0.2179073	[-3.47, 15.18]
Secret Egalitarian	-25.376701	5.196357	-4.883556	0.0000015	[-35.59, -15.16]
True Dominant	-28.703947	5.778203	-4.967625	0.0000010	[-40.06, -17.34]

Abortion Access Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	28.62500	4.460496	6.417448	0.0000000	[19.86, 37.39]
True Egalitarian	10.60616	4.969413	2.134288	0.0334298	[0.84, 20.38]
Secret Egalitarian	-18.86990	5.444356	-3.465956	0.0005859	[-29.57, -8.17]
True Dominant	-20.43202	6.053971	-3.374978	0.0008108	[-32.33, -8.53]

Immigration Restriction Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	-11.000000	4.466051	-2.463026	0.0141994	[-19.78, -2.22]
True Egalitarian	-7.572864	4.915602	-1.52000	0.1288032	[-17.35, 2.21]
Secret Egalitarian	22.051020	5.451136	4.045215	0.0000628	[11.33, 32.77]
True Dominant	25.719298	6.061511	4.243051	0.0000275	[13.80, 37.64]

Welfare Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	31.395833	3.444794	9.113994	0.0000000	[24.62, 38.17]
True Egalitarian	5.704669	3.837825	1.486433	0.1379564	[-1.84, 13.25]
Secret Egalitarian	-19.365221	4.204619	-4.605702	0.0000055	[-27.63, -11.10]
True Dominant	-21.027412	4.675418	-4.497440	0.0000090	[-30.22, -11.84]

Same-Sex Marriage Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	26.85417	4.347292	6.177217	0.0000000	[18.31, 35.40]
True Egalitarian	16.42724	4.843293	3.391750	0.0007640	[6.91, 25.95]
Secret Egalitarian	-12.66029	5.306183	-2.385951	0.0175018	[-23.09, -2.23]
True Dominant	-20.81908	5.900326	-3.528462	0.0004668	[-32.42, -9.22]

Gun Ownership Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	26.250000	4.721131	5.5601079	0.0000000	[16.97, 35.53]
True Egalitarian	3.905779	5.259785	0.7425738	0.4581778	[-6.43, 14.25]
Secret Egalitarian	-23.882653	5.762481	-4.1445091	0.0000416	[-35.21, -12.55]
True Dominant	-29.583333	6.407717	-4.6168291	0.0000053	[-42.18, -16.99]

Medicaid Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	39.937500	2.954333	13.518281	0.0000000	[34.13, 45.75]
True Egalitarian	4.630339	3.291405	1.406797	0.1602679	[-1.84, 11.10]
Secret Egalitarian	-14.161990	3.605976	-3.927367	0.0001012	[-21.25, -7.07]
True Dominant	-23.849781	4.009744	-5.947956	0.0000000	[-31.73, -15.97]

Free Speech Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	22.458333	3.620217	6.2035881	0.0000000	[15.34, 29.58]
True Egalitarian	2.476340	4.033263	0.6139794	0.5395797	[-5.45, 10.41]
Secret Egalitarian	5.347789	4.418735	1.2102534	0.2268999	[-3.34, 14.03]
True Dominant	-2.721491	4.913509	-0.5538793	0.5799725	[-12.38, 6.94]

Religious Freedom Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	10.791667	4.820805	2.2385612	0.0257366	[1.31, 20.27]
True Egalitarian	-13.027848	5.370831	-2.4256670	0.0157241	[-23.59, -2.47]
Secret Egalitarian	6.228741	5.884139	1.0585646	0.2904402	[-5.34, 17.80]
True Dominant	5.383772	6.542998	0.8228295	0.4110977	[-7.48, 18.25]

Affirmative Action Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	19.979167	4.572207	4.3696983	0.0000159	[10.99, 28.97]
True Egalitarian	3.226863	5.093870	0.6334798	0.5267843	[-6.79, 13.24]
Secret Egalitarian	-29.417942	5.580708	-5.2713637	0.0000002	[-40.39, -18.45]
True Dominant	-30.961623	6.205591	-4.9893110	0.0000009	[-43.16, -18.76]

Defunding Police Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	-22.333333	4.742520	-4.7091706	0.0000034	[-31.66, -13.01]
True Egalitarian	21.273032	5.283614	4.0262276	0.0000679	[10.89, 31.66]
Secret Egalitarian	-2.809524	5.788586	-0.4853558	0.6276911	[-14.19, 8.57]
True Dominant	1.719298	6.436746	0.2671068	0.7895253	[-10.93, 14.37]

