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# The Effects of Moral Identity and Stereotyping of Gay Entrepreneurs on Purchase Intention

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## **Abstract**

There has been a lack of research regarding gay entrepreneurs, as most focus on gay men in the workforce. In order to gain more perspective on what kind of challenges a gay entrepreneur might face, this study aimed to fill in some of the gaps in research, specifically regarding the implicit inversion theory. This study examined whether there was an adverse impact of a perceived misfit between homosexuality and job on purchase intention, as well as to whether moral identity had an effect on this relationship. Furthermore, this study also aimed to examine whether moral identity had a direct effect on purchase intention. A survey was conducted, with a total of 114 participants. There was no significant relationship found between perceived misfit between homosexuality and job and purchase intention, and moral identity did not moderate this relationship. However, moral identity was positively related to purchase intention. These initial findings suggest that there is a no stereotype of a perceived misfit affecting purchase intention. Furthermore, a higher moral identity seems to increase the likelihood of purchase intention for the services of a gay entrepreneur.

## **Layman's Abstract**

There has been a lack of research regarding gay entrepreneurs, as most focus on gay men in the workforce. This study attempts to expand the current knowledge about gay entrepreneurs, aiming to fill in some of the gaps in literature on gay entrepreneurs. The focus of this study laid on whether people would be less likely to make use of the services of a gay entrepreneur, if the entrepreneurs' business did not fit the stereotype of a gay man. It was assumed that people would be less likely to make use of the services of a gay mechanic in comparison to a gay aesthetician. It also was thought that an individual's moral identity would affect whether people would be more or less likely to make use of a gay entrepreneurs services, as well as act as a moderating variable on the effect of the stereotype on the purchase intention. A survey was conducted among 114 people in order to investigate this. The results of the survey indicated that there was no stereotype that affected people's intention to make use of a gay entrepreneur's services, nor did moral identity act as a moderator. However, a higher moral identity meant that people were more likely to make use of the services of a gay entrepreneur.

## Introduction

In 2016, Kento Hoshi founded the company JobRainbow, Japan's first employment search platform that caters to LGBTQ+ individuals. Now, in 2022, the platform consists of 650,000 active users per month, and is partnered with 400 companies. Hoshi started this platform due to the discrimination often faced by LGBTQ+ members in the workplace. He claims that in Japan, around 40 percent of the lesbian, gay and bisexual workers, as well as 70 percent of transgender workers have a difficult time trying to find a job. Hoshi dreams of expanding beyond Japan, as discrimination against the LGBTQ+ community within the workplace is prevalent all around the world (Yang, 2022). Indeed, in a survey conducted by Sears et al. (2021), they found that 45.5% of 935 of LGBTQ+ workers in the United States had experienced unfair treatment at work at some point in their lives due to their sexual orientation or gender identity. Many of them even left their jobs or are considering leaving their jobs because of the discrimination and harassment (Sears et al. 2021).

Members of the LGBTQ+ community can be especially vulnerable to discrimination in the workplace (Webster et al., 2017), as evidenced by the large percentage of those who have received harassment due to their sexual orientation or gender identity (Sears et al., 2012). In part, this discrimination can be related to the social stigma of identifying as part of the LGBTQ+ community, although public perception has grown increasingly more positive (Webster et al., 2017). In order to avoid this discrimination against gay people in the workplace, LGBTQ+ workers might move to become self-employed instead (Galloway, 2007). Still, most research regarding discrimination against LGBTQ+ workers have focused on the workplace, rather than on entrepreneurs (Galloway, 2007). Galloway (2007) argued that there is too little research done on gay entrepreneurship, despite the economic advantages more research might have had. It is possible that the economic impact of gay entrepreneurs could be significant, but more research into this topic could also have given new insights into the field of entrepreneurship from the point of view of a minority group. Even more than fourteen years after Galloway's (2007) article, the research on gay entrepreneurship still contains many gaps, with the majority of the research focused on the workplace than on entrepreneurs (Kidney, 2021). Kidney (2021) notes that this gap might be related to the assumption that the experience of gay and straight entrepreneurs might not differ much, which led to a lack of research. However, gay entrepreneurs could be especially vulnerable to discrimination from their customers, which could threaten their livelihood. While Hoshi almost exclusively caters to LGBTQ+ individuals (Yang, 2022), this is not the case for many

other gay entrepreneurs. In fact, only a small percentage of gay entrepreneurs caters exclusively to the gay market, which means that the majority of gay entrepreneurs rely on non-LGBTQ+ clientele (Galloway, 2007). It is therefore important to know whether the same theories can be applied to homosexual entrepreneurs, as on homosexuals in the work place, such as the implicit inversion theory, that is, the reversed stereotype, which claims that that homosexual men and women are seen as having more in common with the opposite sex heterosexual (Kite & Deaux, 2018). Which, in turn, can lead to a perceived misfit between homosexual identity and gendered job type (Pichler et al., 2010).

