THE CREDIBILITY OF RACIAL JUSTICE STATEMENTS: THE IMPACT OF CHARISMA AND RACE

by

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ABSTRACT

LASHANA M. WIGGS. The Credibility of Racial Justice Statements: The Impact of Charisma and Race. (Under the direction of DR. JANAKI GOOTY)

Recent events in society have brought racial justice to the forefront of conversations and have prompted companies to issue statements on their stance on racial justice in America. These statements have been pervasive, with many companies touting their support for diversity, equity, and inclusion in their organizations and society at large. However, little is known regarding whether a stakeholder finds these statements as credible or not. This research empirically examined the perceived credibility of racial justice statements assessing the impact of race and use of charismatic leadership tactics (CLTs) in messages. A 2 (high charisma vs. low charisma) x 2 (White leader vs. BIPOC leader) experimental design was used to survey (N=1200) participants for their evaluation of racial justice statements. I found that across all conditions CLT usage significantly influenced message credibility for White and BIPOC leaders as well as White and BIPOC stakeholders. Theoretical and practical implications, limitations, and future research are discussed.

DEDICATION

I would like to dedicate this dissertation to my husband, Alexander Wiggs, my life partner, my prayer partner, the love of my life, and my rock and my children, Alex, Sean and Alexis for your love, support, and sacrifices during this journey. You all were my motivation to continue to show up and keep pressing forward each day. Thank you for the countless ways you supported me during this process because without you this journey would not have been possible. I also dedicate this work to my daddy, Arthur Fulmore, Sr., thank you for planting the seed for my greatness.

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CHAPTER 1: INTRODUCTION

A series of current events in the U.S. and world have put racial justice issues at the forefront of society and forced the topic into the national spotlight to prompt conversation and action. One such event was the killing of George Floyd in March 2020 in Minneapolis, MN. The media attention surrounding that incident prompted organizations to decide whether to publicly support racial justice movements or remain silent. Companies need to clearly understand and articulate what their firms stand for and be aware of the message they are sending to the marketplace about their corporate identity (Flint, Signori, & Golicic, 2018). In essence, companies are playing a signaling game to convey positive information and attributes about them to uninformed stakeholders.

While many companies have values, statements, and corporate social responsibility platforms that highlight their position on these issues in an attempt to create corporate identity congruence, there is still the perceived need to supplement those programs and policies with additional statements of support or affirmation through press releases, company statements, open letters, and social media outlets regarding such issues. Ben & Jerry's is one such company that advocates for social change on its social media platforms. Their webpage has a page dedicated to "Movements We Support" and "Issues We Care About" stating "we believe that business has the responsibility and unique opportunity to be a powerful lever of change in the world." ("We use our position to influence change," n.d.). In June of 2020, Coca-Cola Chairman and CEO James Quincey issued remarks in a virtual town hall stating in part that "…companies like ours must speak up as allies to the Black Lives Matter movement. We stand with those seeking justice and equality." (Coca-cola, 2020b). Coca-Cola also announced on Twitter the "Together we must" campaign where they pledged a donation to 100 black men "as part of the effort to end systemic

racism and bring true equality to all" following "this is just a first step." (Coca-cola, 2020a). These statements of support and solidarity signal to internal and external stakeholders that the values and causes that are important to them personally are shared values by organizations they support (Ruggs, Summerville, & Marshburn, 2020).

While these statements are now ubiquitous in corporate America and elsewhere, are they effective? When are such statements perceived as credible by stakeholders and when not quite so? It is important and timely to understand when a stakeholder perceives a message as credible or not. Research shows that stakeholders can rapidly and accurately perceive social information about groups, including diversity, which informs their interactions and behaviors (Phillips, Slepian, & Hughes, 2018). Firms could be capitalizing on racially charged events in society through increased customer sales and increased diversity capital. In Vivek Ramaswamy's book Woke Inc., Ramaswamy contends that corporate America's social justice stance is simply a scam of pretending to care about justice to simply make money (Ramaswamy, 2021). This perspective is not isolated to one former CEO but this viewpoint is gaining popularity due in part to the perceived lack of sustenance behind the message. I disagree with Ramaswamy's broad brush that all of corporate America is "pretending" to care about social justice to not suffer from being cancelled, but for those who genuinely want to move the needle on racial justice are their words resonating?

The support of stakeholders who are "standing in solidarity" with companies that are signaling support of racial equity and racial justice efforts without the actual investment of becoming a contributor to racially diverse leadership teams within their organization or racial equity in society are sending mixed messages. Hollow statements without tangible results to help progress racial equity in corporate America is a detriment to racial equity work. Specifically, I

will investigate what makes messages about racial justice reliable and credible (Connelly, Certo, Ireland, & Reutzel, 2011) in the eyes of the perceiver.

1.1 Motivation for this research

In the wake of the George Floyd killing, companies began putting out statements in support of social and racial justice issues. One thing that remains uncertain is whether stakeholders perceive those statements to be trustworthy or credible. This skepticism is due in part to what Logan (2021) argues is a corporate responsibility to race in society because they have "historically perpetuated and profited from racial oppression, making them contributors to, and beneficiaries of, racial injustice". The issue is important because the evaluation of these statements influences how stakeholders perceive the underlying qualities of the company (Connelly et al., 2011). The misalignment of words and actions called “decoupling” (Connelly et al., 2011) negatively affects the credibility of the leader and the message and increases future signaling costs (Taj, 2016). Saxton et al. (2019) point out that despite the importance of stakeholder evaluations of message credibility there is little understanding of how these evaluations influence message credibility.

The motivation behind this study on the effectiveness of racial justice messaging is that organizations have historically not sent clear messages regarding issues related to race and stakeholders believe that companies are not “walking the talk” related to race and diversity (Avery & Johnson, 2008). The response after George Floyd’s killing was different. Corporate America began to join the chorus of racial justice advocates where Robinson (2020) indicated “this is the moment for racism in America” where it’s time to do some substantive work. My dissertation seeks to pinpoint the specific message characteristics, leader and stakeholder characteristics that are associated with effective and credible racial justice statements. The

underlying insight will help companies influence actions of stakeholders in the hope that it (1) increases dialogue and consciousness on racial equity, (2) influence policy and lawmakers for racial equity changes and (3), serve as an example for others to follow, not just in words but also in deeds.

1.2 Research Questions

Signaling theory introduced by Michael Spence in the 1970s sought to close the gap between the known and unknown related to job market signaling where a job applicant is seeking to influence the candidate's perception of the employer. Such an endeavor constitutes the foundational premise of this experimental study, which is to understand how perceptions are shaped through relaying of information. Signaling is referred to as a "signaling game" between two players, the leader, and a stakeholder.

Signaling behavior has become so intriguing that researchers have studied its effects outside of the original scope of the job market. Researchers have dissected the signaling game, the actors, their behaviors, the antecedents, and the outcomes to understand better the phenomena. Why is this important? It is important because leaders realize that when you can reduce information asymmetry, it helps shape opinions, perceptions of deal-making, laws and policies are changed, and profit is made. In the context of this study, I will focus on signaling behavior as applied to racial justice statements since the nation has recently focused on racial justice over the past few years in response to racially charged current events in the media. Specifically, I will adopt a signaling theory lens to investigate the effects of characteristics of the signal sender (referenced in the current study as the "leader"), the receiver's characteristics (going forward will be referred to as the "stakeholder") and signal characteristics (known as message or racial justice statements below) on a stakeholder's perceived credibility of such messages.

Related to the latter factor, I draw upon Charismatic leadership recently redefined as "values based emotion laden signaling" by Antonakis, Bastardoz, Jacquart, and Shamir (2016) (p. 304). This leadership framework is particularly relevant here as it includes the tactics/characteristics that could make leader messaging around racial justice more credible. Such characteristics have been previously identified in the literature as Charismatic Leadership Tactics (CLTs) (Antonakis, Fenley, & Liechti, 2011; Banks et al., 2021; Fiset, Oldford, & Chu, 2021; Grabo, Spisak, & van Vugt, 2017; Jacquart & Antonakis, 2015) and have been shown to impact follower effectiveness and trust. With regard to the former two factors that impact message credibility, leader and stakeholder characteristics have been extensively studied in the extant literature as I will note in Chapter 2. Notably missing in this domain is a focus on the impact of leader and stakeholder demographics – specifically, race, on message credibility.

Thus, my dissertation seeks to answer two primary research questions related to racial justice statements: 1) Do charismatic leadership tactics (CLTs) increase stakeholder evaluations of message credibility? 2) How does the race of the leader and the stakeholder influence the relationship between signaling behavior (i.e., CLTs) and stakeholder evaluations of message credibility?

1.3 Significance of the Study

According to Robinson (2020), we're "seeing a lot of hypocrisy…with corporations falling over one another to message their support for Black lives" when their actions remain contradictory. Stakeholders are watching and the public is requiring companies to not just say they support Black lives but "put their money where their mouth is." In the midst of such corporate frenzy then of signaling that racial justice is an important value, how do stakeholders distinguish credible messages from those sounding hollow? My work contributes to the existing

scholarly conversations in this domain broadly speaking – the intersection of signaling theory and racial justice.

First, my work zeroes in on how racial justice statements could be perceived as more or less credible in differing racial groups and based on differing content. Second, I investigate if the leader race has an impact of perceived message credibility. Senior leaders of corporations play a vital role in building a racially equitable society and they can influence change with internal and external stakeholders. Internally, senior leaders set the culture of the organization by fostering, supporting, and leading change through diversity and racial equity within their organization. Besides, such leaders can "foster the conditions that shift mindsets, policies, and practices toward racial equity" in society (Suarez, 2018). The present study will investigate if stakeholders perceive these messages as effective and if they can be trusted. Looking into signaling and racial justice is important because racial justice is not tangible but only visible through actions and words. It is necessary to investigate the most effective signals. Additionally, the current research answers the call by Karasek and Bryant (2012) for future research to bridge the gap of signaling and perceptions related to past and current events, and Saxton et al. (2019) call for extending CSR research by investigating social media message characteristics and audience characteristics that influence which type of messages are most effective.

Third it will provide insights and contributions to the management literature by informing organizational leaders on what characteristics and tactics are most effective for conveying racial justice messaging. By examining racial justice statements through the lens of signaling theory we can gain insight into the mechanisms that have been tested and applied in management, marketing (Kharouf, Lund, Krallman, & Pullig, 2020), and consumer behavior (Przepiorka & Horne, 2020) domains. As well as contribute to the literature on perception research by

understanding how stakeholders interpret and process the information they receive. The objective behind the effort entails the reduction of information asymmetry, where the leader has more information than the stakeholder. If we can increase the trust stakeholders have in the message, research suggests the stakeholders then use the information as a cue to commit their own resources and take action based on that information (Ni, Qian, & Crilly, 2014).

I believe the study will stand out specifically to Black, Indigenous, and People of Color (BIPOC) because it will provide a framework to critically assess racial justice statements. Such an assessment is important for determining if the statement is believable and the message can be trusted. One year since George Floyd's murder, companies have committed over $200 billion toward racial justice efforts (Fitzhugh, JP, Noel, & Stewart, 2020). How do stakeholders separate companies truly dedicated to racial justice work and those only providing lip service? This research is a step towards helping shape perceptions by identifying characteristics that make up credible signals.

1.4 Summary

Current events related to racial justice have brought increased attention to racial justice in America. Following the increased attention, companies have issued statements of support for racial equity, but stakeholders are unable to determine the credibility of the messages. While the statement itself can be assessed for credibility, there remains the issue of the same statement being perceived differently by various stakeholder groups.

The current study will investigate the use of signaling to convey racial justice support to the public and examine the characteristics that would make those statements more credible to provoke the desired response from the stakeholder. While studying racial justice statements and perceived credibility provides interesting insight alone, the current study will further investigate

the leader's racial characteristics and stakeholders to determine the relationship between the characteristics of the actors (leader/stakeholder) and the credibility of the signal. Signaling theory and stakeholder theory provides the theoretical underpinning for this study and sets a framework of the expected behavior and anticipated outcomes related to the research questions and hypotheses.

CHAPTER 2: LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Background

Corporate America is exploding with statements about racial justice and has issued calls to action. The Black Lives Matter movement was founded in 2013 "in response to the acquittal of George Zimmerman who shot and killed Trayvon Martin ("Black Lives Matter," n.d.) and after a series of police-involved killings of unarmed black people. While the support of these matters is not outside of the organization's values statements, the perceived need to restate those values during times of unrest sends a strong message to the public presumably showing where the company stands on such issues and calling for racial equity in society.

While these issues or events may not directly affect stakeholders (internal or external to the company), these injustices often spark what is called a “collective trauma.” Ruggs et al. (2020) explain that a collective trauma "occurs when society witnesses a traumatic event that spurs some collective sentiment or group-level psychological reaction." The filming and airing of the George Floyd incident is one such event where people around the world collectively watched a traumatic event, which spurred several emotional responses. These collective traumatic experiences also called "mega-threats", that are negative large-scale diversity-related issues that receive significant media attention have been found to negatively impact employees through withdrawal, silence, and the blurring of boundaries between organizations and stakeholders (Leigh & Melwani, 2019). Just as individuals are unable to separate their unique attributes from their identities, organizations are not able to separate their social stance from their organizational identity. Although research indicates that collective traumatic experiences negatively affect stakeholders, the science around getting the signals right in the eyes of the perceiver remains indeterminate.