Green Tax Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	21.770833	4.301178	5.0615983	0.0000006	[13.31, 30.23]
True Egalitarian	4.766855	4.791917	0.9947699	0.3204526	[-4.65, 14.19]
Secret Egalitarian	-18.750425	5.249897	-3.5715797	0.0003983	[-29.07, -8.43]
True Dominant	-22.858553	5.837738	-3.9156524	0.0001061	[-34.34, -11.38]

Voter ID Policy Support

Dominance Profile	β Estimate	Std. Error	t-statistic	p-value	95% CI
Implicit Dominant (*Intercept*)	17.500000	4.615830	3.7913010	0.0001731	[8.43, 26.57]
True Egalitarian	-20.645729	5.142469	-4.0147499	0.0000711	[-30.76, -10.54]
Secret Egalitarian	-1.316326	5.633952	-0.2336418	0.8153832	[-12.39, 9.76]
True Dominant	2.043860	6.264797	0.3262452	0.7444104	[-10.27, 14.36]

Table 27 (Paper 1, Study 2: Appendix) Mediation results for Instrumental item " We should only pursue racial diversity if that will benefit white people too."

	Dependent Variable:			
	DiversityBanPolicy	WhiteBenefit	DiversityBanPolicy	
	(1)	(2)	(3)	(4)
Instrumental Item (White benefit)			7.809***	7.809***
			(1.284)	(1.284)
Implicit Dominant	14.513***	0.914***	7.377	7.377
	(5.365)	(0.201)	(5.270)	(5.270)
Secret Egalitarian	20.193***	0.764***	14.227***	14.227***
	(4.117)	(0.154)	(4.063)	(4.063)
True Dominant	24.525***	1.256***	14.718***	14.718***
	(5.012)	(0.187)	(5.064)	(5.064)
True Egalitarian (Constant)	−10.367***	1.920***	−25.357***	−25.357***
	(2.365)	(0.088)	(3.348)	(3.348)
Observations	402	402	402	402
R^2	0.089	0.136	0.166	0.166
Adjusted R^2	0.082	0.129	0.158	0.158
Residual Std. Error	33.362 (df = 398)	1.247 (df = 398)	31.950 (df = 397)	31.950 (df = 397)
F Statistic	12.901*** (df = 3; 398)	20.813*** (df = 3; 398)	19.792*** (df = 4; 397)	19.792*** (df = 4; 397)

Note: *$p<0.1$; **$p<0.05$; ***$p<0.01$

Table 28 (Paper 1, Study 2: Appendix) Results for Colorblindness mediation

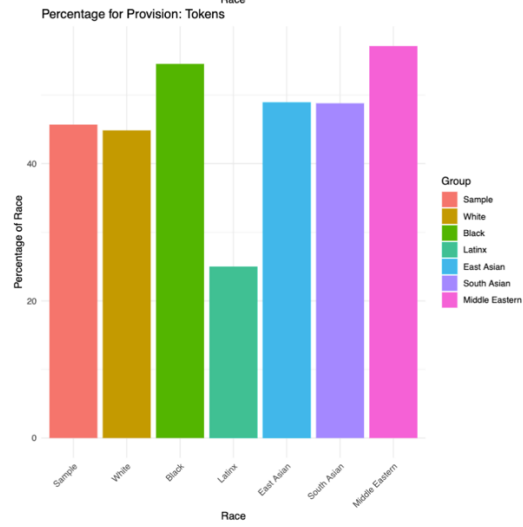|	Dependent Variable:			
	DiversityBanPolicy	Colorblindness	DiversityBanPolicy	
	(1)	(2)	(3)	(4)
Colorblindness ($MARC$)[a]			12.163***	12.163***
			(1.823)	(1.823)
Implicit Dominant	14.513***	0.292**	10.961**	10.961**
	(5.365)	(0.140)	(5.121)	(5.121)
Secret Egalitarian	20.193***	0.644***	12.357***	12.357***
	(4.117)	(0.108)	(4.081)	(4.081)
True Dominant	24.525***	0.646***	16.665***	16.665***
	(5.012)	(0.131)	(4.902)	(4.902)
True Egalitarian (Constant)	−10.367***	−0.284***	−6.918***	−6.918***
	(2.365)	(0.062)	(2.304)	(2.304)
Observations	402	402	402	402
R^2	0.089	0.107	0.181	0.181
Adjusted R^2	0.082	0.100	0.172	0.172
Residual Std. Error	33.362 (df = 398)	0.871 (df = 398)	31.675 (df = 397)	31.675 (df = 397)
F Statistic	12.901*** (df = 3; 398)	15.924*** (df = 3; 398)	21.869*** (df = 4; 397)	21.869*** (df = 4; 397)