This perceived fit is not only of relevance on its own, but also whether it is related to other factors. As previously mentioned, the social stigma of identifying as part of the LGBTQ+ community was also related to discrimination against the individual (Webster et al., 2017). This means that there could be several factors that could also relate to the perceived fit between the sexuality of the entrepreneur and their business. One of these factors could be the moral identity of the potential customer, that is the extent to which the potential customer identifies as moral (Aquino & Reed, 2002). For example, Lai et al. (2014) found that a stronger moral identity reduced prejudice against gay men, albeit slightly. Considering that stereotyping against gay men seems to be stronger for those who are highly prejudiced against gay men (Pellegrini et al., 2020), this could mean that those with a high moral identity might also have a stronger inclination to reject the stereotype associated with a ‘misfit’ between sexual identity and job type.

This study aims to examine whether a stereotype associated with perceived misfit between homosexual identity and gender-typed business will negatively influence purchase intention of potential customers. In this study purchase intentions is defined as an individual’s conscious plan to make an effort to pay for a service or item (Spears & Singh, 2004). Furthermore, another aim of this study is to examine the extent to which moral identity can directly predict purchase intentions of potential customers for the services of gay entrepreneurs. In addition, this study also aims to examine whether an individual’s moral identity can moderate the relationship through weakening the negative effect of perceived misfit between sexual identity and gender-typed business on purchase intentions.

Researching these factors could help with understanding potential risks that gay entrepreneurs could face when setting up their own businesses. Previous research has mainly focused on discrimination against homosexual men in the workplace, rather than on homosexual entrepreneurs (Galloway, 2007). As such, there is not much known about the

underlying factors of discrimination homosexual entrepreneurs might face. This study might therefore fill in some of these gaps in the literature, specifically regarding moral identity as an underlying factor of discrimination against homosexual entrepreneurs. This might be especially important for gay entrepreneurs themselves, as their businesses could also be directly affected by any discrimination they might face. Gay entrepreneurs, as the owners of the businesses, would be more dependent on the customers themselves for their livelihood. In order to examine this, the variable purchase intention will be used. According to Spears and Singh (2004), purchase intentions are “an individual’s conscious plan to make an effort to purchase a brand” (pp. 56). Purchase intention is often used as dependent variable by other researchers when studying consumer buying behaviour (Bilal & Ali, 2013). Furthermore, the fit between sexual identity and business will be examined with help of the implicit inversion theory. Finally, the variable moral identity will be further explored in relation to the earlier mentioned variables.

## **Literature Review**

### ***Fit between sexual identity and business***

The implicit inversion theory, otherwise known as the reversed stereotype, claims that homosexual men and women are seen as having more in common with the opposite-sex heterosexual (Kite & Deaux, 1987). Kite and Deaux (1987) found that homosexual men were thought to have more traits (e.g. being feminine) in common with heterosexual women, than either heterosexual men or homosexual women. Similarly, homosexual women were thought to have more traits in common with heterosexual men (e.g. being masculine) than either homosexual men or heterosexual women. Furthermore, homosexual men were seen as especially different from heterosexual men (Kite & Deaux, 1987). Considering that homosexual men are seen as more similar to heterosexual women, this might also have implications for their perceived suitability for stereotypically gendered-work (Clarke & Arnold, 2018). The role congruity theory proposes that prejudice can arise when stereotypical traits of a particular group are inconsistent with the traits believed necessary to excel in a certain role (Eagly & Karau, 2002). Eagly and Karau (2002) argue, for example, that women are thought to be less likely to excel as a leader in comparison to men, due to leadership ability being seen as incompatible with the stereotypical image of a woman. Similarly, the lack of fit model claims that expectations about how well someone will perform in a job is determined by the perceived fit of an individual’s traits and the traits associated with the job (Heilman, 1983). It is therefore possible that homosexual men might be considered more

suitable for more feminine-typed work and less suitable for masculine-typed work, as they are generally stereotyped as being more similar to heterosexual women.

Some research seem to support the notions of these theories. Horvath and Ryan (2003) found that participants rated homosexual male and female applicants as less competent than heterosexual male applicants. Similarly, Pichler et al. (2010) found that gay men were considered less hireable overall, but this was even more pronounced when the job did not match their sexual identity. Additionally, Ahmed et al. (2013) found that homosexual men were less likely to be hired in a typical male-dominated occupation, while homosexual women were less likely to be hired in typical-female dominated occupations. Tilcsik (2011) also discovered that homosexual men were less likely to be hired for jobs that emphasized stereotypical male traits. These findings provide support to the implicit inversion theory, the role incongruity theory, and lack of fit model, as homosexual men and heterosexual women are seen as more similar than homosexual men and heterosexual women, while at the same time being seen as inconsistent with the competence needed for the job. Though, in contrast Barrantes and Eaton (2018) did not find that homosexual men were perceived as less stereotypically masculine. They did, however, find that homosexual men were perceived as more stereotypically feminine, which made participants perceive them as more suited for stereotypically feminine leadership positions in contrast to their heterosexual male counterparts. This finding does still seem to support the theories at least partly, in the sense that homosexual men are seen as more similar to heterosexual women, and therefore more likely to succeed in female-typed business.