Increasingly, corporate America has moved away from a Shareholder focused view of the firm to more of a Stakeholder focus. In the early 1990s, investors began to signal that a "company's business practices and ethics were extremely important to their investment decisions," even though there may be no personal impact based on the company's conduct. Investors began to realize that corporate conduct had a potential financial impact on their investment interests (Ioannou & Serafeim, 2015). Over time, research showed that CSR was not just a good risk-mitigation strategy but there were intrinsic benefits to embracing a stakeholder view. As Karpoff (2020) indicates the shift from shareholders' interests only to a stakeholder view allowed a firm to experience several benefits including increased innovation, greater corporate social responsibility (CSR) engagement, increased environmental, social, and governance activities, better customer and employee relationships and just perform better in general. Companies realized that not only did it make good business sense to embrace interests greater than financial revenue the concept of triple bottom line emerged to account for these considerations. Triple bottom line refers to the social, economic and environmental benefits that impact a company where not just the economic impacts matter but each of these considerations have to be balanced together (Ozanne et al., 2016; Weidner, Nakata, & Zhu, 2021).

Additionally, stakeholder's expectations of racial justice reform and advocacy created increased social pressures for firms that would ultimately affect their external legitimacy. Firms had to decide if their existing corporate social responsibility platform was sufficient or if more was needed. A firm's response to internal and external pressures can be either proactive or reactive as stakeholders called for action and sponsorship to an array of social issues. Reactive responses to societal issues and surface-level activism threatens a firm's legitimacy (Cole & Salimath, 2012). Such a threat triggers stakeholder skepticism and loss of trust (Ingenhoff &

Sommer, 2011). Firms are acutely aware of these pressures with over 90% of Fortune 500 companies identifying explicit CSR initiatives (Ingenhoff & Sommer, 2011). However, the increase in CSR initiatives does not appear to be enough to satisfy stakeholder expectations when it comes to racial justice in America. Skeptics of CSR only see the benefit if it enhances the bottom line (Ingenhoff & Sommer, 2011). However, a growing chorus of advocates and business leaders alike are embracing the view that socially engaged corporations must consider the voices and values of all stakeholders and a bottom-line perspective is no longer sufficient. The U.S. Business Roundtable which represents chief executive officers (CEOs) of over 235 leading corporations in America stated the purpose of a corporation and their "fundamental commitment to all … stakeholders" (Roundtable, 2021). This shifting tide represents a clear expectation from stakeholders that corporations be accountable for not just fostering equitable treatment for all, diversity, inclusion, and sustainable practices but become advocates for it and corporate leaders appear to be attempting to answer the call. Furthermore, leaders are expected to address a broad *stakeholder* audience on behalf of the corporations they lead not simply their own employees (traditionally followers in leadership research) or stockholders only.

Research continues to emerge concerning concepts such as brand activism, slacktivism, and woke-washing. Critics have begun to assess companies' words and actions. Brand activism is defined as a company's "public speech or actions focused on partisan issues" made on behalf of a company (Moorman, 2020; Pittman & Sheehan, 2020). Slacktivism is derived from the combination of "slack activism" and is defined as a "willingness to perform a relatively costless, token display of support for a social cause" without effort towards meaningful change (Kristofferson, White, & Peloza, 2014) and "woke washing" refers to an organization's attempt to "market themselves as being concerned with issues of inequality and racial justice" (Sobande,

2019; Vredenburg, Kapitan, Spry, & Kemper, 2020). Woke washing, borrowed from the decoupling and greenwashing concepts, is derived from the phrase "being woke" which refers to a "perceived awareness of social justice issues, particularly those affecting minority groups" (D'Abrera, 2019; Staples, 2018; Vredenburg et al., 2020) and “washing” referring to the absence of any sustained commitment to addressing injustices and inequalities (Sobande, 2019). These statements are increasingly criticized as being perceived as disingenuous and opportunistic, what (Mirzaei, Wilkie, & Siuki, 2022) calls social context dependency. Social context dependency is the issuance of a statement in direct response to a current social issue (Mirzaei et al., 2022). The emergence of these concepts signifies a disconnect between perception and reality and signals that stakeholders are aware of the separation. This disconnect is caused by information asymmetry where companies have more information about their diversity record and resources committed to racial justice, while stakeholders are only privy to the information made available to them. Racial justice statements are examples of signals used to reduce information asymmetry between companies and stakeholders.

Information asymmetry exists throughout society and signals operate as a mechanism to reduce asymmetry between two parties. In relation to racial justice and racial equity, information asymmetry is common, and very little work addresses this asymmetry thus far. Corporations that take a definitive stance on social issues signal to stakeholders their active commitment and engagement further reducing information asymmetry between companies and stakeholders (Park, 2021). Yang (2021) cites a power and resource imbalance between employers and employees which deepens the asymmetry of racial equity in the workplace. As an example, information asymmetry exists in the employment relationship between the employer and potential candidates through the recruitment and hiring process. The employer has information about all job

applicants but applicants have little to no information about the recruiting practices of the employer and no information on the qualifications of other candidates (Yang, 2021). This opacity makes it difficult for applicants to assess the legitimacy of hiring decisions made by the employer, leaving applicants without sufficient information to determine if a hiring decision was fairly and justly made. The lack of diversity in the top ranks of organizations is not for the lack of experienced or interested candidates of color but with employers having little incentive to collect, analyze, or disclose information on their hiring process and their candidate pool and as such, this asymmetry will remain between employers and job candidates.

Another avenue of asymmetry that exists in racial equity is through information availability and presence in social media. Cotter (2021) highlights a concept of black box gaslighting as it relates to social media platform algorithms. Social media platforms have full access to the algorithms used to display and promote content; however, content creators have little to no visibility into the algorithms that promote their content. Content creators have raised concerns that social media platforms have used a moderation technique called "shadowbanning" to prevent user's content from appearing in prominent places on the platform (Cotter, 2021). Shadowbanning has been argued to be used disproportionately against content creators of color and LGBTQ+ creators. Platforms such as Twitter has denied the use of shawdowbanning, but Cotter contends that the lack of transparency in platform algorithms and the creator's perception of disparate treatment creates a black box gaslighting effect.

2.2 Defining Message Credibility

I am interested in how stakeholders differ in their evaluations of message credibility around racial justice statements. Message credibility and signal credibility have disciplinary differences where the management domain refers to the concept as signal credibility (Chun &

Giebelhausen, 2012; Gomulya & Mishina, 2017; Grolleau & Caswell, 2006; Kirby, 2000; Zerbini, 2017) and the psychology domain refers to the concept as message credibility (Brunner & Langner, 2016; Lam, Lee, & Sui, 2019; Mercer, 2004; Pornpitakpan, 2004). Although disciplinary terminology differs, message and signal credibility are the same concept. For the context of this discussion, I will use the term message credibility to refer specifically to written messages as signals. Message credibility refers to the credibility of the content contained within the message and the medium refers to the mode of delivery. Also important is the determination of the kind of channel through which the signal is sent, such as an official news outlet or a social media platform. Such considerations factor in the credibility evaluations of the stakeholder and their assessment of the signal being trusted or believable.

The positive effect of a credible signal is well documented in the literature which is why many leaders and companies seek to send signals that resonate with their target audiences. Credible signals are in the "eye of the beholder" and is interpreted based on the evaluations of the receiver. Signals assessed as credible can spark collective actions, cue stakeholders to commit their own resources to causes (Ni et al., 2014), influence stakeholder behavior (Grabo et al., 2017), garner trust in the leader (Stets & Fares, 2019), influence financial performance (Su, Peng, Tan, & Cheung, 2016; Zerbini, 2017) and impact job performance (Ruggs et al., 2020). While the benefits of credible signals are great, the consequences of a signal not being found credible erodes trust in the signal and the leader.

2.3 Signaling Theory and Racial Justice Statements

A signal is used to describe an "unobservable and alterable characteristic of an individual or firm" (M. Spence, 1973). Leaders demonstrate unobservable and uncertain qualities and future value through observable, external signals that are costly and difficult to imitate (Wu, Richard,

Zhang, & Macaulay, 2019). The premise of signaling theory is that a signal focuses on the "deliberate communication of positive information to convey positive attributes about an organization" (Connelly et al., 2011). A credible signal is believed, trusted, respected, (Avery & Johnson, 2008) of high quality and is costly (Dror & Aviad, 2014; M. Spence, 1973). Stakeholders can interpret signals as true, deceptive, misleading (Fallis & Lewis, 2019), honest (Brown, Treviño, & Harrison, 2005; Xu, Loi, & Ngo, 2016), and sincere (Keshavarz & Esmaeili Givi, 2020). This interpretation of signals impacts the leader's credibility and reputation. Once that reputation capital, trust, and credibility are lost, it is difficult to regain. Many companies have suffered a credibility crisis because their actions did not align with their words. One such example is Toyota Motor, which was once voted the seventh most trusted consumer brand in the U.S. because of its reputation of quality and dependability had to recall 10 million vehicles worldwide due to safety concerns and issues (Burkitt, 2010). Consumers could no longer trust the signals of quality and dependability, which translated into diminished trust and reduced credibility in the Toyota brand. Toyota had to begin to rebuild trust and regain credibility in the market after that crisis. This rebuilding began with the President of Toyota issuing a public apology. Consumers had to assess not just the statement but the leader to ascertain the authenticity of both and if they would continue to support the Toyota brand. This is just one example of many where companies have to be strategic, thoughtful, and methodical in who sends messages, through what medium messages will be delivered, specific content, expected outcomes, and intent of messages sent to stakeholders.

A primary pillar of signaling theory is the use of verbal and nonverbal characteristics and tactics (Banks et al., 2021) to communicate unobservable characteristics of a firm. These signals help garner the trust of the leader, gain reputation, and solidifies legitimacy in the market (T.

Miller & del Carmen Triana, 2009). Internal and external stakeholders use these signals to help formulate opinions about people, products, and companies. These visual signals are important to how stakeholders interpret the information they receive and shape their perceptions of not just the signal but also the leader. Much of the extant literature in entrepreneurship, strategic management, and human resource management (Connelly et al., 2011) focuses on the sender of the signal and the reduction of information asymmetry but a gap remains in the perception research as it relates to race, perceived signaling effectiveness and credibility.

Signals can be costless, cheap, or costly depending on the sender's investment of producing the signal and the receiver's evaluation of the signal. Costless signals require no "direct cost" in the production of the message (Ottaviani & Sørensen, 2006). Cheap signals are non-binding promises and non-verifiable information with minimal upfront costs associated with the production of the message (Farrell & Rabin, 1996; Schniter & Sheremeta, 2014). Costly signals require a commitment of energy, resources, or reputation that engenders the trust of the receiver (McAndrew, 2019). As an example, JP Morgan Chase pledged a $30 billion commitment to social and racial justice efforts that "advance economic growth and opportunity for Black, Hispanic and Latino communities" ("Racial Equity Commitment," n.d.). Financial commitments are not sole indicators of costly signals. Google committed to building sustainable racial equity by pledging to increase representation of underrepresented groups by 30 percent by 2025, focus on representation challenges in hiring, retention and promotion and creating a stronger sense of inclusion and belonging in the Black community (Pichai, 2020). This level of commitment sends a message of brand sacrifice that communicates honesty and acts as a barrier to imposters which makes the signal costly (Mirzaei et al., 2022). There is an extensive body of research which supports the effectiveness of costly signaling and establishes perceptions of

credibility with receivers. The cost associated with the signal is a reliable confirmation of credibility of the signal (McAndrew, 2019).

Cheap signaling can also be effective and perceived as credible by drawing upon other factors that help the receiver assess the validity of the message including the signaler's credibility and receiver's emotion (Schniter & Sheremeta, 2014). Cheap and costless signals have been found to be most effective in the early interactions with signalers because there is no historical experience, and the receiver is using other factors to assess credibility. Emotions have been found to influence these initial assessments because emotions are automatic responses that are difficult to control and are predictable psychological states that influence thoughts and behaviors; these are important factors in cheap signaling (Schniter & Sheremeta, 2014). In the absence of information about past behavior, cheap signals send a message to the receiver that is taken at face value. There is certainly a cost that is levied against the sender when the receiver has detected a dishonest signal. In 2015, Starbucks launched a "Race Together" campaign in which baristas were encouraged to write "Race Together" on customer cups to encourage dialogue on race but the campaign was met with immediate backlash for not walking the talk and was suspended a week after launch (Feng, 2016; Logan, 2016). The criticism was broad and overwhelming, with Starbucks social media platforms experiencing a 266 percent increase in online reactions with 60% negative (Logan, 2016; Veera, 2016). The condemnation ranged from the lack of locations in black communities (Logan, 2016) to the lack of racial diversity in the upper echelons of the company with 19 out of 20 board of directors being white (Mirzaei et al., 2022). The public found the cheap talk of Starbucks to be disingenuous and untrustworthy because the rhetoric did not match the company's actions.

Signaling theory in organizational behavior research focuses on the individual level of analysis and primarily centers on perception (Ehrhart & Ziegert, 2005; Hochwarter, Ferris, Zinko, Arnell, & James, 2007; Ryan, Sacco, McFarland, & Kriska, 2000). When uncertainty or information asymmetry exists people will organize and process information available to them to develop their perceptions (Ehrhart & Ziegert, 2005). Perceptions are defined as the "subjective interpretations" or independent assessment of information that is further used to form opinions about the characteristics (e.g., expertise, competence, or trustworthiness) of a person or message (Hochwarter et al., 2007). Hochwarter et al. (2007) further explain that the motives of leaders with positive reputations are perceived to be more altruistic and their behavior is perceived to benefit others. Evaluation refers to the judgement made about the value, worth or merit of something (Alkin & Taut, 2002). The evaluation of racial justice statements shapes stakeholders' perception of not only the message but the messenger.

