

The gap between immigration and employment: A policy-capturing analysis of ethnicity-driven selection biases

Author

Wilson, Marie Gee, Parker, Polly

Published

2007

Journal Title

New Zealand Journal of Employment Relations

Rights statement

© 2007 ER Publishing. The attached file is reproduced here in accordance with the copyright policy of the publisher. Please refer to the journal's website for access to the definitive, published version.

Downloaded from

<http://hdl.handle.net/10072/26800>

Link to published version

<http://www.nzjournal.org/>

Griffith Research Online

<https://research-repository.griffith.edu.au>

The Gap Between Immigration And Employment: A Policy-Capturing Analysis of Ethnicity-Driven Selection Biases

MARIE GEE WILSON* AND POLLY PARKER**

Abstract

Research over the past two decades has identified the impact of job irrelevant variables on selection decisions. Many of these variables reflect stereotypes associated with ethnicity, age or other factors. This study uses a short-listing simulation with 183 New Zealand managers to assess the impact of ethnicity, migration status on short-listing in a condition of labour scarcity. The policy-capturing approach was complemented by in-depth interviews. The findings include significant schema-driven, selection penalties for minority and migrant applicants that are moderated by worker scarcity. This supports new models of social categorisation that include employer motivation in selection decision-making. At a practical level, it suggests that a 'screen in' approach to short-listing may reduce employment discrimination.

Introduction

In recent years, New Zealand has witnessed an influx of immigration, broadening the ethnic diversity of the population and the workforce. Demographic projections indicate that an increasing number of ethnic minority groups will be strongly represented in the New Zealand population and labour market (Statistics New Zealand, 2006). However, despite current skill shortages (Department of Labour, 2006), indications are that ethnic¹ minorities remain a disadvantaged group in terms of employment outcomes (Ward and Masgoret, 2004; Wilson, Gahlout, Liu and Mouly, 2005). Thus, the question is, "How and why migrants and members of ethnic minority groups still face obstacles to full employment in New Zealand?"

In assessing the suitability of applicants, the 'reasonable' employer attempts to find the best fit between applicant skills and abilities and well-defined criteria for the job. However, employment decisions are not always rational processes, and may incorporate biases. Research over the last two decades has identified the impact of many job irrelevant variables on selection decisions: factors, such as age (Johnson and Neumark, 1997), accent (Kalin and Rayko, 1978), gender (Heilman and Martell, 1986; McDonald and Hakel, 1985), physical attractiveness (Dipboye, Fromkin and Wiback, 1975), disability and weight (Arvey and Faley, 1992), nationality (Hubbuck and Carter, 1985) and sexual orientation (Reza, Marin and Wadsworth, 2002). These variables have all been shown to result in stereotyping with negative consequences for selection. At the individual level, selection biases lower the probability of receiving a job offer and reduce expected returns to job search (Carmichael and Woods, 2000). At the organisational and societal level, these same biases distort labour markets and reduce the efficient and effective utilisation of talent (Watts and Trlin, 1999).

The purpose of this article, therefore, is to report on a study which investigated the effects of ethnicity and recent migration to New Zealand on the perceived suitability of applicants for early career 'professional' positions. Using models of social categorisation that include employer motivation in selection decision-making, the article presents findings from a structured survey questionnaire and interviews to assess hiring preferences of employers in the health sector. The article commences with a discussion of the process of discrimination and ethnicity and employment, followed by a conceptualisation of selection bias. The methods used in the study are presented, followed by the key findings of the study. The article concludes with a discussion and a summary of how the findings can be applied both theoretically and practically.

The Process of Discrimination

The term 'discrimination' is expressed negatively in the context of employment, though the term is defined – without negative or positive connotations – as judgment based on perception of differences. When these differences are salient and relevant to the job, we would see this as best practice in employment. It is only when discrimination is premised on factors that are not relevant to the job that good employment principles are violated. Kulik, Roberson and Perry (2007) have developed a model for the incorporation of potentially biasing factors into selection decisions, using a social categorisation approach, and incorporating elements of employer motivation, salience of cues, and enhancement or repression of stereotypes in employment decision-making.

The Kulik et al (2007) model builds on a stream of research that has emphasised the role of stereotypes in impression formation (Kulik, Roberson and Perry, 2007). This perspective highlights categorisation as a key process in impression formation, particularly in the context of employment (Brewer, 1988; Kulik, Roberson and Perry, 2007). Once an applicant has been identified as a member of a particular social category, stereotypes influence impressions formed by the potential employer, both directly and indirectly (Bodenhausen and Macrae, 1998). The general categorisation process has been supported in a large body of organisational research. Research suggests, for example, that organisational decision makers have stereotypes associated with applicants' sex (Deaux, 1995; Eagly, Makhijani, and Klonsky, 1992), race and ethnicity, (Chang and Kleiner, 2003; Wilson, Gahlout, Liu and Mouly, 2005), age (Finkelstein, Burke, and Raju, 1995; Wilson, Parker and Kan, 2007), and other social categories. Activating these categories can influence a variety of organisational judgments about an applicant, including the decision about whether to hire them.