In sum, the implicit inversion theory suggests that homosexual men are seen as having more in common with heterosexual women (Kite & Deaux, 1987). Meanwhile, the lack of fit model and role congruity theory (Eagly & Karau, 2002; Heilman, 1983) both suggest that it is possible that homosexual men might be seen as more likely to perform well at feminine-typed jobs rather than masculine-typed jobs. The studies seem to support this notion, in that homosexual men were overall less likely to be hired or considered for jobs that were more stereotypically masculine. As such, the following was hypothesized.

H<sub>1</sub>: Individuals will have a stronger purchase intention from a service owned by a homosexual man in a female-typed business, in comparison to a service from a homosexual man in a male-typed business.

## *Moral identity*

Moral identity is the extent to which an individual feels that being moral is central to their character (Aquino & Reed, 2002). Boegershausen et al. (2015) further define moral identity as consisting of two dimensions, internalization and symbolization. These two dimensions correspond to the private and public aspects of the self. Internalization is the private aspect of the self, which comprises person's moral self-schema. Symbolization is the public aspect of the self, which consists of the importance a person places on showing their moral self to the outside world to affirm their own morality. For example, if something threatens a person's internalized moral self-schema, then their moral symbolization is increased and they feel the need to show off how moral they are to others (Boegershausen et al, 2015).

In general, a stronger moral identity is thought to be connected to having a more expansive circle of moral regard, in which the individual shows more concern and empathy to those that can be considered out-group members (Winterich et al., 2009). Reed and Aquino (2003) found that a higher moral identity was positively related to extend help to out-group members, even ones that seemed to have opposing views from their own social group. Similarly, Smith et al. (2014) found that those with a higher moral identity seemed to show more moral concern to out-group members, than those with a lower moral identity. Winterich et al. (2009) also found that a higher moral identity tended to increase donations to out-groups, and not to in-groups. However, this only occurred for consumers with a feminine gender identity. Those with a masculine gender identity and a high moral identity tended to increase donations to the in-group, and not the out-group. Based on this, it is possible that prejudice could therefore also be reduced, at least for women, as the individual would show a more favourable attitude towards out-group members. However, Passini (2016) found that moral identity did not necessarily reduce prejudice on its own. Instead, moral identity was related to the extent to which the individual views the other as part of their group, or not part of their group. Individuals with a high moral identity were found to be less tolerant of people who they did not consider part of their own ingroup regarding one's morality. That is, some groups might be considered as more or less 'human', with rights and dignity, in comparison to others depending on whether they match the individual's own sense of morality. Meaning that it is possible that someone with a strong moral identity, can still be prejudiced if they feel that this prejudice is 'moral'.



Despite the somewhat mixed results on whether moral identity increases or decreases prejudice against outgroups, Lai et al. (2013) found that by inducing moral elevation, sexual prejudice was slightly reduced. That is, by exposing individuals to moral traits, such as charity, gratitude, generosity or loyalty, the individual would be less prejudiced against gay men. Moral identity was positively related to how sensitive the individual was to moral elevation. The higher the moral identity, the more moral elevation, and thus less prejudice. Which could be considered a reduction in prejudice against out-group members. Similarly, El Hazzouri et al. (2019) also found that by priming moral identity, disgust towards same-sex couples was reduced. Furthermore, Ueno and Gentile (2014) found that students tended to highlight their moral identity by emphasizing their decision to make friends with LGBTQ+ people. Moral identity therefore seems to be related to prejudice towards gay men, even if indirectly.

Those with a higher moral identity seem to be less prejudiced towards those of the LGBTQ+ community, if only because this elevates their own moral identity. If moral identity does relate to prejudice towards gay men, then those with a higher moral identity might be more inclined to make use of the services of a gay entrepreneur, regardless of the fit between sexual identity and the business in question. Doing so would highlight their moral identity, as they would show that they made use of the services of a sexual minority. Furthermore, it is possible that there is a moderating effect of moral identity on the relationship between the perceived misfit of homosexual identity and job on purchase intention. A stronger moral identity should weaken the proposed negative effect of the misfit on purchase intention. Those with a high moral identity are more likely to act in a way that confirms this self-identity. In this case, individuals with a higher moral identity will be less likely to differentiate between gay men who have a 'fitting' job versus those who do not, as treating them differently could threaten their moral identity. In the sense that if an individual is more accepting of out-group members, regardless of the fit or misfit, this will accentuate their moral identity. Based on these conclusions, the following hypotheses were composed.