The strategy domain focuses on firm or organizational level of analysis and concentrates on reputational aspects of the firm (Carter, 2006; T. Miller & del Carmen Triana, 2009) and legitimacy (Grimpe, Kaiser, & Sofka, 2019). Actions and behaviors of firm representatives (managers, board of directors, and top management teams) that is expected to influence the perceptions of the stakeholder ultimately impact the expected organizational outcomes. The underlying premise of signaling theory in each of the domains, centers around reducing information asymmetry between the leader and the stakeholder. The signals used to communicate information include press releases (Carter, 2006; Connelly et al., 2011; T. Miller & del Carmen Triana, 2009), market actions (Highhouse, Thornbury, & Little, 2007), and advertising (Carter, 2006). Positive stakeholder perception increases a firm's reputation, which creates legitimacy.

Racial Justice Statements. I have found no current literature that relates to signal credibility and racial justice statements within any of the domains. A close association is through corporate social responsibility (CSR) literature (Zerbini, 2017), but the racial justice concept is comingled with other CSR concepts such as environmental, social, and diversity efforts making it difficult to understand the impact and influence racial justice statements have on the intended audiences. We are also able to draw upon research in accounting (Mercer, 2004), brand management (Brunner & Langner, 2016), as well as perception research where signaling has been investigated in depth to understand if signals and messaging resonates with stakeholders. While there is no direct linkage between racial justice and the concept of credibility and signaling, I can draw upon literature integrating signaling credibility and other concepts that investigate prosocial initiatives and signal perception such as climate change (Grolleau & Caswell, 2006) and greenwashing (Chun & Giebelhausen, 2012). Research in these areas sheds light on how stakeholders process signals related to prosocial initiatives from companies and whether these signals solicit the intended responses or results from the stakeholder. The findings in each of these domains are germane to the current research focus and provide a sound theoretical underpinning for signal credibility and racial justice statements.

While there may be no present literature that specifically identifies credibility as it relates to racial justice statements, we can draw upon this existing literature to identify three antecedents to the credibility of racial justice statements. The stakeholder's assessment of the messenger, a leader who is trustworthy, reputable, believable, and likable has a direct correlation on whether a message is perceived as credible. Secondly, the specifics and details of the message are important characteristics to assess for message credibility. Mercer (2004) indicates that internal and external validation helps establish credibility. In other words, having others vouch for you

establishes credibility. Internal validation presents itself through the make-up of the top management team and board of directors and diversity, equity, and inclusion practices as well as commitments to internal stakeholders through increased CSR initiatives. External validation are signals generated by stakeholders outside of the company that assure other stakeholders of the truthfulness of claims and messages generated by the company. For example, Coca-Cola pledged $500 million to the 100 Black Men of America organization (Coca-cola, 2020b). The 100 Black Men of America organization is a beneficiary of a claim by Coca-Cola and can now provide external validation to the veracity of the claims Coca-Cola has made regarding their commitment to racial justice. The characteristics of the message, how specific or "precise" a message is further strengthening the credibility. Messages with less precise or vague information and lacks details are found to be less credible. However, messages that include specifics and speaks with certainty are perceived as more credible.

Lastly, situational incentives help establish whether or not a racial justice statement is perceived as credible. Stakeholders are able to assess if there is an overt incentive for the leader in the message. This goes back to (M. Spence, 1973) initial concept of signaling being costly and difficult to imitate. Statements that pledge and commit costly measures to fight racial injustice and promote racial equity are perceived as more credible.

There is substantial evidence that indicates the characteristics of the leader influences message credibility. Media and signal characteristics also determine message credibility. Drawing upon such a premise, racial justice statements that have highly credible leaders, specific details and pledge costly actions should be perceived as more credible than messages that do not contain these characteristics. Yet, we know quite little regarding what makes leaders credible,

how stakeholder's interpret details and how their own racial lens could affect perceptions of credibility.

2.4 Hypotheses development

Stakeholder perceptions of message credibility has been conceptualized under three main concepts of message credibility, leader credibility, and media credibility (Appelman & Sundar, 2015; Kawiak, Wojcik, Schneider, Kwasniewicz, & Wierzbicki, 2020).

2.4.1 Message Credibility.

Message credibility refers to the assessment of the content of a communication and the determination of the authenticity of the message (Appelman & Sundar, 2015). There is an opportunity to manipulate message characteristics because they are actions, thoughts, and ideas that are malleable. Research suggests in certain scenarios, a less credible leader can deliver a more persuasive message (Sternthal, Dholakia, & Leavitt, 1978) so these attributes are trainable.

A charismatic leader is defined as someone who is able to influence stakeholders and mobilize a group into action towards a challenge to efficiently coordinate a response (Grabo et al., 2017). Charismatic leadership tactics (CLTs) are trainable, observable behaviors that send signals to stakeholders (Banks et al., 2021). Charismatic leaders act as change agents (Raffo & Williams, 2018) and shape expectations on how others should interact (Ni et al., 2014). Antonakis et al. (2011) identified nine verbal tactics and three nonverbal tactics that influence a stakeholder's perceptions. The verbal tactics include (1) metaphors or similes, (2) stories and anecdotes, (3) setting high expectations, (4) establishing confidence goals can be achieved, (5) contrasts, (6) moral conviction, (7) sentiment of the collective, (8) lists and repetition, and (9) rhetorical questions. The non-verbal tactics include (10) animated voice, (11) facial expressions, and (12) gestures (Banks et al., 2021; Ernst et al., 2021). In summary, we know that when a

leader build in these CLTs into their messages, it should impact stakeholder perceptions of message credibility. Thus, I expect that,

H_1: The use of charismatic leadership tactics (CLTs) will be positively associated with stakeholder perceptions of message credibility.

2.4.2 Leader credibility.

Leader credibility refers to characteristics of the individual delivering the message. Prior literature reveals that individuals that display certain characteristics are perceived as being more credible. Characteristics such as trustworthiness and expertise are the most common characteristics used to identify a highly credible leader (Cable & Yu, 2006; Hochwarter et al., 2007; Karakowsky, Podolsky, & Elangovan, 2020; Pornpitakpan, 2004; Wagner, 2013; Xu et al., 2016). Furthermore, media credibility refers to the medium or mode in which a leader chooses to relay a message (Cable & Yu, 2006). With the introduction of social media and companies being able to interact directly with their customers, messaging in the form of tweets, posts, and blogs are gaining credibility among message recipients in the twenty-first century. Research has also shown that audiences prescribe credibility of the message based on whether the medium is an official versus unofficial communication channel (A. Miller & Kurpius, 2010). Thus, here, I simply hold media credibility constant by assuming that all messaging will be via the official social media channel of a company.

Stakeholders view leaders that are of similar backgrounds and demographics to be more credible. However, there is conflicting research that also shows that members of minority groups may view a message delivered from a leader of the majority group as highly credible, citing the argument that if a White person is "taking the time to deliver a message that is germane to the African American community, it must be credible" (P. R. Spence, Lachlan, Westerman, &

Spates, 2013). While no prior literature has investigated the race of the leader in delivering racial justice statements, emerging evidence suggests conflicting findings – that stakeholders are likely to trust/find credible leaders from their racial group or that those in the underrepresented group might find a message by a leader in the majority group as more credible. This trend does suggest that differences exist with regard to stakeholder perceptions of message credibility and leader race. Thus, I expect that:

H_2: Leader race moderates the positive association between the CLTs and stakeholder perceptions of message credibility.

Leader race is simply conceptualized as White and the BIPOC demographic. BIPOC stands for Black, Indigenous, and People of Color and is an evolution of People of Color (POC) reference and I explain this rationale in depth below.

2.4.3 Stakeholder characteristics.

Message and signal receivers can be categorized as either internal or external recipients. Internal receivers are stakeholders within an organization who serve the organization and "can influence or be influenced by the success or failure of the organization" (S, 2017). External receivers are individuals or groups outside of the organization who may be impacted by the actions of the organization. Signals sent to these audiences have the objective of soliciting responses or actions from the stakeholder group. Signals to internal stakeholder groups expect to influence job performance, encourage prosocial behaviors, retain existing talent, and influence reputation. External signals attempt to influence firm performance, attract new talent, entice, and attract investors and consumers and influence the market. My dissertation will focus on external stakeholders. Literature tells us holistically how signals influence and affect these stakeholder groups in general.

Companies exert much effort in understanding external stakeholders and attempt to influence their perceptions, thereby positively influencing expected outcomes. I am specifically interested in a particular demographic of external stakeholders, the BIPOC demographic. BIPOC stands for Black, Indigenous, and People of Color and is an evolution of People of Color (POC) reference. By delineating POC into BIPOC we are giving space to acknowledge that People of Color have differing experiences in terms of discrimination and cultural erasure and specific violence (Davidson, 2021) and the magnitude and complexity of these experiences is not a one size fits all model. Perceptions of signals and messaging resonates differently between White and BIPOC stakeholders as well as differently within BIPOC demographic due to life experiences, background and cultural experiences that influence individual perceptions. Research supports the perception gap that exist between White and BIPOC stakeholders. A Pew Research Center study conducted in 2020 revealed that on average 70% of Black (75%), Asian (70%) and Hispanic (66%) stakeholders indicated it was important for companies to issue social or political statements while only 42% of White participants felt that those statements by companies were important (Anderson & McClain, 2020). This signifies that there are differences in the perceived importance of a message based on these demographic groups.

There are ensuing streams of research that investigate signals and perception based on racial demographics showing that people interpret signals based on their specific frame of reference, what Bonilla and Tillery (2020) call intersectionality. Where individuals exist and experience their varying social identities (race, gender, sexual orientation, and class) simultaneously while factoring in all of those considerations when decisions are being made on the validity of a signal that is received. The extent to which demographics impact perceptions have been studied in consumer, management, psychology, and diversity research and is salient to

our current discussion. Research shows that people from marginalized groups tend to distrust information when they have negative attitudes regarding the leader (Marino, Bilge, Gutsche, & Holt, 2020). Marginalized groups are more skeptical of information coming from leaders that are different from themselves (Stepanikova, Mollborn, Cook, Thom, & Kramer, 2006; Stets & Fares, 2019) be it physical, socioeconomic, or cultural differences. The distrust and differences affect the perceived credibility of the message and the messenger. We know that there are differences in credibility perception based on the racial or ethnic group, but we do not know to what extent those credibility differences exists or how those differences relate to perceived credibility of racial justice statements issued.

In addition, prior research indicates that the African American community is more likely to distrust leaders and their messages (P. R. Spence et al., 2013; Stepanikova et al., 2006) from those who are outsiders. The skepticism stems from historical events or lived experiences that have shaped the individuals' perceptions in the African American community. Distrust stems from experienced racial/ethnic discrimination, past medical mistreatment and harmful medical experimentation, economic inequities and systemic factors that plague the community (Stets & Fares, 2019). Thus, the above discussion leads to the following hypothesis that stakeholder race itself affects message credibility:

H_3: Stakeholder race moderates the positive association between CLTs and stakeholder perceptions of message credibility.

In this section, I laid out hypotheses based on prior literature that a) CLT's will positively impact message credibility and b) Leader as well as stakeholder race will moderate the positive association between CLTs and stakeholder's perception of message credibility. In addition, I ask

the following exploratory research questions that remain unresolved and unexplored in the literature reviewed above:

Research Question 1: What combination of leader race (White versus BIPOC) and CLTs (high versus low) result in higher stakeholder perceptions of message credibility for BIPOC stakeholders?

Research Question 2: What combination of leader race (White versus BIPOC) and CLTs (high versus low) result in higher stakeholder perceptions of message credibility for White stakeholders?

2.4.4 Intersectionality of race, social class, and self-serving motives.

There are several factors that influence a receiver's evaluation of a message. While the current research does not include the study of class and motives, these constructs are factors that could influence a stakeholder's evaluation of credibility. There are emerging streams of literature that investigate the intersectionality of race and social class. Moore-Berg and Karpinski (2019) identify four factors that reveal links between race and social class (stereotypes, categorizations, impressions and prejudices and discrimination). Stereotyping is not new to individual evaluations, but Moore-Berg and Karpinski (2019) research confirms that stakeholders may rely on prior assessments or preconceived ideas about a person that influences their perceptions. Categorizations exist from evaluations based on broad group characteristics, such as age, gender, or race. Prejudices and bias also impact a stakeholder's perceptions of the messenger's motives.