Note: *p<0.1; **p<0.05; ***p<0.01
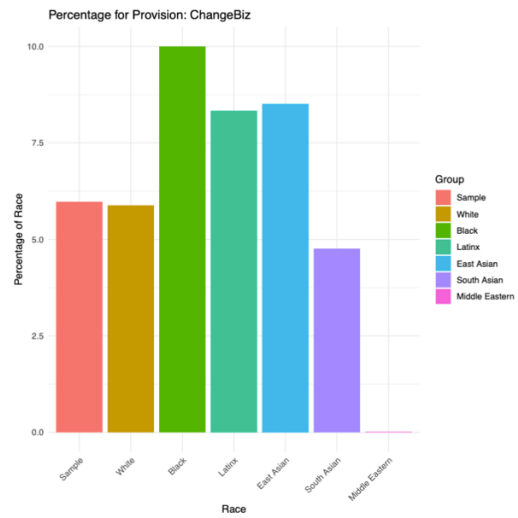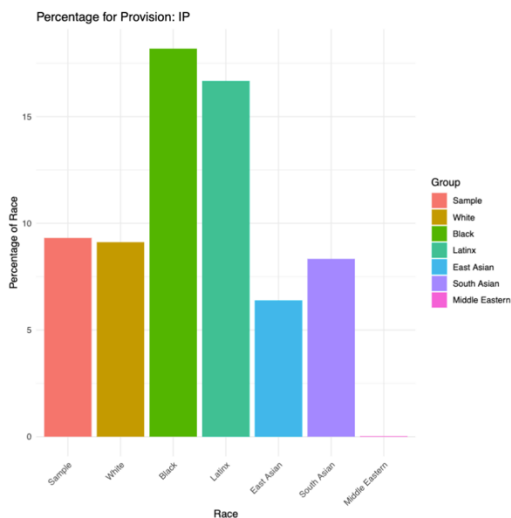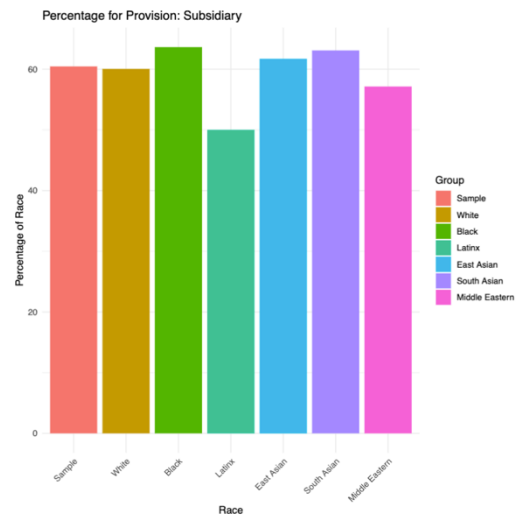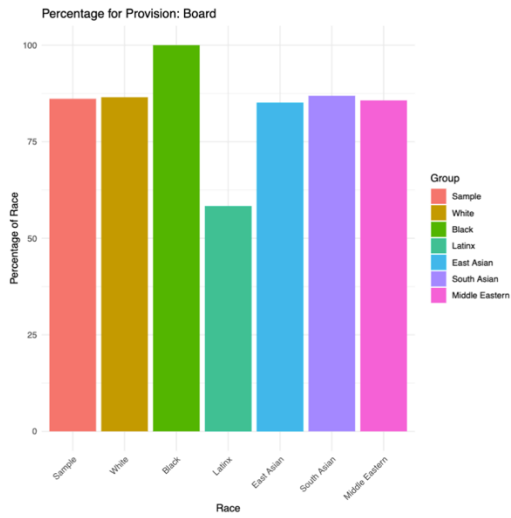
[a] *Centered score*