H<sub>2</sub>: The relationship between purchase intention and the fit between sexual identity and the business is expected to be moderated by the moral identity of the individual. Specifically, it is expected that moral identity will weaken the negative effect of perceived misfit between sexual identity and gender-typed business on purchase intentions, such that people with a stronger moral identity will have significantly higher purchase intentions than people with a weaker moral identity when perceived

misfit is present. When perceived fit is present, the significant difference will not be observed.

H<sub>3</sub>: It is expected that those with a stronger moral identity will have a stronger purchase intention, regardless of the perceived misfit between sexual identity and gender-typed business, than those with a weaker moral identity.

## **Method**

### **Participants and Design**

The present study was part of a broader experiment, which also contained a prejudice scale. A cross-sectional experimental design was utilized with two between-subjects conditions (female-typed business condition [fit condition] versus male-type business condition [misfit condition]) and one within-subjects condition: moral identity. The sample size was determined by performing an a priori power analysis using G\*Power with significance criterion of a medium effect size of  $f = .15$ ,  $\alpha = .05$ , three predictors, and an expected power of 0.8, the minimum sample size required would be 77 participants. To ensure a sufficient number of participants, 130 participants were recruited in total in order to anticipate data loss due to exclusion. Participants were recruited from the platform Qualtrics, in return for € 2.00 euro's (£ 1.70 British pounds).

A total of sixteen responses were excluded from the analysis due to either not finishing the survey, or due to not providing all the answers required within the survey, resulting in a sample of  $n = 114$ . The sample consisted of 38 males, 73 females, and 3 participants identifying as either nonbinary, a third gender, or other. The majority of the sample was heterosexual ( $n = 89$ ), with 7 participants identifying as homosexual, 13 identifying as bisexual, 4 identifying as other, and 1 who preferred not to say. Furthermore, the participants ranged in age from 18 to 64. Of the sample,  $n = 56$  were 18 to 24 years old,  $n = 42$  were 25 to 34 years old,  $n = 10$  were 35 to 44 years old,  $n = 5$  were 45 to 54 years old, and  $n = 1$  was 55 to 64 years old. Of the participants' highest degree or level of education that they completed, 40 had completed high school, 15 completed vocational education or community college, 40 completed a Bachelor's degree, and 19 participants completed a Master's degree. Finally, a total of  $n = 56$  participants were assigned the female-typed condition,  $n = 58$  were assigned the male-typed condition.

### **Materials**

### ***Perceived Fit between Homosexuality and Gender-Typed Business***

The perceived fit between homosexuality and gender-typed business was manipulated by a modified vignette story taken from Clarke and Arnold (2018), in which one refers to either a male-typed (auto-garage) versus a female-typed (salon) business. In the survey, there were two different vignette stories. The female-typed condition vignette consisted of:

“Alex was born in Rochdale about an hour away from LU Community College. He graduated from the Aesthetics Program about ten years ago. He then returned to his hometown with his boyfriend David, to work as an aesthetician.

After nine years of working at a beauty salon in his hometown, Alex and his boyfriend are relocating to a new town, which does not yet have a beauty salon. Alex has always wanted to become an entrepreneur. He is now planning to start his own business as a beauty salon owner. Alex enjoys being an aesthetician and regularly attends training to stay current in his field.”

While the male-typed vignette consisted of:

“Alex was born in Rochdale about an hour away from LU Community College. He graduated from the Automotive Service Technician Program about ten years ago. He then returned to his hometown with his boyfriend David, to work as an auto mechanic.

After nine years of working at an auto garage in his hometown, Alex and his boyfriend are relocating to a new town, which does not yet have an auto garage. Since Alex has always wanted to become an entrepreneur, he is now planning to start his own business as an auto garage owner. Alex enjoys being a mechanic and regularly attends trainings to stay current in his field.”

### ***Purchase Intention***

Purchase intention was measured using a modified version of the purchase intention scale (Spears & Singh, 2004). Participants were asked to “imagine you live in Alex and David’s town and you need to make use of Alex’s service. Please describe the extent to which you agree or disagree with the following statements.” This scale then consisted of three statements (e.g. “I would definitely intend to purchase Alex’s service”; “I would have a low interest in using Alex’s service”; “I would not expect any problems when using Alex’s service”), with a Likert scale from 1 (*strongly disagree*) to 7 (*strongly agree*).

The purchase intention scale had a reliability of  $\alpha = .85$  ( $M = 5.84$ ,  $SD = 1.09$ ). The scores ranged from a minimum of 1.00 to a maximum of 7.00.