It is interesting that social class is a factor in assessing whether a stakeholder finds a message credible or not. Research supports the notion that there is an intersection between social class and race and along with the class assessment are inherit stereotypes that are built into one's assessment of the individual. According to Moore-Berg (2021) much of the research has

centered on a singular aspect either social class or race but little investigation has been devoted to the interacting effect of both attributes on an individual's assessment. While there is scant literature devoted to the combining effects of class and race there is even less research on the stakeholder's evaluation of these intersecting attributes. In the absence of salient information about a messenger, a stakeholder may rely on stereotypical assessments of race, age, and gender and further assign social class ranking based on these assumptions. For instance, someone who is poor is stereotyped as being untrustworthy, incompetent, unintelligent and dishonest while someone who is upper-class is stereotyped as being competent, intelligent, motivated and wealthy with access to more resources and opportunities (Fiske, Cuddy, Glick, & Xu, 2002; Kraus, Piff, & Keltner, 2009; Moore-Berg & Karpinski, 2021). This research further suggests that Black people are stereotyped as being poor and White people are stereotyped as being upper-class. These stereotypical assumptions of these racial groups are further perpetuated in the media which may result in activating automatic stereotypical assessments when presented with racially ambiguous information about the leader (Bohlmann & Zacher, 2021; Moore-Berg & Karpinski, 2021).

When speaking specifically about a stakeholder, making an assessment about the race of an individual providing a written message, the stakeholder may not have access to clarifying information about the leader's race, social status, age, etc. Thus, stakeholders use cues to categorize the messenger which further impacts the evaluation of the message the leader is giving. As an example, a stakeholder who may not have a visual representation of the leader, may use the leader's name to speculate the race of the leader and the title or position of the leader to determine the social class or influence of the leader. I will account for social class as a control in the Research Methodology section outlined in Chapter 3. Research supports the idea

that name bias exists, where stakeholders assess names of an individual to determine the race of the individual (Gaddis, 2019).

In addition to assumptions made based on biases ascribed to a messenger, stakeholders also evaluate the motives of the messenger. There are two sides to the motives equation; on one side is the actual motives of the leader and on the other side is the evaluation of the stakeholder of the perceived motives. Research suggests that self-serving behavior is an automatic response and that cognitive control is needed to resist self-serving actions that provide personal benefit or gain (Katzir, Cohen, & Halali, 2021). Self-serving versus public serving motives has been studied related to CSR (Kang & Atkinson, 2021) and consumer behavior (Katzir et al., 2021) and persuasion (Ham et al., 2021). People tend to observe self-serving motives more readily in others than in themselves. According to Wang and Jeon (2020) this self-other asymmetry exists when someone holds strong beliefs about biases. Stakeholders rely on a myriad of information to reach a conclusion regarding the motives of a messenger. Personal characteristics such as age, gender and race has been attributed to the evaluation of motives. As we look more into the association between motives and social roles it's hard to not associate race, class and stereotypes. Bohlmann and Zacher (2021) suggests that the evaluation of self-serving versus public-serving motives depends on the quality of the relationship between the leader and the stakeholder and while there are several factors that play a role in the determination of selfless versus self-serving, demographics such as age and gender of the leader are factors. While race was found to also be a factor in general it was not the case in evaluation of black leaders who instead of being categorized by race were rather categorized by social status. If a stakeholder were more skeptical of a lower-class individual giving a message, then that may be a similar assessment for a Black leader delivering that same message. Older white men were associated with leadership

and being a gentleman thus this evaluation translated into perceived higher ratings of selflessness and prosocial behavior (Bohlmann & Zacher, 2021).

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Open Science Practices

The current research is preregistered via the Open Science Framework (https://osf.io/pk5m6/). All experimental materials including the manipulation of leader CLTs, the actual surveys being used, anonymized data, analytic code, and a transparency checklist is complete and available at this project page.

3.2 Research Design Description

I adopted an experimental design to test the hypotheses presented in the previous chapter and answer the two research questions that are posed. I used a single-study design approach with a focus on the evaluation of racial justice statements as noted earlier. To test the hypotheses and research questions, I conducted a 2 (leader race; White vs BIPOC) x 2 (message; Low vs. High CLTs statements) between-groups design experiment. Experimental research is used when the researcher is seeking to understand if a "specific treatment influences an outcome" (Creswell & Creswell, 2018) as is the case in this present study. Experimental design methods explore the effects of each treatment separately and assess the effects of variables used in combination "providing [a] rich and revealing multidimensional view" (Creswell & Creswell, 2018). This 2 * 2 design is shown in Table 1.

3.3 Data Collection Procedures.

Participants were recruited through Prolific online recruitment platform which provides access to participants who complete tasks for a fee allowing researchers to gain access to test subjects. There are benefits to Prolific participants including more ethnic, age and economic diversity and the ability to recruit diverse participants for a small additional fee. Participants

included people who identify as White (non-Hispanic), American Indian or Alaska Native, Asian or Asian American, Black or African American, Native Hawaiian or Pacific Islander, Multiracial, Hispanic or Latinx, or other Person of Color, located in the United States, at least 18 years old and had at least a 95% approval on previous submissions from previous experimenters. Participants who responded to the age pre-screen question as not at least 18 years old was exited from the survey and advanced to the end where the survey experience concluded not allowing the participant to complete the survey. The following demographics were collected for each participant, gender, age, race, marital status, employment status, education level, and political affiliation. The initial recruitment of participants included a pre-qualifier based on the participant's ethnicity to ensure equal representation from the White and BIPOC demographic. The survey was duplicated on the Prolific platform with one survey only available to 600 White participants and the other survey only available to 600 participants who identified as a BIPOC. After this initial recruitment, participants were presented the consent statement and upon agreement was randomly assigned to one of the four conditions shown in Table 1, adopting advanced randomization assignment logic through Prolific as described below. These procedures are depicted in Figure 1 as well.

Prolific advanced randomization assignment logic is a procedure that allows researchers to randomly display one of the conditions to all participants while maintaining equal distribution across all participants for the four conditions available: CLT (White leader), CLT (BIPOC Leader), Control (White low CLT), Control (BIPOC low CLT). In each condition, participants were presented with a statement through a company press release concerning racial justice articulated by the CEO (leader) of a technology firm. Leader race was manipulated through use of the leader's name that signaled White versus BIPOC demographics.

The statements were created with a treatment and a control condition. The treatment condition contained a statement that included a high level of charismatic leadership tactics. The high CLT treatment condition contained 22 sentences that were systematically scored to detect the presence of CLTs. Each sentence was analyzed to detect the presence of one of the 9 verbal CLT characteristics (Antonakis et al., 2011). The sentence could contain one or more CLTs that was aggregated across all sentences. The treatment condition contained a total of 24.26 CLTs in the statement (see Experimental Artifacts folder in the OSF online appendix for the press releases). The statement was put on a company press release template developed by a marketing professional. A fictitious name was used for the technology company and an address used in San Francisco, in what is commonly known as Silicon Valley, as an "industrial region around the San Francisco Bay area in California, U.S." (Dennis, 2019). Silicon Valley is a choice destination for technology companies due to regulations, laws and policies favorable for safeguarding trade secrets and ownership of ideas (Seth, 2021) and the public associates tech firms with this geographic location. The treatment condition was then duplicated with the only modification being changing the leader's name used on the statement. Treatment condition 1 became White Leader, high CLT and Treatment condition 2 became BIPOC leader, high CLT.

The treatment condition was then modified to remove as many of the CLTs possible still maintaining a coherent statement of similar length and tone. The control condition included 22 sentences that yielded a significantly lower scoring statement with 7.68 CLTs. This statement was then duplicated to assign the same White and BIPOC leader name as used in the high CLT conditions. These statements became Condition 1 White leader, low CLT and Condition 2 BIPOC leader, low CLT (see Experimental Artifacts folder in the OSF online appendix for the press releases).

Using class status and name research conducted by Gaddis (2019) an analysis was conducted to determine which names were most commonly associated with middle class White and BIPOC men who would be representing the CEO of the fictitious technology company in the press release. A middle-class name was selected opposed to Upper class, working or lower class to not be perceived as unrelatable to a common working individual. A name that is commonly thought to be White (e.g., Harper Larsen: (Bertrand & Mullainathan, 2004; Gaddis, 2019) was used for the leader designated as White in the study and a name that is commonly referenced as the name of a Black person (e.g., Jaylen Washington) was used for the BIPOC leader and the same names were used for the control conditions with the manipulation of the use of CLTs in the press release. Both names of Harper Larsen and Jaylen Washington received a comparable score of 38 as being categorized as a middle-class name for the White and BIPOC leader respectively. A similar technique has been previously used in Employment based research on discrimination (Bertrand & Mullainathan, 2004; Bortz, 2018) with the manipulation of names to influence outcomes. All statements are available in the OSF | Appendix. I followed the same procedures as in previous research (Banks et al., 2021) in scoring these statements for the CLTs and control conditions.

A power analysis calculator called G Power was used to determine the sample size needed for the experiments. I used the following criteria in the G Power analysis, one tail test, with a 0.3 effect size and a 0.05 error probability and actual power of 0.95. This software allows for the computation of sample sizes with two groups, but my design has 4 experimental conditions. I adopted the two-group design option in G Power in determining an approximate sample size within each cell. The sample size for each group (CLT White, CLT BIPOC, low-CLT White and low-CLT BIPOC) was provided a sample size of 242 participants for each

group, for a total of 968 needed participants. To account for a margin of error we recruited a total of 1200 participants assigning 300 participants to each condition to ensure the sample size met the needed sampling provided by G Power.

After participants were asked to read the statements in one of the four conditions (see Table 1), they were then asked to respond to questions based on their assessment of the statement they just read. The first set of questions were related to the participants evaluation of the message's credibility. Message credibility was measured via three items (Appelman & Sundar, 2015; Greussing, 2020; Hershkovitz & Hayat, 2020; Jenkins, Ilicic, Barklamb, & McCaffrey, 2020; Meyer, Marchionni, & Thorson, 2010; Peifer & Meisinger, 2021; Roberts, 2010; Tandoc, 2019). Participants were asked to rate "How well do the following adjectives describe the content you just read?" on a 7-point Likert scale where 1 = describes very poorly to 7 = describes very well. The scale included three attributes of accurate, authentic, and believable. According to the scale authors, "this provides a parsimonious and usable metric for gauging credibility of messages for use in academic as well as industry research" (Appelman & Sundar, 2015, p. 76). Psychometric information for this scale indicates high reliability with a Cronbach's Alpha of 0.90 and adequate construct validity in earlier works.

Once participants have completed the credibility assessment questions, to verify the name manipulations worked participants were asked their evaluation of the name of the leader used in the statement. If the participant believes the leader's name of "Jaylan Washington" was perceived to be the name of a White person or an African American person and if the name of "Harper Larsen" was perceived to be the name of a White person or an African American person. A choice randomizer was applied to the answer selections to randomly flip the order of which choice "White" or "African American" appeared in what order to reduce selection bias.

The Social Dominance Orientation (SDO) scale (Pratto, Sidanius, Stallworth, & Malle, 1994) was included as a control variable to assess participant's perceptions toward social and racial inequality among social groups. Participants "who are social dominance oriented will oppose social practices that reduce group inequality and support practices that maintain or exasperate inequity among groups" (Pratto et al., 1994). Participants were presented with a 16-item social dominance orientation (SDO) scale where items were divided into two sub-scales of Opposition to Equality (OEQ) and Group-based Dominance (GBD). These items were presented in a matrix where participants were asked to use a 7-point Likert scale where 1 = strongly disagree, 4 = neither agree or disagree, and 7 = strongly agree to indicate their level of agreement or disagreement with each of the SDO items. Repeat headers and added white space between each group of 4 questions was applied in the scale to make the scale easier to read for participants and for mobile-friendly viewing.

The items were presented in the same order as used in other studies and as administered by (Jost & Thompson, 2000; Pratto et al., 1994). Items 4, 7, 10, 2, 12, 5, 15, and14 made up the Opposition to Equality subscale with items 2 and 12 being reverse scored. Items included statements such as Item 4 "It would be good if all groups could be equal" and Item 2 "To get ahead in life, it is sometimes necessary to step on other groups" which is a reverse scored item. Items 11, 13, 6, 16, 8, 9, 1, and 3 made up the Group-based dominance sub-scale and included items such as Item 1 "Group equality is not a worthwhile ideal" and Item 9 "We should do what we can to equalize conditions for different groups" which is a reverse scored item in this subscale. Items 3 and 9 were reverse scored.(Pratto et al., 1994).

Participants were finally asked basic demographic questions to allow the researcher to describe and account for different populations of participants. Demographic questions included

age, gender, race, educational level, marital status, employment status, and political affiliation. Race was included again in the demographic questionnaire of the survey as an additional check to ensure participants met the study criteria in addition to the study pre-qualifier. After the demographic questions participants were presented a survey disclaimer which notified them that the statement they read, and the named leaders were fictitious and did not represent a true racial justice statement delivered by a real company. Participants were then asked to proceed to the next screen to be redirected back to the Prolific platform to register completion of the survey and receive payment.

3.4 Data Analysis Plan

To test the hypotheses and research questions I used a combination of independent t-tests to analyze the mean differences in message credibility and OLS Regressions. Inferential statistical tests are used to test for main effects and interactions between independent variables (Creswell & Creswell, 2018).

To test hypothesis 1, the means for message credibility for all four conditions shown in Table 1 was computed. The means for the first row in Table 1 (CLTs) should be higher than the second row (Low CLTs) to provide support for Hypothesis 1.

To test hypothesis 2 and hypothesis 3, an OLS regression model as shown below was used to test for this moderation.

Equation 1: Message credibility = $\beta_0 + \beta_1$ CLT + β_2 leader race + β_3 (leader race * CLT) + e

A statistically significant β_3 provides support for hypothesis 2.

To test hypotheses 3, a regression model as shown below was used to test for this moderation.

