



## **The Impact of Intersectionality on Small Business Management**

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Intersectionality is “an analytical framework used to study how societies treat people based on their various social and political identities, such as their gender, ethnicity, and sexuality. Depending on those identities, a person may be privileged or oppressed” (Soken-Huberty, n.d.). Intersectionality is essential in small business management as intersectionality and leadership work together to allow small businesses to achieve their goals (ADP Contributor, 2024). This study explores how intersectionality can impact the management of a small business.

### **Background**

Intersectionality has become an increasingly popular term to describe the implications of intersecting racial and ethnic identities that can result in discrimination. American society subjects many minorities to disadvantages compared to the dominant white, wealthy class of men who traditionally hold power, keeping people of color, women, and those in poverty at a disadvantage (Crenshaw, 1989). Some people experience extra discrimination because they have more than one disadvantaged identity. For example, a woman of color faces dual discrimination and disadvantages due to her two intersectional identities (Nolan, 2024). This shows how

intersectional identities can result in extra disadvantages.

It is crucial to understand intersectionality as a general topic before diving into how it applies to small business management. Intersectionality is the understanding that all individuals have unique experiences of discrimination and oppression. Society must consider all aspects that can result in marginalization, such as gender, ethnicity, social class, sexuality, abilities, and more (Coombes, 2020). This demonstrates how the collective characteristics and experiences of someone have impacted the way they perceive the world and how the world perceives them (Van Bavel et al., 2013, p. 113). The intersectionality of a small business owner can play a role in the way they decide to manage their business.

Small business owners need to acknowledge intersectionality. Managing a small business with intersectionality in mind allows for more equality and diversity within the workplace, making it more inclusive and welcoming for everyone involved (Tiffin, 2023). The acknowledgment of intersectional identities helps prevent discrimination within the workplace.

Moreover, intersectionality can impact business opportunities. For example, Melissa Butler, a woman of color, founded a vegan lipstick brand called The Lip Bar. She drew from her intersectional identities of being a woman and a person of color and her observation of a lack of representation for people of color in the beauty sector to create a line of diverse lipsticks for a wide variety of skin tones (*The Rising Wave: Why Intersectional Entrepreneurship Is Here to Stay*, 2024).

### **Intersectionality and Small Businesses**

Just as intersectionality has been brought to light as a social issue within general society, it is also a social issue within small business management. The intersectional identities of small business owners can lead to being discriminated against, impacting their management experience

(Jackson & Sanyal, 2019, p. 229). Furthermore, the intersectionality of a business industry may affect the way its small businesses perform and are managed (McGahan, 2004). It is important to understand how intersectionality impacts the experiences of small businesses and their management. This study will raise awareness of the impact of intersectionality on small business management by thoroughly explaining what intersectionality is in several contexts and its implications for small business management.

### **Guiding Questions**

1. How does the intersectionality of a small business owner impact small business management?
2. How does the intersectionality of an industry impact small business management?

### **Small Business Owner Intersectionality**

The intersectional identity of a small business owner impacts the way they manage their business because intersectionality impacts decision-making and opportunities for external resources.

### **Decision-Making**

It is necessary to consider the characteristics and social aspects of the decision-maker to understand why some decisions are more effective than others. Small business owners have characteristics and experiences that make up their unique intersectional identity. This identity impacts how they make decisions about managing their business. Individuals who have differing intersectional identities will approach situations differently. Small business owners' characteristics and experiences can also impact how they perceive situations and the best way to handle them (Lähdesmäki, 2012).

Based on the situation, the decision-maker uses the available information and knowledge through education, experience, and social connections to form their judgment (Jansen et al., 2011; Westhead et al., 2009). Because everyone has their own unique experiences and upbringings, each person has their own unique opinions and understandings. For instance, due to differing characteristics and experiences, a white male who grew up privileged will have different views than that of a woman of color who grew up in poverty (Plaut, 2010). This demonstrates the impact of characteristics and experiences on how individuals view situations. Intersectionality is a crucial component when small business owners make decisions for their company.

### **Opportunities for External Resources**

Based on the intersectionality characteristics of a small business owner, they may be eligible to receive external resources. Since the intersectional attributes of a small business owner may overlap to create discrimination, the government provides resources to such minority groups who face additional struggles. For example, the SBA 8(a) federal certification program assists socially or economically disadvantaged small business owners by making federal contracts more accessible. Additionally, resources are available for women- and minority-owned businesses. For instance, organizations such as Black Founders, the National Association of Women Business Owners, and the Women's Business Enterprise National Council provide networking, educational, and contract resources (Hatten, 2020, p. 11).

### **Industry Intersectionality**

The intersectional identity of an industry impacts how small businesses are managed in that industry because it contributes to the performance of small businesses.

### **Aspects of Industry's Intersectional Identity**

Business industries have characteristics that make up their unique intersectional identity. The key attributes of a business industry include its geographic range, boundaries, and dominant economic aspects (*Guides: Strategic management - MBA - Oakland campus: Industry characteristics*, 2024). While those are the key characteristics, there are a wide variety of them, such as general consumer demographics and business demographics. The demographics of business owners within an industry also contribute to its intersectionality. For instance, if a black business owner tries to enter a white-dominated industry, they may face discrimination and challenges when operating their business (Fairlie & Robb, 2010, p. 22). Just as the intersectionality of humans is complex, so is that of business industries.

### **Small Business Performance**

The characteristics of its respective industry may impact the performance of a small business. The structure of a business industry is a crucial aspect of profitability. If an industry is already competitive, it will be challenging to stand out (López-López et al., 2020). Therefore, it is necessary to understand the structure of a prospective business industry before entering. To effectively compete in a business industry, prospective businesses need to ensure that their internal characteristics complement the industry's characteristics. This is especially important for small businesses as they typically do not have enough resources to successfully react to unexpected challenges caused by the industry (Xie, 2012).

### **Discussion**

A small business owner's intersectional identity, including race, gender, and class, profoundly influences how they manage their business, such as handling situations and making decisions. Additionally, owners from marginalized groups may face extra challenges, but they might also qualify for specialized resources to support disadvantaged small business owners

(Deveaux, 2023). The intersectionality of a business industry impacts how small businesses are managed, viewed, and perform within their respective sector. The traits of an industry can compel small businesses to adjust their management strategies to complement the industry's characteristics better and enhance performance (Roxas, 2009, p. 4; Hawanini et al., 2003). Additionally, the general intersectionality of an industry can cause consumers to have a stereotypical view of that industry, resulting in small businesses trying to match such a view.

### **Conclusion**

The intersectional identities of small business owners can lead to discrimination, negatively affecting their experiences and challenges in managing their businesses. Acknowledging that such overlapping identities can complicate business management is essential. However, it is equally important to acknowledge the benefits of intersectional identities, such as unique perspectives and access to specialized resources. Additionally, the combined identity of a business industry shapes how small businesses within that sector are managed and performed. Each industry has its intersectional characteristics, which can create advantages and disadvantages. In conclusion, the connection between intersectionality and small business management runs deep. Intersectionality in relation to small business management should be further explored in regard to how different variations of intersectional identities exist in business industries and their differing experiences.

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