### ***Moral Identity***

The moral identity variable was measured using the moral identity scale (Aquino & Reed, 2002). A list of nine moral characteristics, e.g., honest, fair, was presented to the participants, and the participant were asked to visualize a person based on these characteristics. Following this, ten statements were shown to the participants, for example: “It would make me feel good to be a person who has these characteristics”, “Being someone who has these characteristics is an important part of who I am”, “I strongly desire to have these characteristics”. The entire scale can be found in Appendix A. They then had to indicate their agreement on a Likert scale from 1 (*strongly disagree*) to 7 (*strongly agree*).

The moral identity scale had a reliability of  $\alpha = .79$ , with a mean of  $M = 5.08$ , and a standard deviation of  $SD = 0.85$ . The scores ranged from a minimum of 2.70 to a maximum of 7.00.

### ***Manipulation Check***

A manipulation check for the scenario was performed using one item: “Please indicate if Alex’s business is usually run and owned by men or women”. Participants were asked to respond to this item on the basis of a Likert scale with 1 (*only men*), 2 (*mostly men*), 3 (*both men and women*), 4 (*mostly women*), and 5 (*only women*).

### **Procedure**

Participants were provided with an information letter and informed consent. After providing consent, participants were asked to provide their prolific ID. The moral identity scale was then presented prior to the manipulation in order to prevent unwanted influences of the manipulation on the moderation. Thereafter, participants were randomly assigned to one of the conditions (i.e., female-typed business condition vs male-typed business condition). All participants were then presented with the modified purchase intention scale, and the manipulation check items.

Finally, demographic questions regarding the gender, age, education, sexual orientation, and country of origin were presented. Participants were thanked, debriefed, rewarded for the completion of the survey. The whole study took about 15 minutes.

## Statistical Analyses

The data was analysed by using the IBM Statistical Package for Social Sciences (SPSS) version 27. Before conducting any of the analyses, the assumptions of each analysis were first checked. For all analyses, a significance level of .05 was used as a cut-off value for statistical significance. To assess whether moral identity would the negatively moderate the effect of a misfit between homosexuality and gender-typed business condition on purchase intentions, a moderation analysis was performed with the PROCESS macro (version 4.1) in SPSS (Hayes, 2012), with a bias-corrected bootstrap of 5000. The same analysis was used to test the first hypotheses as well. Furthermore, Pearson correlations were performed to get an overview of the correlations between variables.

## Results

### Preliminary Analysis

First, the assumptions for the moderator analysis were checked. The variables of moral identity, purchase intention and the gender-typed business had a linear relationship, which means that the assumption of linearity was met. Furthermore, the data show that the variables were not highly correlated with each other, which means that the assumption for multicollinearity was met. In addition, the assumption of heteroscedasticity was also met. Finally, the assumption for normality of residuals was met. The graphs used for this assumption check can be found in Appendix B. Table 1 below provides the Pearson correlations between the study variables.

Second, to test if the manipulation was successful, a one-way ANOVA with condition as independent variable was conducted. Higher scores on this scale meant that they believed the business was usually run by women, while lower scores indicated that they believed that usually men ran those businesses. The effect of condition was significant,  $F(1, 112) = 21.51, p < .001$ . Participants with the female-typed condition answered with a significantly higher score ( $M = 2.75, SD = 1.10$ ) than those in the male-typed condition ( $M = 1.95, SD = 0.71$ ). This means that the manipulation worked as intended.

### Table 1

*Pearson Correlations Between the variables Moral Identity, Purchase Intention and Gender-Type*

		Moral Identity	Purchase Intention	Gender-Type
Moral Identity	<i>r</i>	1	.190	-.101
	<i>p</i>		.043	.284
Purchase Intention	<i>r</i>	.190	1	-.129
	<i>p</i>	.043		.171
Gender-Type	<i>r</i>	-.101	-.129	1
	<i>p</i>	.284	.171	

## Hypothesis Testing

### *Main Effect of Condition*

To test if the gender-typed business condition had an effect on purchase intention, a regression analysis was performed. This analysis revealed that there was a non-significant effect of the condition on purchase intention,  $b = 0.82$ ,  $t(110) = .66$ ,  $p = .511$ , CI [-1.65 ; 3.29]. This means that there was no difference found in purchase intention for those in the female-type condition ( $M = 5.98$ ,  $SD = 0.88$ ) and male-type condition ( $M = 5.70$ ,  $SD = 1.26$ ). Hypothesis 1 was therefore rejected.