Equation 2: Message credibility = $\beta_0 + \beta_1$ CLT + β_2 stakeholder race + $\beta 3$ (stakeholder race $*$ CLT) + e

β_3 should be significant for a test of hypothesis 3.

To answer research questions 1 and 2, I ran the following regressions,

Equation 3: Message credibility for BIPOC stakeholders only = $\beta_0 + \beta_1$ CLT + β_2 leader race + $\beta 3$ (leader race $*$ CLT) + e

Equation 4: Message credibility for White stakeholders only = $\beta_0 + \beta_1$ CLT + β_2 leader race + $\beta 3$ (leader race $*$ CLT) + e

If β_3 is significant, then I plotted the interaction of each case to determine what combination of race and CLTs led to higher message credibility in each case. If the interaction was not significant, I then only interpreted the main effects (β_1 and β_2). Chapter 4 describes the findings of this analysis.

CHAPTER 4: DATA ANALYSIS AND FINDINGS

4.1 Descriptive Statistics

The initial sample involved 1228 participants in the United States. Nine hundred eighty-eight participants (81%) passed the name manipulation check by responding that Jaylen Washington was African American, and Harper Larsen was White. Two hundred thirteen participants (17%) were excluded from analysis because the alternate response indicated the participant perceived the leader's race as the opposite race than the experiment intended. The remaining 27 (2%) cases were excluded due to missing or incomplete data. The valid sample size of = 986 was used for all analyses reported later. The survey participant sample was 65% female (*n = 639*), 34% male (*n= 332*) and other 1.5% (*n = 15*). The majority of participants were in the 25-34 age group making up 35% (*n =347*), followed by 18-24 age group making up 24% (*n = 237*). Fifty-one percent (*n* = 500) of participants were employed full-time and 54% (*n = 533*) were single (never married) with 39% (*n = 386*) of participants being married. Regarding educational status, 42% (*n = 412*) of participants indicate possessing a bachelor's degree. Table 2 show that the correlations are in the expected directions and all reliabilities are within an acceptable range. All scales showed reasonable reliabilities, message credibility scale (α = .90), along with the social dominance orientation subscales of group-based dominance (α = .89) and opposition to equity (α = .84). In all of the Regression models below, I included three control variables as shown in Tables 4-7.

4.2 Test of Hypothesis

I began my analysis by testing hypothesis 1-3. Hypothesis 1 stated that the use of charismatic leadership tactics (CLTs) will be positively associated with stakeholder evaluations of message credibility. To test hypothesis 1, the mean credibility for all four conditions shown in

Table 3 was computed. The means for the High CLT condition should be greater than the means for the Low CLT condition. From Table 3, the mean difference of between High CLT and Low CLT conditions for White leader (mean difference .27; p <0.05) and BIPOC leader (mean difference = .53; p = 0.<001) were also statistically significant. Hence, these findings support Hypothesis 1 indicating that the use of charismatic leadership tactics are positively associated with stakeholder evaluations of message credibility.

Hypothesis 2 stated that leader race moderates the positive association between the CLT usage and stakeholder evaluation of message credibility. To test this hypothesis, an OLS regression model was used to test for moderation of leader race and CLT usage. The regression results are shown in Table 4.

Equation 1: Message credibility = $\beta_0 + \beta_1$ CLT + β_2 leader race + β_3 (leader race * CLT) + e

Table 4 shows that there was no statistically significant interaction between CLT usage and Leader Race, thus, hypothesis 2 was not supported. While there was no statistically significant interaction effect and the main effect of Leader race was also not statistically significant, the main effect of CLT usage was statistically significant (β = .39; p = .00).

Hypothesis 3 stated that stakeholder race moderates the positive association between the CLT usage and stakeholder evaluation of message credibility. To test this hypothesis, an OLS regression model was used to test for moderation of stakeholder race and CLT usage. The regression results are shown in Table 5.

Equation 2: Message credibility = $\beta_0 + \beta_1$ CLT + β_2 stakeholder race + β_3 (stakeholder race ∗ CLT) + e

Table 5 shows there was statistically significant interaction between CLT usage and Stakeholder Race, providing support for hypothesis 3. I plotted this interaction effect with Stakeholder race as the moderator as shown in Figure 2[1]. This plot shows that CLT usage impacted message credibility for both White and BIPOC stakeholders but those effects were stronger for White than BIPOC stakeholders.

Research question 1 asked what combination of leader race (White versus BIPOC) and CLT usage (high versus low) result in higher evaluations of message credibility for BIPOC stakeholders only? To answer this research question an OLS regression model was used. Per Chapter 3, equation 3 is used to answer this research question. The regression results are shown in Table 6.

Equation 3: Message credibility for BIPOC stakeholders only = $\beta_0 + \beta_1$ CLT + β_2 leader race + $\beta 3$ (leader race $*$ CLT) + e

Table 6 shows the interaction between CLT usage and Leader race for BIPOC stakeholders only was not statistically significant. The main effect of CLT usage ($\beta = .25$; $p = .03$) and the main effect of leader race ($\beta = .23$; $p = 0.5$) were both statistically significant.

Research question 2 asked what combination of leader race (White versus BIPOC) and CLT usage (high versus low) result in higher evaluation of message credibility for White stakeholders only? To answer research question 2, an OLS regression model was used. Per Chapter 3, equation 4 is used to answer this research question. The regression results are shown in Table 7.

[1] Used Jeremy Dawson's utilities to plot the interaction. I tested for simple slopes as well/Neither line was statistically significant. This means that these lines are not significantly different from zero (which isn't of interest here) but they are significantly different from each other.

Equation 4: Message credibility for White stakeholders only = $\beta_0 + \beta_1$ CLT + β_2 leader race + $\beta 3$ (leader race $*$ CLT) + e

Table 7 shows there was no statistically significant interaction between CLT usage and Leader race for White stakeholders only. The main effect of Leader race was not significant, the main effect of CLT usage was statistically significant ($\beta = 0.55$; $p = 0.00$).

Across all hypotheses and all research questions it appears that CLT usage predicts message credibility across conditions of White and BIPOC leaders as well as White and BIPOC stakeholders. The stakeholders' race also significantly influences message credibility such that BIPOC stakeholders seem less influenced by CLT usage than White stakeholders.

4.3 Post Hoc / Supplementary Analysis

In the supplementary analyses, I broke down the BIPOC category into subcategories reflecting the implicit assumption that communities of color are not a monolith and meaningful differences can be confounded in the general BIPOC categorization. Further, I conducted a Factorial Analysis of Variance so that 1) I could account for leader race, CLTs and stakeholder race all at once and 2) ANOVA is better suited for experimental designs.

Prolific's Race information includes 12 different sub groups as shown in Appendix B Table B2. I excluded sub groups with very small numbers such as African ($n = 5$), Caribbean ($n = 11$), Middle Eastern ($n = 13$), Native American ($n = 12$) and Other ($n = 13$). I combined others in the following way: East Asian ($n = 94$), South Asian ($n = 29$) and South East Asian ($n = 20$) was collapsed into a single Asian category ($n = 143$). The remaining racial categories of Black/African American ($n = 109$), Latino/Hispanic ($n = 109$), Mixed ($n = 105$) and White/Caucasian ($n = 495$) were included for a total of 5 racial categories ($n = 937$).

I conducted 2 * 2 * 5 factorial analysis of variance to examine the effects of CLT usage, leader race and stakeholder race (five categories) jointly as well as their interaction effects on message credibility as shown in Appendix B Table B1. The three-way interaction effect was not significant indicating that there was no combined effect of CLT usage, Leader race, and stakeholder race on message credibility. The two-way interaction effect between CLT usage and Stakeholder race was not significant and the two-way interaction between CLT usage and Leader race was also not statistically significant. The main effect of CLT usage was statistically significant at $p = <0.001$. The main effect of Leader Race and Stakeholder race was not statistically significant. These findings were consistent with the OLS regression analyses which showed that CLT usage was the primary factor that predicted message credibility across all conditions.

CHAPTER 5: DISCUSSION

Companies often issue statements in response to a highly publicized societal issue to show support or articulate their stance on a topic. An example of such an issue are high-profile killings of unarmed Black people in the US. After several incidences occurred in a short period of time, the public outcry on these injustices prompted companies to vocalize their stance on racial justice in America. These statements became widespread as the number of incidences increased where companies advocated for the fair and equitable treatment of BIPOC individuals. Diversity, equity, and inclusion have been long-standing objectives that are part of companies' CSR initiatives but there has been a consistent need to reiterate this support through company statements. However, little is known about whether the use of these statements is resonating with stakeholders. Are stakeholders "buying into" the rhetoric that is being pitched by company leaders? The current research sought to investigate two key aspects of message credibility, the first is understanding if the race of the leader or the race of the stakeholder influenced message credibility evaluations and the second was to understand if the use of charismatic leadership tactics further influenced credibility assessments.

Additionally, I sought to answer two research questions, the first, what combination of race and CLT usage results in higher credibility assessments for BIPOC stakeholders? The second research question, what combination of race and CLT usage results in higher credibility assessments for White stakeholders? To investigate these research questions and the hypotheses, I used an experimental research design to understand stakeholder evaluations of message credibility. Four conditions were prepared for the experiment: two treatment conditions of a White and BIPOC leader delivering a highly charismatic message and two control conditions with the same White and BIPOC leader delivering a message with a low charismatic score.

Participants were randomly assigned to one of the four conditions, then asked to assess how accurate, authentic, and believable they found the message to be for the condition they were assigned. The assessment of the three attributes made up the message credibility assessment for the participant.

5.1 Research Findings

The present study results showed that the increased use of charismatic leadership tactics is positively associated with message credibility, which supported Hypothesis 1. Interestingly, leader race did not moderate the positive association between CLTs and message credibility, rejecting Hypothesis 2. From hypothesis 3 findings and the interaction plot, stakeholder race did moderate the association between CLTs and message credibility such that the effect of CLTs was stronger for White Stakeholders than BIPOC stakeholders.

Secondly, when exploring the research questions regarding what combination of leader race (White/BIPOC) and CLT usage (high/low) result in higher message credibility for White and BIPOC stakeholders? The findings reveal that BIPOC stakeholders find the leader's race to be important when evaluating message credibility along with the use of CLTs in the message. This finding supports previous research that indicates BIPOC people believe and trust messages from individuals of similar cultural and demographic backgrounds (Crosby & Monin, 2013; P. R. Spence et al., 2013; Stepanikova et al., 2006). For White stakeholders, the race of the leader was found to be insignificant, but the use of charismatic leadership tactics really resonated with White stakeholders. This finding indicates that the leaders race matters less for a White stakeholder, but increasing charismatic tactics engaged in the message increases the credibility assessment of White stakeholders. Taken together, CLT usage affect stakeholders' evaluations of

message credibility. BIPOC stakeholders further trust or find credible messages delivered by a BIPOC leader (more so than White leaders) along with high CLT usage.

5.2 Theoretical Contributions

There are three theoretical contributions to signaling and stakeholder theory as well as charismatic leadership research. First, as described in Chapter 2, signaling theory posits that message senders have more information than receivers and signals are used to reduce information asymmetry between the two parties. The use of verbal and nonverbal tactics are used to communicate unobservable characteristics (Connelly et al., 2011) allowing the sender to gain trust, legitimacy and reputation in the market (T. Miller & del Carmen Triana, 2009). The present study revealed that the use of charismatic leadership tactics resonates with *all* stakeholders involved.

A second theoretical contribution is that this study supports the premise that cheap signaling can be effective as an early interaction among stakeholders (Schniter & Sheremeta, 2014). Meaning, unless a stakeholder is given a reason to not trust the signal or the signaler, stakeholders do find costless signals as credible messages. However, I would caution that a costless signal is neither the aim nor goal when specifically looking at racial justice messaging. The repeated use of costless signals that are not paired with tangible actions are likely to backfire and become quite costly in the loss of trust and reputation in the eyes of stakeholders. This research suggests that in the absence of historical information regarding the signal and sender, the message with the correct characteristics is taken at face value. The sender is given an opportunity to capture the stakeholder's attention with the message, but sustenance is required to maintain stakeholder credibility perceptions. The question becomes, does this hold true over

time? Can a signaler continue to issue costless signals and still maintain perceived credibility or does repeat costless signals weaken credibility?

The idea of costless and costly signaling should not be approached as a binary concept but rather one on a costliness continuum. Costless signaling may not require an initial commitment but there is the ability for signaling to gradually become costly depending on the receiver's assessment of the signal. For example, companies deciding to not speak out on racial justice has no intrinsic costs and can be deemed costless but this inaction result in loss of stakeholder support due to the absence of messaging. This action or inaction further promulgates information asymmetry leaving some stakeholders to assume one position of the company and others assume a differing opinion of the company. The result of such actions may levy varying levels of costs depending upon the social issue. Social justice issues create polarizing opinions to the extent that talk is not always cheap. Companies speaking out on hot button issues such as voting rights, abortion rights and issues affecting gender and race creates opinions on each side of the issue which may cause stakeholders to assess their approval or disapproval of the company's stance. For every stakeholder that supports the position, there are others who oppose it and the power dynamics that exist with each of these stakeholders. For profit companies may have board of directors with one set of values and external stakeholders that possess a different value base. The same is true for non-profit organizations, leaders having to balance a decision to speak out on issues that affect a broad base of stakeholders that may subsequently impact funding decisions from contributors who may not agree with those decisions. While the talk may be costless the ramifications of such talk levies a tax that is highly unpredictable.