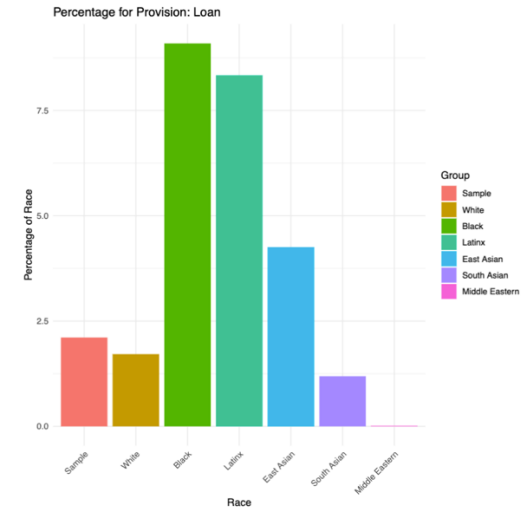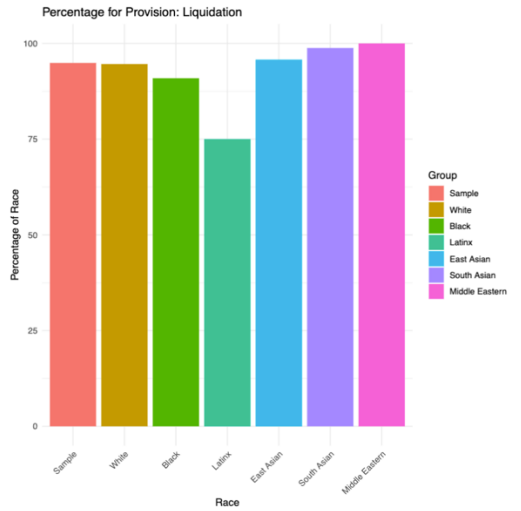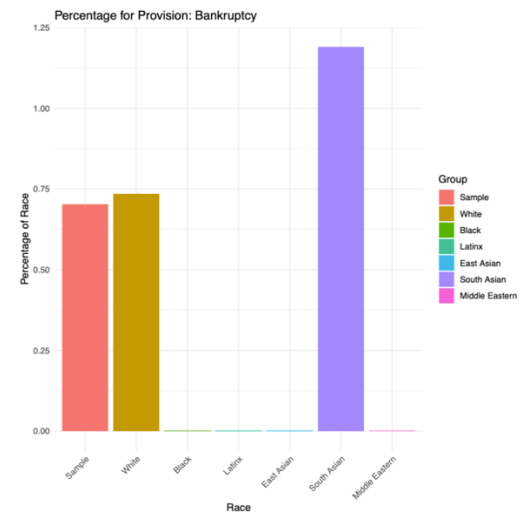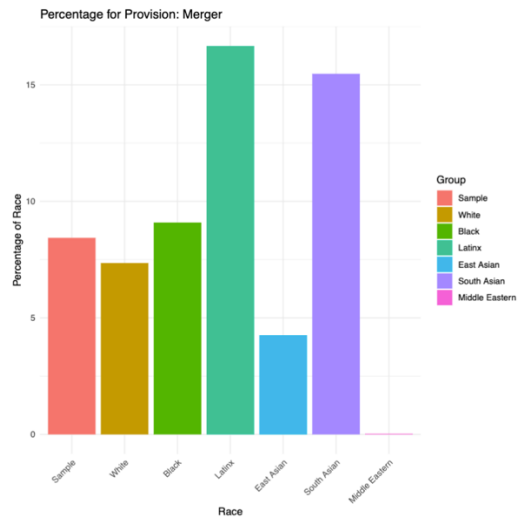*Table 29 (Paper 2, Appendix) Regression results for provision, race and valuation*