### *Main Effect of Moral Identity*

Next, the effect of moral identity on purchase intention was investigated by conducting a regression analysis. This analysis revealed a significant effect of moral identity on purchase intention,  $b = 0.32$ ,  $t(110) = 2.02$ ,  $p = .046$  CI [0.01; 0.63]. This suggests that people were more likely to make use of the services of the gay entrepreneur when their moral identity was higher. As such, hypothesis 2 was confirmed

### *Moderation of Moral Identity*

Finally, a moderation analysis was run with the condition as predictor, purchase intention as the dependant, and moral identity as a moderator. The interaction effect of moral identity and the condition on purchase intention was not significant,  $b = -0.21$ ,  $t(110) = -.87$ ,  $p = .389$ , CI [-0.69 ; 0.27]. This means that there was no moderation effect of moral identity on the relationship between the condition and purchase intention. Therefore, hypothesis 3 was rejected.

## Discussion

This study examined whether a perceived misfit between homosexual identity and gender-typed business would negatively influence people's purchase intention to use the services of a gay entrepreneur, as well the extent to which moral identity affected this effect. Furthermore, this study also aimed to examine whether an individual's moral identity can moderate the negative effect of perceived misfit between sexual identity and gender-typed business on purchase intentions.

First, there was no significant effect found of the perceived misfit between homosexual identity and gender-typed business on purchase intention. Regardless of whether a homosexual man was either a mechanic or an aesthetician, people were not more or less likely to make use of his services. This finding is contrary to those of previous research, who found that homosexual men were seen as less desirable for positions in more masculine-typed work (Ahmed et al., 2013; Pichler et al. 2010; Tilcsik, 2011). However, this finding does support the findings of Clarke and Arnold (2018), who found that there was no difference in willingness to hire a gay man for either a male- or female-typed job. They suggested that this might be due to a changing perception in gender stereotypes. Specifically, they suggest that the conceptualization of both gay men and lesbian women were changing due to societal change (Clarke & Arnold, 2018). Similarly, it is possible that the non-significant effect found in this study is also related to this changing perspective. Another possibility might be related to the findings of Fingerhut and Peplau (2006). They found that gay men in traditionally masculine roles were rated as less feminine than gay men in traditionally feminine roles, which suggest that a gay man's social role might influence how he is perceived. Rather than thinking of gay men as one single stereotype, people might have a more nuanced view of them (Fingerhut & Peplau, 2006). Which therefore means that they do not perceive a gay men in a male-typed job as a mismatch. Furthermore, it might also be possible that the participants expected the survey to be about prejudice towards homosexual men. If they were conscious of this, they might have purposefully chosen to answer more positively, and have a higher purchase intention.

Next, moral identity was found to be positively related to purchase intention. Those with a higher moral identity were more likely to make use of the services of a homosexual entrepreneur. Previous research showed that moral identity can reduce prejudice towards gay men (El Hazzouri et al, 2019; Lai et al, 2013). Similarly, students emphasized their moral identity by indicating that they are friends with LGBTQ+ people (Ueno & Gentile, 2014). This suggests that not discriminating against homosexuals would be 'moral'. It could be that

those with a higher moral identity would then feel the need to validate that they do not discriminate against homosexuals, in which case they would be more likely to make use of their services when they are in need of them. For example, they would feel that it is immoral to not make use of the services of a homosexual men when they are in need of them, so they would therefore be more likely to have a higher purchase intention. However, it is important to keep in mind the possibility that moral identity might increase purchase intention in general, as there was no control group with heterosexual entrepreneurs.

Finally, moral identity was not found to moderate the relationship between the perceived misfit between homosexual identity and gender-typed business. This is in line with the finding that perceived misfit between homosexual identity and gender-typed business was not related to purchase intention. As previously mentioned, moral identity reduces prejudice towards gay men (El Hazzouri et al, 2019; Lai et al, 2013), and it is possible that individuals associate their moral identity with being non-prejudiced towards gay people (Ueno & Gentile, 2014). In this case, the misfit between one's sexual identity and job would therefore matter less than the fact that they are gay. Furthermore, other research has also found that one's social role influences how a gay man is perceived with regards to being more or less feminine and masculine (Fingerhut & Peplau, 2006). Stereotyping of gay men might therefore be less prevalent than previously believed when it comes to this perceived misfit (Pichler et al. 2010; Ahmed et al., 2013; Tilsik, 2011). Therefore, the effect of stereotyping of gay men on purchase intention might be less relevant.

## **Implications**

The findings were not in line with the implicit inversion theory, which suggested that homosexual men and women are seen as having more in common with the opposite-sex heterosexual (Kite & Deaux, 1987), and it was further suggested that this could therefore lead to homosexuals being seen as less compatible with more traditional gender-typed work (Clarke & Arnold, 2018). While it is still possible that homosexual men may indeed be seen as having more in common with heterosexual women, this does not seem to extend to gender-typed work. Though this might be connected to the progresses of time, as people are slowly becoming less likely to gender-stereotype jobs. Furthermore, another implication concerns moral identity. Moral identity is the extent to which an individual feels that being moral is central to their character (Aquino & Reed, 2002). Furthermore, moral identity consists of two dimensions, internalization and symbolization, in which internalization concerns the moral self-schema and symbolization the external showing off being moral (Boegershausen et al.,



2015). It is possible that having no prejudice towards gay men might be part of this moral self-schema, which in turn translates into symbolization. This could result in more willingness to make use of the services of gay entrepreneurs.