Third, the current research helps advance our knowledge on race and signaling as a factor in credibility assessments. This study revealed that holistically leader race is not a strong factor

in perceived credibility, but leader race does influence credibility assessments when you assess within the BIPOC stakeholder group. This provides valuable insight that the two different stakeholder groups (White and BIPOC) assess the use of charismatic tactics differently. This knowledge should prompt researchers to investigate other methods and tactics that could resonate better with different stakeholder groups. While this does not suggest that charismatic tactics should not be used with BIPOC stakeholders, it does signify that a leader's toolbox should be expanded to include other tactics. As much attention has been paid to leader characteristics, this research develops a perspective that receiver characteristics are an important factor in credibility assessments. Stakeholder characteristics should be assessed and considered when developing messaging and strategizing on delivery. This research revealed that BIPOC stakeholders find messages related to racial justice more credible when delivered by a BIPOC leader. There is a level of "sameness" and relatability that establishes a connection between leader and receiver. This fact paired with increased use of charismatic leadership tactics creates a solid foundation to connect leader and receiver and taken a step further, including actionable steps presents a trifecta of signaling credibility with stakeholders.

5.3 Practical Implications

As we continue to see diversity, equity, and inclusion statements issued often times because of an incident the question of authenticity remains. The recent lawsuit filed by Bryan Flores against the National Football League (NFL) is one such example. Bryan Flores the fired head coach of the Miami Dolphins filed a lawsuit against the NFL for discrimination ("NFL Commissioner Roger Goodell: Results of efforts to promote diversity within head coaches 'unacceptable'," 2022). Due to intense media coverage of the lawsuit, Roger Goodell, the commissioner of the NFL issued a statement in response to the lawsuit. In part, Commissioner

Goodell acknowledged that there is still work to do regarding diversity, equity, and inclusion in the NFL and the results so far have been “unacceptable”. The statement continued to outline a reexamination and reevaluation of policies, procedures, and guidelines as it relates to diversity in the NFL. Commissioner Goodell continued by committing “outside experts” to assist in this review. Many stakeholders have voiced their skepticism that action will be taken, and results realized, with the looming question of what makes this time different from the prior calls for change? The Rooney Rule was adopted by the NFL in 2003 as a measure to “focus on the historically low number of minorities in head coaching positions” ("The Rooney Rule," n.d.). While the objective of the Rooney Rule was to increase diversity in head coaching positions, requiring the league to interview diverse candidates for those positions and at least “one minority and/or female candidate” for senior level positions. The league has fewer minority head coaches today than they did when the rule was instituted, with one minority coach in the league (Ortiz, 2022). This example is indicative that having the policies and initiatives are not the problem, the issue remains that actions do not match the rhetoric. The lack of structural changes to match the message creates an incongruence that stakeholders cannot reconcile further deteriorating the credibility assessment of the company. Based on the current research, Commissioner Goodell’s statement may not resonate as well with BIPOC stakeholders because it is yet another statement without tangible actions to show progress.

Charismatic leadership tactics are established components of leadership training where leaders are advised if you use these tactics stakeholders are more likely to believe in you, trust you and be influenced by you (Silan, 2022). This study reinforces the notion that CLTs enhance the message and increases the credibility assessment of the message by stakeholders. This

research provides a lens of analysis that indicates that overall, the use of charismatic leadership tactics enhances message credibility across all stakeholders.

5.4 Limitations and Future Directions

A limitation of this research is that this study is specifically focused on racial justice, this is one of the first studies that focuses on only the racial justice messaging without being aggregated with other corporate social responsibility initiatives. While this research provides great insight into racial justice credibility there is the possibility that stakeholders are fatigued on the topic of racial justice as there have been several high-profile events over the last few years. These events create polarized opinions on the topic which could impact stakeholder assessments of the issue. Another limitation is this study only included participants in the United States as perceptions of racial justice vary around the world. This present study was only interested in perceptions of racial justice within the United States. Opinions regarding racial justice may be different in other areas of the world.

Another limitation is the evaluation of the leader's names used in the experiment. The perception of the leader's name may have prompted differing gender evaluations of the leader which may have resulted in confounding evaluations of gender and race. For instance, a stakeholder who assessed "Harper Larsen" as a White female leader may have a different assessment than if "Harper Larsen" was a White male. Age of survey participants may impact their assessment of names. While this study sought to use names that accounted for the intersection of social class and race, there is the added dimension of generational identity where younger participants evaluate names that may have historically been traditional male names are determined to be gender-neutral. This assessment could have impacted the leader's perceived race thus impacting the credibility of the message.

There are a few recommendations for future areas of research. A future area of research would be to examine the use of costly signaling to determine if actions related to messaging resonate even better with stakeholder groups. Research supports that costly signals are perceived as credible but an analysis of if this remains true in the context of racial justice messaging. Another area of research is related to race, class and credibility. The current research held class constant by assessing leaders who were perceived as middle-class but additional research should investigate if there are moderating affects to class and message or messenger credibility. Also, additional exploration on the effects of stereotypes and its impact on perceived credibility. Prior research has shown that stereotypes perpetuated in society and the media have mediating and moderating effects on people, analysis on the impact of perpetuated stereotypes would help further our knowledge related to its impact on diversity, equity, and inclusion efforts.

Additional areas of research related to leaders and racial justice is gaining greater understanding in a leader's perception of racial justice. The present study focused on the evaluation of the receiver. But there is still much to be learned from the leader perspective. Leaders may feel an obligation to issue affirmatory statements to not be subjected to cancel culture or increased backlash for staying silent or offering opposing views. Also including survey items that asks participants to evaluate not only the race of the leader but the perceived gender and social class of the leader to determine if the participants assessment of these characteristics are in line with the researcher's expectations for the experiment.

Additional research focused on leader opinions and racial justice may provide insights into costless or ambiguous statements due to the leader potentially not buying into the message themselves.

Another opportunity for future research may be to analyze real racial justice statements and perceived credibility assessments of real companies. This study used a fictitious company to reduce any negative or positive associations with an existing company but there is value in knowing a company's previous record as it does impact how stakeholders perceive the company. Companies cannot separate themselves from their past actions or inactions and this research stream may shed light on a company's path forward. Lastly, it would be interesting to do a longitudinal study to evaluate perceived credibility over time to see if stakeholder assessment of credibility changes due to a stakeholder having knowledge and access to a company's record on racial justice.

5.5 Conclusion

Racial justice statements have become a common response to highly publicized racially charged events in the United States. These statements are intended to signal the importance of black lives and highlight a company's commitment to DE&I efforts, but these statements can be seen as performative, disingenuous and placating to a specific group of stakeholders. This dissertation sought to investigate certain elements of racial justice statements (the use of charismatic leadership tactics) and the impact race has on stakeholder evaluations.

There is still substantial work to be done in the area of diversity, equity, and inclusion but this research begins by asking salient questions related to the perceived authenticity of racial justice messages and shines a light on the unexplored aspect of these messages, perceived credibility by the receiver of the message. The current research has established that the use of charismatic leadership tactics is a significant predictor in message credibility assessments by stakeholders and the race of the stakeholder appears to be important in message credibility evaluations.

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TABLE 1: 2x2 Message Credibility Condition Design

CLT Usage and Leader Race Conditions

		Column 1	*Column 2*
	Experimental Factors	*White Leader*	*BIPOC Leader*
Row 1	*High CLTs*	242 stakeholders (1)	242 stakeholders (2)
Row 2	*No CLTs*	242 stakeholders (3)	242 stakeholders (4)

Table 2 Descriptive statistics and Correlations of Study Variables

Variables	*M*	*SD*	1	2	3	4	5	6	7	8	9	10	11
Dependent Variable													
1. Message Credibility	5.46	1.34	(0.90)[a]										
Control Variables													
2.Group-based Dominance	6.05	0.89	.43**	(0.89)[a]									
3. Opposition to Equality	1.87	0.99	-.43**	-.83**	(0.84)[a]								
4. Stakeholder Gender (Male=1; Female=2; Other=3)	1.68	0.50	.11**	.14**	-.14**	(NA)							
5. Stakeholder Age	3.45	1.25	-0.05	-0.03	.07*	-.12**	(NA)						
6. Stakeholder Education	4.31	1.36	-0.06	-0.02	-0.01	-0.03	.11**	(NA)					
7. Stakeholder Marital Status	1.59	0.81	-0.03	0.03	0.01	0.00	.45**	0.02	(NA)				
8. Stakeholder Employment Status	2.80	2.43	0.01	0.02	-0.02	.12**	.13**	-.25**	.07*	(NA)			
9. Stakeholder Political Affiliation	2.40	0.96	0.01	0.02	0.00	-0.03	-.09**	-.08*	-.08**	0.02	(NA)		
10. Stakeholder Race	8.07	3.43	-0.03	.07*	-0.03	.07*	.15**	.08*	.17**	0.06	-0.06	(NA)	
11. Stakeholder Racial Category (White = 1; BIPOC = 2)	1.50	0.50	0.01	-.06*	0.02	-.09**	-.18**	-.07*	-.17**	-0.05	0.06	-.86**	(NA)

** Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Note: n = 986
[a] Cronbach' s alpha (a) reliability coefficient.
[b] Point-biserial correlation.

TABLE 3: 2x2 Message Credibility Mean Comparison across all 4 Conditions

Experimental Factors	***White***	***BIPOC***
High CLTs	5.53	5.78
Low CLTs	5.26	5.25
Mean Difference	*.27**	*.53***

Notes:
* p <.05 level
** p < .01 level

TABLE 4: Interaction Effect between CLT Usage and Leader Race on Message Credibility[a]

Variables	Model 1	Model 2	Model 3
Intercept	3.84**	3.85**	3.87**
Control Variables			
Group-based Dominance	.22**	.22**	.22**
Opposition to Equality	-.24**	-.23**	-.23**
Stakeholder Gender	.04	.05	.05
Independent Variables			
CLT Usage		.13*	.13*
Leader Race		.05	.05
Interaction Variable			
CLT Usage x Leader Race			.01

Notes: Dependent Variable: Message Credibility, $N = 985$
* $p < .05$ level
** $p < .01$ level
[a] Standardized regression coefficients reported in the table.

TABLE 5: Interaction Effect between CLT Usage and Stakeholder Racial Category on Message Credibility [a]

Variables	Model 1	Model 2	Model 3
Intercept	3.84**	3.81**	3.82**
Control Variables			
Group-Based Dominance	.22**	.22**	.22**
Opposition to Equality	-.24**	-.23**	-.23**
Stakeholder Gender	.04	.05	.05
Independent Variables			
CLT Usage		.13**	.13**
Stakeholder Racial Category		.03	.03
Interaction Variable			
CLT Usage x Stakeholder Racial Category			-.07*

Notes: Dependent variable: Message Credibility, $N = 984$, Stakeholder racial category = White and BIPOC

* $p < .05$ level

** $p < .01$ level

[a] Standardized regression coefficients reported in the table.

TABLE 6: Interaction Effect between CLT Usage and Leader Race for BIPOC Stakeholders Only [a]

	Model		
	1	2	3
Intercept	3.31**	3.19**	3.22**
Control Variables			
Group-Based Dominance	.28**	.30**	.29**
Opposition to Equality	-.16*	.15*	-.15*
Stakeholder Gender	.04	.04	.04
Independent Variables			
CLT Usage		.06	.06
Leader Race		.13**	.12**
Interaction Variable			
CLT Usage x Leader Race			.03

Notes: Dependent variable: BIPOC Message Credibility, $N = 489$
* $p < .05$ level
** $p < .01$ level
[a] Standardized regression coefficients reported in the table.

TABLE 7: Interaction Effect between CLT Usage and Leader Race for White Stakeholders Only[a]

	Model		
	1	2	3
Intercept	4.38**	4.50**	4.49**
Control Variables			
Group-Based Dominance	.17*	.15*	.16*
Opposition to Equality	-.31**	-.32**	-.32**
Stakeholder Gender	.04	.06	.06
Independent Variables			
CLT Usage		.19**	.19**
Leader Race		.02	-.02
Interaction Variable			
CLT Usage x Leader Race			-.01

Notes: Dependent variable = White Stakeholder Message Credibility, $N = 494$
* $p < .05$ level
** $p < .0.1$ level
[a] Standardized regression coefficients reported in the table.