Provision	Predictor	β	Std. Error	z value	p value
Liquidation	Intercept	2.979	0.2354	12.652	<2e-16
	Black	-0.6235	1.073	-0.581	0.5611
	Valuation	-1.141e-09	7.270e-10	-1.569	0.1166
AmendCharter	Intercept	4.876	0.5587	8.728	<2e-16
	Black	-2.480	1.179	-2.104	0.0354*
	Valuation	-2.009e-09	1.145e-09	-1.755	0.0793 .
Security	Intercept	3.456	0.3209	10.770	<2e-16
	Black	17.13	5346	0.003	0.997
	Valuation	-4.589e-10	1.578e-09	-0.291	0.771
Tokens	Intercept	-0.1719	0.1097	-1.567	0.117
	Black	0.3729	0.614	0.607	0.544
	Valuation	-4.053e-10	5.432e-10	-0.746	0.456
Dividends	Intercept	3.357	0.2695	12.453	<2e-16
	Black	14.28	1193	0.012	0.9904
	Valuation	-1.475e-09	6.281e-10	-2.349	0.0188*
EquityPlan	Intercept	-0.2112	0.1086	-1.944	0.0519.
	Black	1.718	0.7883	2.180	0.0293*
	Valuation	-6.148e-11	5.039e-10	-0.122	0.9029
Debt	Intercept	0.6828	0.1135	6.014	1.81e-09***
	Black	1.637	1.054	1.554	0.120
	Valuation	-3.835e-10	5.088e-10	-0.754	0.451
Subsidiary	Intercept	0.3865	0.1113	3.471	0.000518***
	Black	0.1619	0.6352	0.255	0.7989
	Valuation	2.452e-10	5.490e-10	0.447	0.6551
Board	Intercept	1.994	0.1587	12.570	< 2e-16
	Black	14.64	723.4	0.020	0.9839
	Valuation	-1.397e-09	5.972e-10	-2.339	0.01933*
IP	Intercept	-2.161	0.2264	-9.544	<2e-16
	Black	0.7403	0.8022	0.923	0.356
	Valuation	-1.836e-09	2.132e-09	-0.861	0.389
ChangeBiz	Intercept	-2.892	0.2223	-13.006	<2e-16
	Black	0.6375	1.076	0.593	0.5535
	Valuation	1.187e-09	6.013e-10	1.975	0.0483
Transaction	Intercept	-1.068	0.1309	-8.159	3.38e-16
	Black	0.9099	0.6169	1.475	0.140
	Valuation	-5.187e-10	7.795e-10	-0.665	0.506
JointVenture	Intercept	-4.730	0.9924	-4.766	1.87e-06***
	Black	3.657	1.062	3.443	0.000576***
	Valuation	-9.754e-09	1.405e-08	-0.694	0.4875
AmendSection	Intercept	-1.824	0.1496	-12.190	<2e-16
	Black	1.231	0.6428	1.915	0.0555.
	Valuation	7.162e-10	5.453e-10	1.313	0.1890

*Note: ˙ p<0.1; *p<0.05; **p<0.01; ***p < 0.001*

Paper 2 Provision Graphs

Percentage for Provision: AmendCharter

Percentage for Provision: Security

Percentage for Provision: Tokens

Percentage for Provision: Dividends

Percentage for Provision: EquityPlan

Percentage for Provision: Debt

Percentage for Provision: Board

Percentage for Provision: Subsidiary

Percentage for Provision: IP

Percentage for Provision: ChangeBiz

Percentage for Provision: Transaction

Percentage for Provision: JointVenture

115

Percentage for Provision: AmendSection

Percentage for Provision: IPO

Percentage for Provision: Merger

Percentage for Provision: Bankruptcy

Percentage for Provision: Liquidation
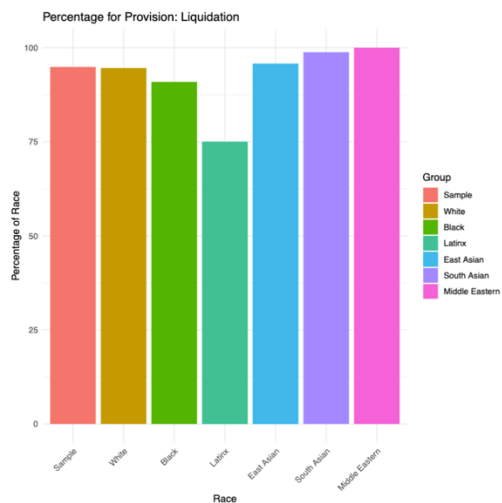

Percentage for Provision: Loan

Figure 33 (Paper 2, Appendix) Graph of provision means by race

Table 30 (Paper 3, Appendix) List of protective provision questions

Protective Provision Questions
Oversight of issuance of cryptocurrency or digital tokens
Oversight of future issuance of debt securities
Board Composition (including board seats and board appointments)
Approval of future financing, acquisitions, and IPO
Oversight of licensing and sale of Intellectual Property (IP)
Oversight of issuance of employee stock option plans
Oversight of distribution, redemption, or payment of dividends
Securing Major Investor status
Please describe any other financing terms that you would want to see if funding this company

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