These findings also have practical implications. For one, these results suggest that people do not seem to be affected by the stereotype associated with perceived misfit between homosexual identity and a gender-typed business. As such, gay entrepreneurs will not have to worry about whether the kind of business they intend to start will receive less business, based on stereotypical views of gender. However, this does not necessarily translate into more or the same amount of customers as for heterosexual entrepreneurs. Instead, the findings regarding moral identity seem promising in that they increase purchase intention, at least for gay entrepreneurs. Policy makers or practitioners can appeal to customer's moral identity for them to make use of the services of gay entrepreneurs. For example, making it publicly known that the business is run by gay men might actually increase purchase intention regardless for those with a high score in moral identity, as individuals would emphasize their morality by making use of these services. Especially so when others will also be aware of the fact that the service was done by a gay man.

### **Limitations and Suggestions for Future Research**

There are several limitations to this study. First, it is possible that the participants were aware in some capacity that this survey was about prejudice or stereotyping towards homosexuals, as we did not use implicit measures for prejudice, nor purchase intention. The participants received a prejudice scale, after which they received a vignette which specifically stated the sexual orientation of the entrepreneur. This might have stood out for some. If they were aware that their sexual prejudice was being tested, they might have chosen to answer more positively on the purchase intention scale. Furthermore, there was also no control group with a heterosexual entrepreneur, which makes it difficult to establish whether moral identity directly influenced purchase intention from gay entrepreneurs, or simply purchase intention by itself. As such, future research might consider different experimental alternatives, rather than using a survey. For example, it is possible to try and measure the purchase intention more implicitly, or in a practical setting. A possibility could be to actually simulate purchase intention in a lab setting, in which participants have to decide whether or not they will buy something from another participant, who can either indicate whether they are gay or not.

Second, most of the participants were 34 years old or younger. Only six participants were 35 years old or older. It is possible that the generally younger age of the participants could have affected the results. There is a rising awareness regarding LGBTQ+ rights, especially so among younger people. A survey by Ipsos showed that especially Generation Z tend to support LGBT rights more so than older generations, for example 61% of the Generation Z supported LGBT people being open about their sexual orientation or gender identity with everyone, in contrast to 48% of the Baby Boomer generation (Boyon, 2021). It is therefore possible that young adults are less likely to stereotype homosexual men to have more feminine traits. Furthermore, those with more traditional gender role beliefs also seem to report more anti-gay attitudes (Brown & Henriques, 2008), which would also most likely decrease purchase intention for the services of homosexual men. For a more representative overview of the effects of the perceived misfit between homosexual identity and gender-typed business, it could be useful for future research to recruit a sample which is more representative with regards to age.

However, there were also several strengths to this study. First, this study is one of the first that focuses on gay entrepreneurs rather than on homosexual men in an organization. This is important, because it is possible that those from the LGBTQ+ community might be more inclined to start their own business, in order to avoid any discrimination they might face within the workplace (Galloway, 2007). Having more research done into this area could therefore help LGBTQ+ individuals in better understanding the advantages and disadvantages of becoming an entrepreneur.

Second, this research also provides more data with regards to how people make economic decisions. Specifically with regards to moral identity and the fit between homosexual identity and gender-typed business and how this might or might not affect someone's intent to make use of certain services. The significant effect found for moral identity on purchase intention should be further explored. While in this sample it was found that moral identity could increase purchase intention for services of gay men, it is not entirely clear how this mechanism exactly works. Future research could delve deeper into this topic to further examine this effect.

## **Conclusion**

In sum, the present study has contributed to the current state of literature regarding economic decision making for gay entrepreneurship. There was no stereotype of a perceived

misfit between homosexual identity and gender-typed business found, nor was moral identity acting as a moderator for this relationship. It is possible that the non-significant effects found might be related to the limitations of the current study, such as the possibility of the participants being aware of the purpose of the study. However, it was found that those with a higher moral identity were more likely to use the services of a gay man, if they were in need of those services, in comparison to those with a lower moral identity. Future research should further explore these effects to draw a more solid conclusion about the relationship between moral identity and purchase intention. Regardless, the lack of a stereotype found to impact purchase intention is positive for those of the LGBTQ+ community who may seek to start their own business. While this research is only confined to homosexual men, it may prove to be a start for a hopefully more equal society with regards to the LGBTQ+ community.

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## Appendix A

Listed below are some characteristics that may describe a person [list of nine traits]. The person with these characteristics could be you or it could be someone else. For a moment, visualize in your mind the kind of person who has these characteristics. Imagine how that person would think, feel, and act. When you have a clear image of what this person would be like, answer the following questions.