FIGURE 1: Experimental Procedures

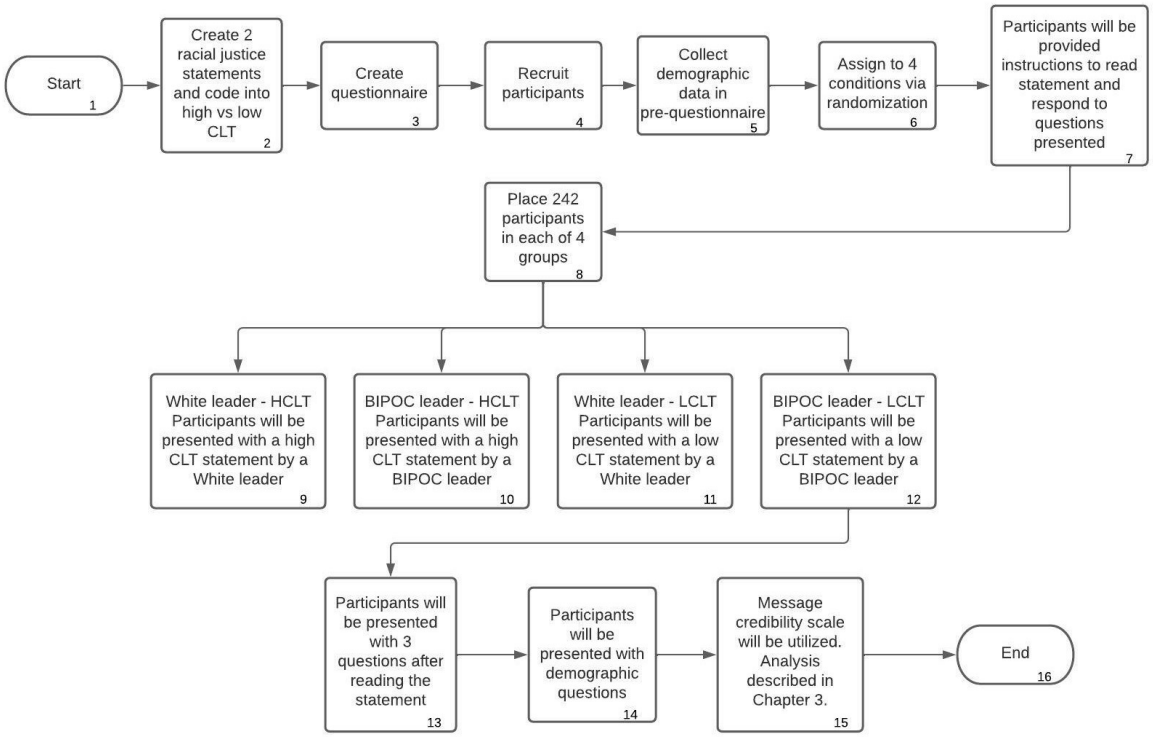
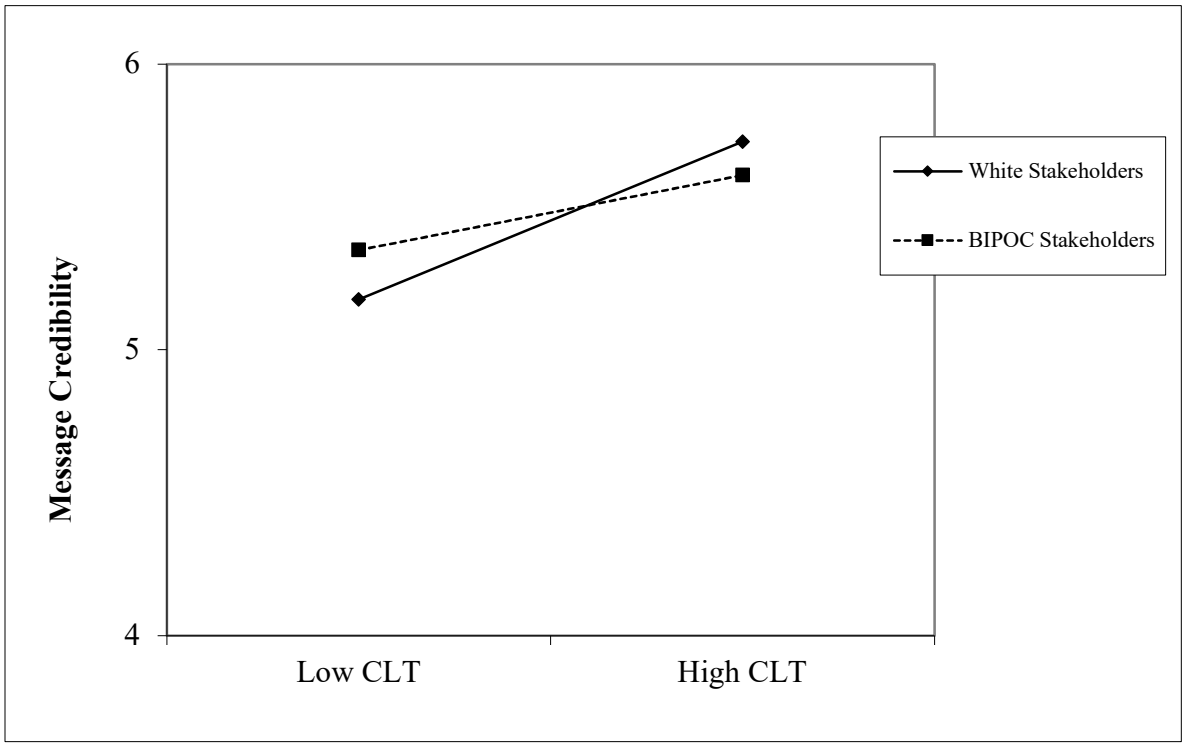


FIGURE 2: Plot of Interaction Effect between CLT Usage and Stakeholder Racial Category on Message Credibility



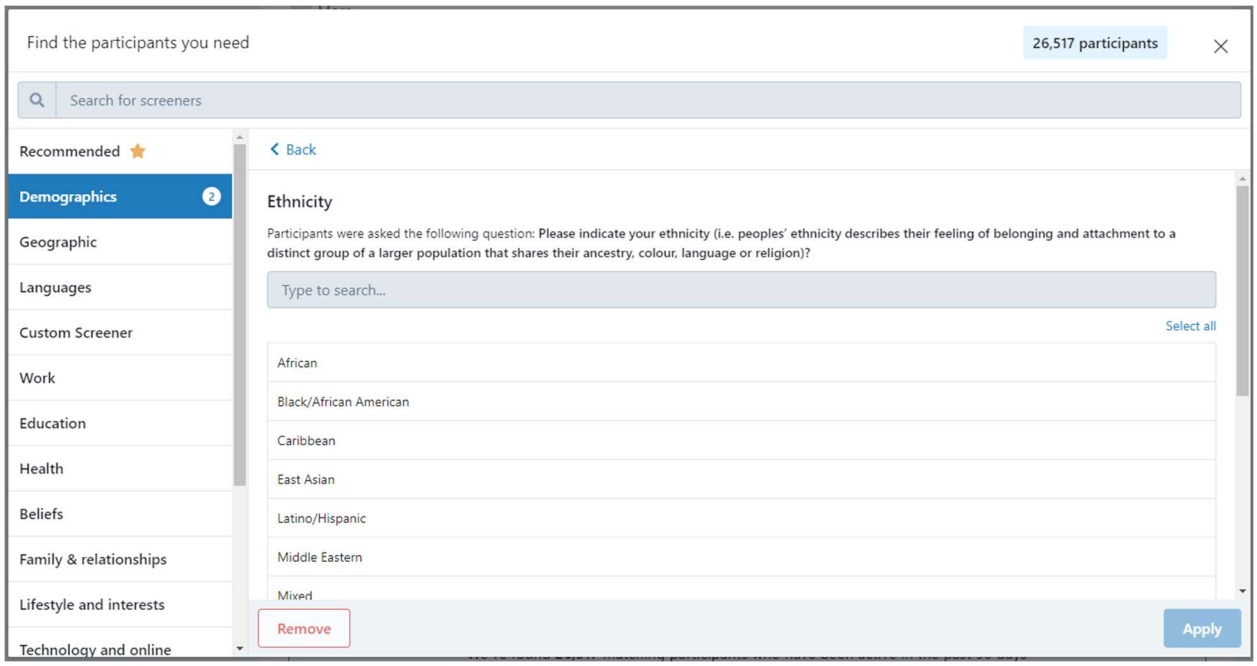
APPENDIX A: DISCREPANCIES BETWEEN PROLIFIC RACE AND SURVEY RACE

The racial identity of the participant was captured via two mechanics (1) through the Prolific prescreening questionnaire and (2) through the participant demographic question at the end of the Qualtrics survey. The Prolific prescreening was to identify eligible participants and the survey question was to categorize the participant in one of the 6 racial categories designed for the study. The 6 racial categories used in the Qualtrics survey was adopted from the U.S. Census Bureau, which adheres to the Office of Management and Budget (OMB) standards ("About the Topic of Race," 2022). The racial categories are White, Black or African American, American Indian or Alaska Native, Asian and Native Hawaiian or Other Pacific Islander and Other were used in the survey. The Qualtrics survey only allowed the participant to select one racial category from the list to categorize the participant as either White or BIPOC as displayed in Figure. A5.

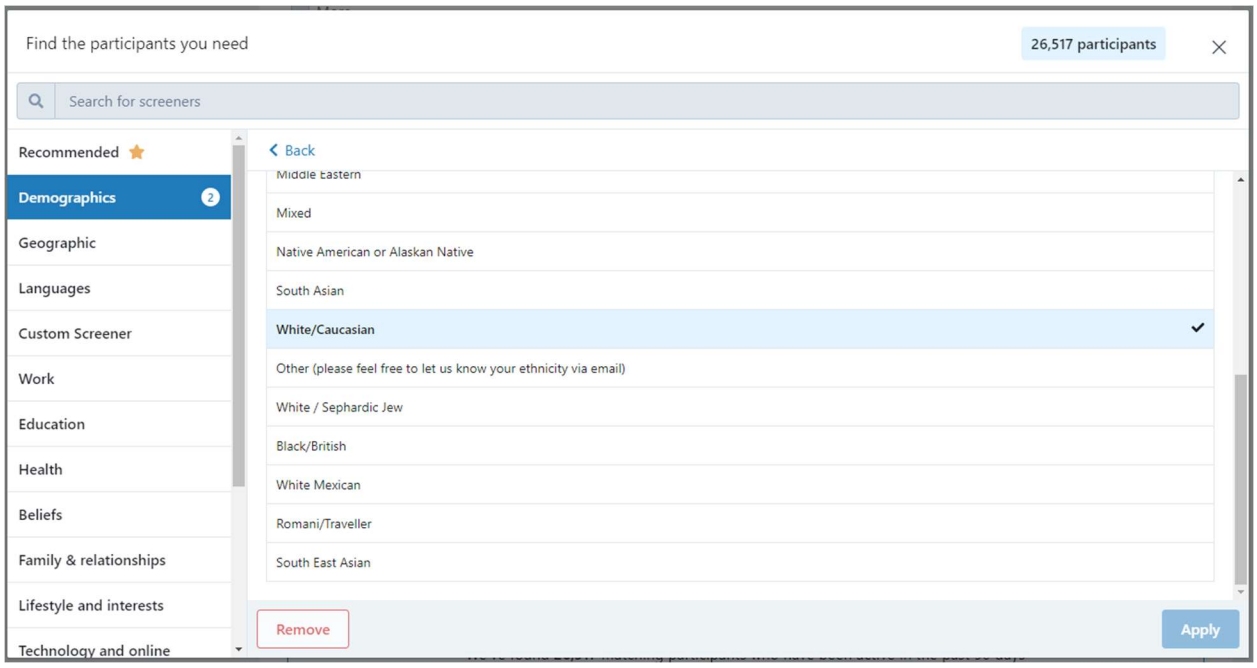
When a multi-racial participant (whose racial make-up included White) was asked to select one racial category, participants selected White as their racial identity rather than Other (which would imply that none of the selections were applicable). The outcome of selecting a different racial option in prescreening and in the survey resulted in a disparity between White and BIPOC responses when using the survey demographic reporting, with White participants making up 61% ($N = 750$) of the racial make-up and BIPOC comprising 37% ($N = 450$). Because the racial makeup of participants was to be an equal distribution of White and BIPOC the racial identity selected in the Prolific prescreening questionnaire was solely used as the racial identity of the participant. Below I describe Prolific prescreening criteria for participant selection.

Prolific's prescreening process asked participants to indicate the ethnicity the participant held a "feeling of belonging and attachment to a distinct group of a larger population that shares their ancestry, colour, language or religion" (Prolific, 2022). Figure. A1 shows screenshot of choices participants was provided to identify the ethnicity they chose to identify within and Figure. A2 displays the researcher selection of White/Caucasian ethnicity that the survey should be released to. All other options remained deselected. For the second survey the prescreen was for all participants who identified as a Person of Color. Figure. A3 and A4 displays the selection for the ethnicities of participants of color to participate in the BIPOC released survey.

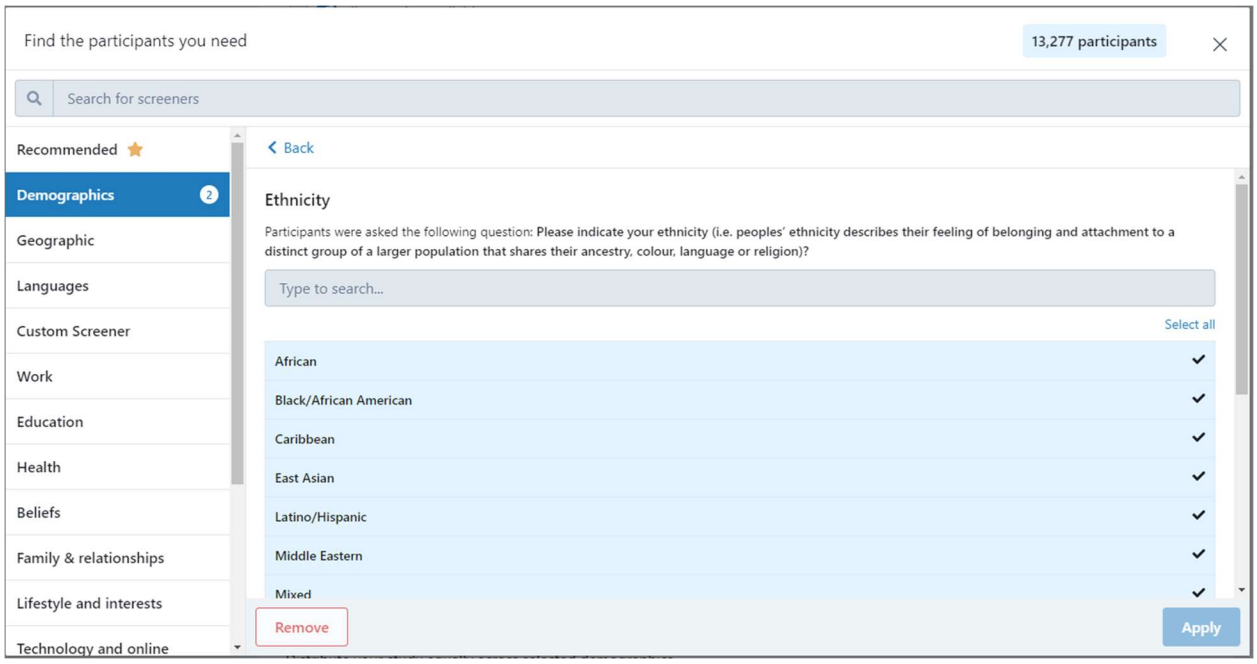
A1. PROLIFIC RACIAL DEMOGRAPHIC SCREEN 1 – REQUESTING WHITE STAKEHOLDERS ONLY



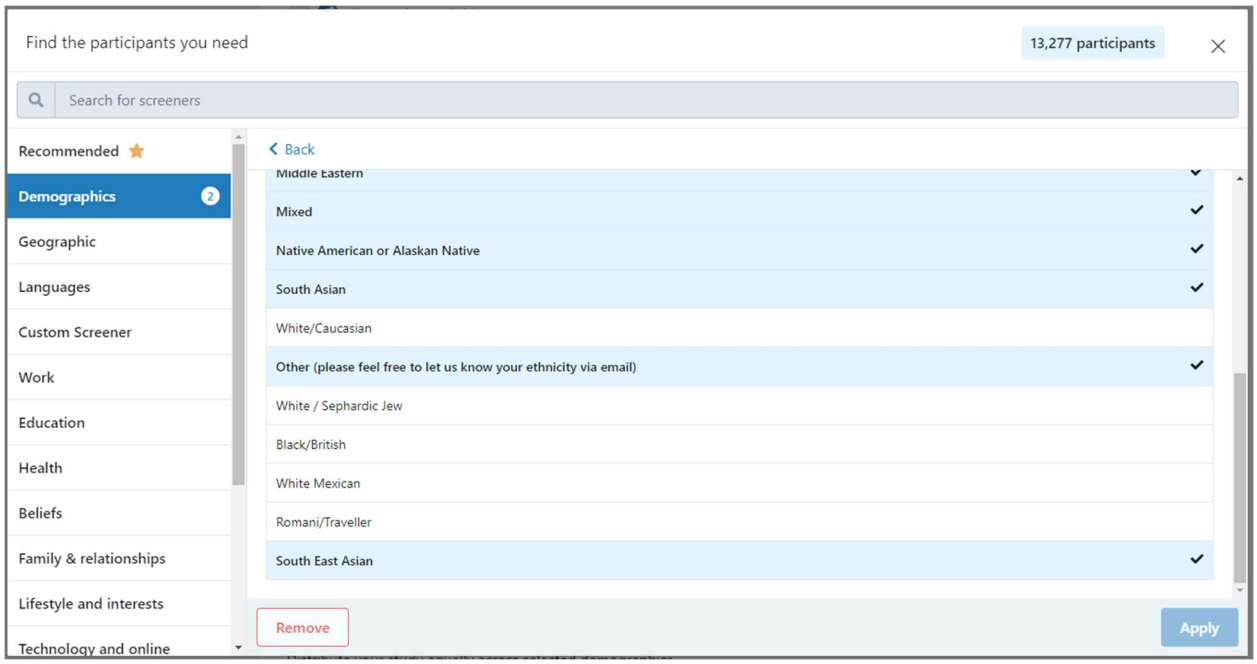
A2. PROLIFIC RACIAL DEMOGRAPHIC SCREEN 2 – REQUESTING WHITE STAKEHOLDERS ONLY



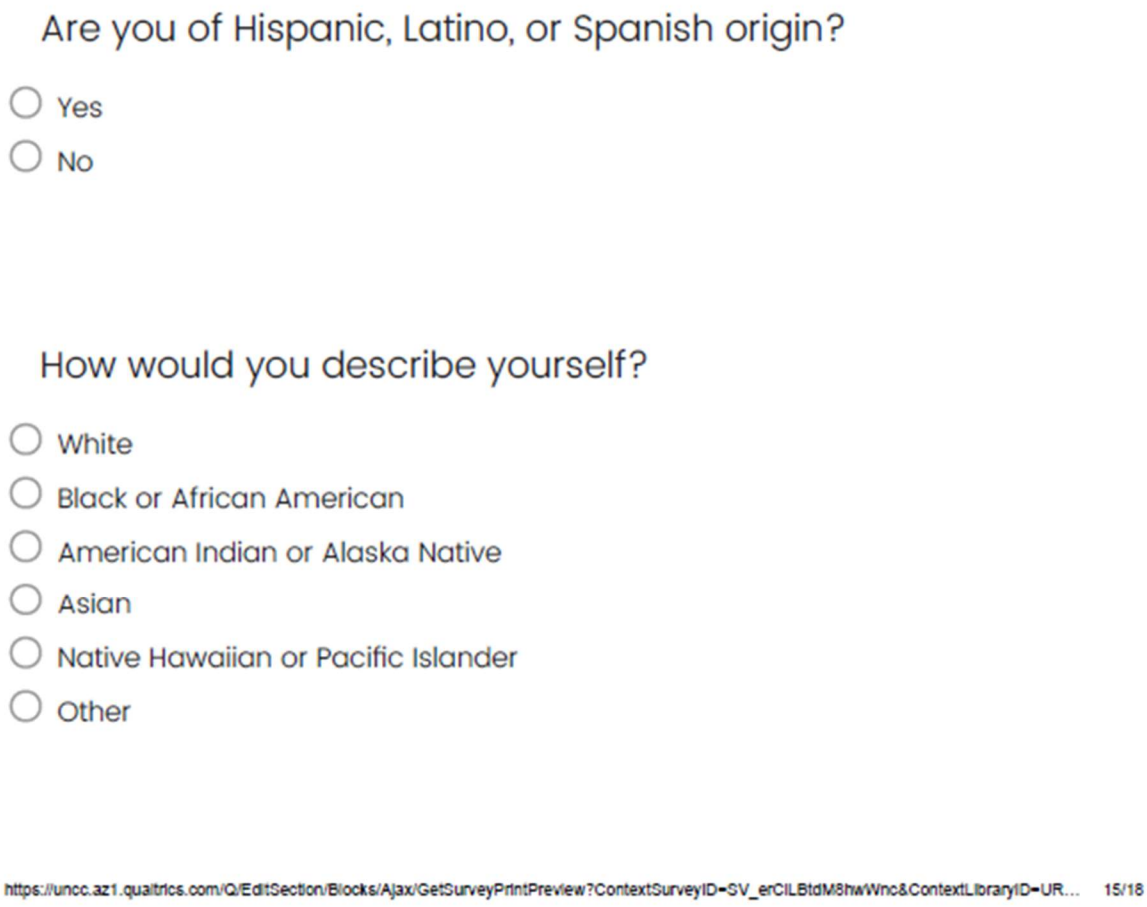
A3. PROLIFIC RACIAL DEMOGRAPHIC SCREEN 1 - REQUESTING BIPOC STAKEHOLDERS ONLY



A4. PROLIFIC RACIAL DEMOGRAPHIC SCREEN 2– REQUESTING BIPOC STAKEHOLDERS ONLY



A5. QUALTRICS RACIAL DEMOGRAPHIC SURVEY QUESTION FOR ALL PARTICIPANTS



APPENDIX B: POST HOC FACTORIAL ANOVA

TABLE B1: 2x2x5 FACTORIAL ANOVA

Source	Sum of Squares	*df*	Mean Square	*F*	Sig.	Partial Eta Squared
Corrected Model	59.06[a]	7	8.44	4.90	0.00	0.03
Intercept	29295.19	1	29295.19	17000.18	0.00	0.95
Leader Race	2.73	1	2.73	1.58	0.21	0.00
CLT Usage	39.44	1	39.44	22.89	0.00	0.02
Racial Category	0.15	1	0.15	0.09	0.77	0.00
Leader Race * CLT Usage	3.89	1	3.89	2.26	0.13	0.00
Leader Race * Racial Category	3.79	1	3.79	2.20	0.14	0.00
CLT Usage * Racial Category	5.80	1	5.80	3.37	0.07	0.00
Leader Race * CLT Usage * Racial Category	1.82	1	1.82	1.06	0.30	0.00
Error	1687.04	979	1.72			
Total	31242.78	987				
Corrected Total	1746.10	986				

a. R Squared = .034 (Adjusted R Squared = .027)

Dependent Variable: Message Credibility

TABLE B2: PROLIFIC RACIAL CATEGORIES

		Prolific Race			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	African	5	0.5	0.5	0.5
	Black/African American	109	11.0	11.0	11.6
	Caribbean	10	1.0	1.0	12.6
	East Asian	82	8.3	8.3	20.9
	Latino/Hispanic	109	11.0	11.0	31.9
	Middle Eastern	10	1.0	1.0	32.9
	Mixed	105	10.6	10.6	43.6
	Native American or Alaskan Native	11	1.1	1.1	44.7
	South Asian	23	2.3	2.3	47.0
	South East Asian	14	1.4	1.4	48.4
	White/Caucasian	495	50.1	50.2	98.6
	Other	14	1.4	1.4	100.0
	Total	987	99.8	100.0	
Missing	System	2	0.2		
Total		989	100.0		

Table B3: REVISED PROLIFIC RACIAL CATEGORIES

Stakeholder Racial Categories					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Black/African American	109	11.0	11.6	11.6
	Latino/Hispanic	109	11.0	11.6	23.3
	Mixed	105	10.6	11.2	34.5
	White/Caucasian	495	50.1	52.8	87.3
	Asian	119	12.0	12.7	100.0
	Total	937	94.7	100.0	
Excluded	System	52	5.3		
Total		989	100.0		

TABLE B4: Three-Way Factorial ANOVA results using CLT Usage, Leader Race and Stakeholder Race

Source	Sum of Squares	*df*	Mean Square	*F*	Sig.	Partial Eta Squared
Corrected Model	59.06[a]	7	8.44	4.90	0.00	0.03
Intercept	29295.19	1	29295.19	17000.18	0.00	0.95
Leader Race	2.73	1	2.73	1.58	0.21	0.00
CLT Usage	39.44	1	39.44	22.89	0.00	0.02
Racial Category	0.15	1	0.15	0.09	0.77	0.00
Leader Race * CLT Usage	3.89	1	3.89	2.26	0.13	0.00
Leader Race * Stakeholder Racial Category	3.79	1	3.79	2.20	0.14	0.00
CLT Usage * Stakeholder Racial Category	5.80	1	5.80	3.37	0.07	0.00
Leader Race * CLT Usage * Stakeholder Racial Category	1.82	1	1.82	1.06	0.30	0.00
Error	1687.04	979	1.72			
Total	31242.78	987				
Corrected Total	1746.10	986				

a. R Squared = .034 (Adjusted R Squared = .027)

TABLE B5: TUKEY HSD POST HOC STAKEHOLDER RACE MEANS COMPARISON

Stakeholder Race		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	95% Confidence Interval Upper Bound
Black/African American	Latino/Hispanic	-0.089	0.176	0.99	-0.57	0.39
	Mixed	0.473	0.178	0.06	-0.01	0.96
	White/Caucasian	0.296	0.138	0.20	-0.08	0.67
	Asian	0.466	0.173	0.06	-0.01	0.94
Latino/Hispanic	Black/African American	0.089	0.176	0.99	-0.39	0.57
	Mixed	.562*	0.178	0.01	0.08	1.05
	White/Caucasian	.385*	0.138	0.04	0.01	0.76
	Asian	.554*	0.173	0.01	0.08	1.03
Mixed	Black/African American	-0.473	0.178	0.06	-0.96	0.01
	Latino/Hispanic	-.562*	0.178	0.01	-1.05	-0.08
	White/Caucasian	-0.177	0.140	0.71	-0.56	0.21
	Asian	-0.007	0.174	1.00	-0.48	0.47
White/Caucasian	Black/African American	-0.296	0.138	0.20	-0.67	0.08
	Latino/Hispanic	-.385*	0.138	0.04	-0.76	-0.01
	Mixed	0.177	0.140	0.71	-0.21	0.56
	Asian	0.170	0.133	0.71	-0.19	0.53
Asian	Black/African American	-0.466	0.173	0.06	-0.94	0.01
	Latino/Hispanic	-.554*	0.173	0.01	-1.03	-0.08
	Mixed	0.007	0.174	1.00	-0.47	0.48
	White/Caucasian	-0.170	0.133	0.71	-0.53	0.19

*. The mean difference is significant at the 0.05 level.

Note: Dependent variable: Message Credibility