1. Caring
2. Compassionate
3. Fair
4. Friendly
5. Generous
6. Hardworking
7. Helpful
8. Honest
9. Kind

### *Questions:*

1. It would make me feel good to be a person who has these characteristics.
2. Being someone who has these characteristics is an important part of who I am.
3. I would be ashamed to be a person who has these characteristics. (R)
4. Having these characteristics is not really important to me. (R)
5. I strongly desire to have these characteristics.
6. I often wear clothes that identify me as having these characteristics.
7. The types of things I do in my spare time (e.g., hobbies) clearly identify me as having these characteristics.
8. The kinds of books and magazines that I read identify me as having these characteristics
9. The fact that I have these characteristics is communicated to others by my membership in certain organizations.
10. I am actively involved in activities that communicate to others that I have these characteristics.



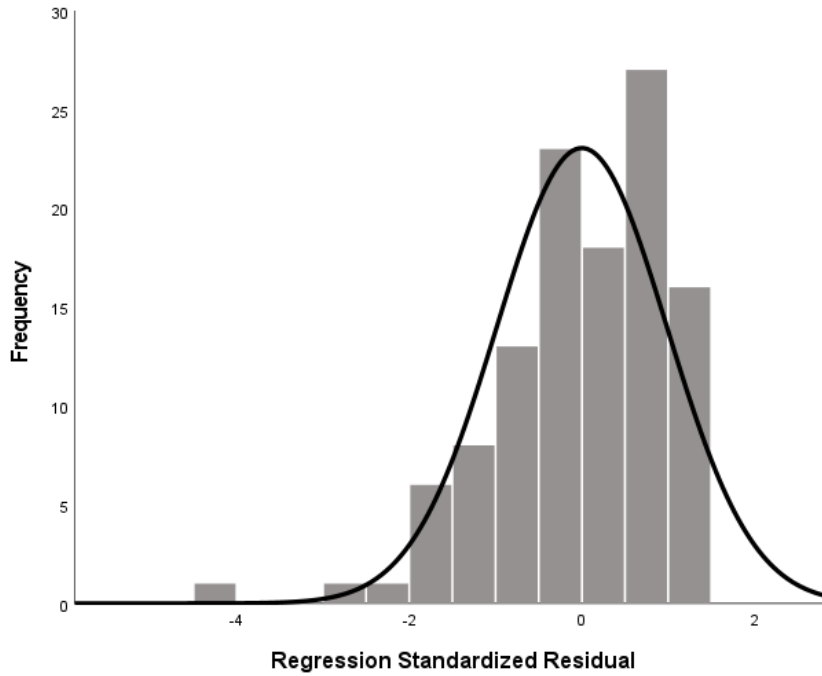
Questions are answered according to a 5-point Likert scale:

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

## Appendix B

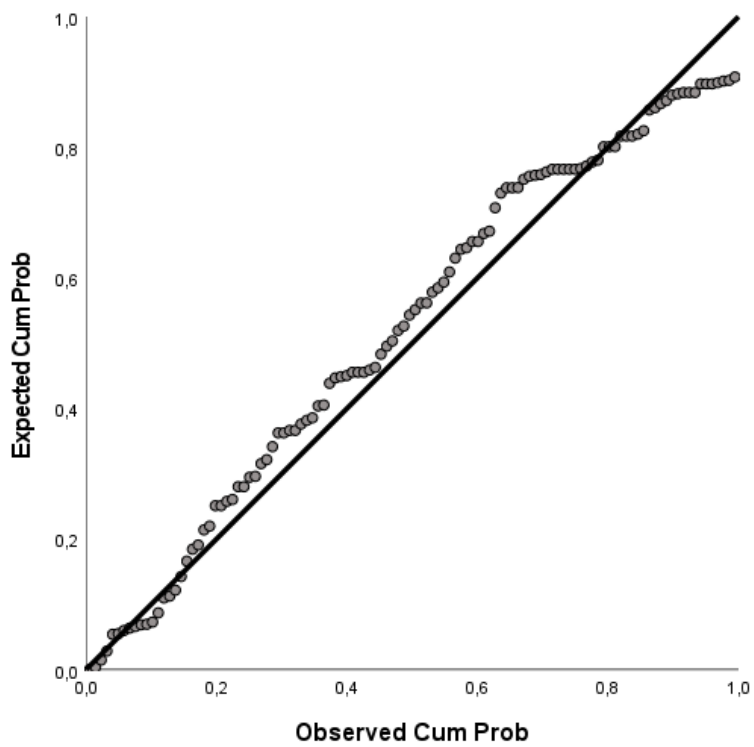
**Figure 1**

*Normal Distribution of Residuals*



**Figure 2**

*Q-Q Plot of Residuals*



**Figure 3**

*Scatterplot of Residuals*