Ethnicity and Employment

Studies conducted in U.S and U.K have illustrated that Asian and other ethnic minority applicants remain disadvantaged when compared to non-minority "whites" in terms of job opportunities. Evidence from some of the earliest UK based studies conducted by Jowell and Prescott Clarke (1970), indicated that ethnicity of the applicant influenced the selection outcome. This finding has been consistently supported over the last three decades (Brown and Gay, 1985; Esmail and Everington,

1993; 1997; Firth, 1981; Hubbuck and Carter, 1980). These studies strongly support an “ethnic penalty” – based on stereotypes – that reduces search outcomes for job applicants from ethnic minorities. This disadvantage manifests itself in terms of higher unemployment, under-representation in professions, and lower earnings. Carmichael and Woods (2000) argued that the penalty is not uniform but varies considerably among minority groups. Asian migrants to Anglo-Saxon countries appear to face even larger employment hurdles than other groups (Blackaby, Leslie, Murphy and Leary, 1999).

Research on employment outcomes of ethnic minority groups in New Zealand mirrors the international pattern of reduced employment outcomes for migrants and members of ethnic minorities (Massey et al, 2005). A study conducted by Spoonley (1978) in New Zealand confirmed the existence of ethnic bias in selection of Pacific Islanders (comparing Pakeha, Maori and Niuean job applicants), and the prevalence of stereotypes in the selection process. Singer and Eder (1989) investigated the effects of ethnicity, accent and job status in the selection process in New Zealand and found that Maori and Chinese applicants were less likely to be short-listed than Dutch applicants. More recently, Wilson et al (2005) have demonstrated that ethnic penalties are associated with both migration status and ethnicity, with Chinese and Indian migrants experiencing significantly reduced opportunities for short-listing and access to employment. Mace et al (2005) have also found decreased employment opportunities for Asian migrants in New Zealand, with the development status of the host country effectively discounting by proxy the perceived human capital of the applicant.

Contextualising Selection Bias

While much of the extant research on employment discrimination adopts a policy-capturing approach, to profile the use and relative strength of decisional factors, Kulik, Roberson and Perry (2007) suggest that a more contextualised approach is appropriate. There are many categories that are called into play when managers are short-listing applicants – estimated or actual age, gender, inferred class distinctions, religious or other social categories, as well as ethnicity and migration status. The employer may also be motivated differentially, for both social and self-esteem reasons, as well as the practical aspects of filling an advertised vacancy in an increasingly tight labour market. The following authors note that:

“... the decision maker is not always a disinterested or passive ... The decision maker may operate as a “motivated tactician” who prefers certain decision outcomes over others (Fiske and Taylor, 1991) and who chooses among alternative categories based on his or her goals, motives, and needs (Macrae and Bodenhausen, 2001). The decision maker can suppress or inhibit one of the activated categories and amplify the other ... People often use categories and their associated stereotypes to support desired impressions ... and researchers have noted the extensive capacity of social perceivers to use categories and associated stereotypes to confirm preferred conclusions... these motivations can be so powerful that perceivers will exert considerable cognitive effort to activate categories (and their associated stereotypes) ... if the activated category can be used in the service of the perceiver’s personal goals...” (Kulik, Roberson and Perry, 2007: 533)

The “motivated tactician” in Kulik et al’s social categorisation model is influenced not only by stereotypes and their own beliefs and values; contextual factors may motivate decision structures, as well. In particular, the salience of person-job or person-organisation fit may increase in salience and decision impact when triggered by either well-crafted selection requirements, or when the need to find suitable candidates in a tight labour market is heightened. In New Zealand, policy analysts have often assumed that an employer with a critical talent requirement will overcome potential decision biases to hire skilled applicants who may not be similar (to the decision-maker or job stereotypes). Anecdotal evidence does not support this assumption, and there has been little empirical attention to the potential for “need to hire” to moderate biases in employment selection. This research sets out to test the interaction of perceptual biases within the labour market context. We reiterate earlier work on biases against ethnicity and migration status, both to establish a baseline for moderation and to continue to explore interaction effects. We have used ethnic Chinese applicants as a salient group of both migrant and non-migrant ethnic groupings.

Hypothesis 1. Ethnic Asian applicants of equal skill and ability will be less likely to be short-listed for employment than European/Pakeha applicants.

Hypothesis 2. Migration status will decrease the likelihood of short-listing for applicants who are recent migrants to New Zealand.

Hypothesis 3. The reduction in the likelihood of being short-listed for Asian and/or migrant applicants will be moderated in labour markets where demand for skilled applicants is high.

Method

This study is part of a five year study of candidate and contextual factors that influence the short-listing decision. In this part of the research programme, we focus on the impact of perceived labour shortages on ethnic penalties. This research design used a simulation and survey structure to assess hiring preferences, complemented by structured interviews. The simulation phase required respondents (all participants in executive education for healthcare management) to short-list candidates for two positions – an early career HRM advisor (low to moderate demand condition) and an early career nursing position (high demand condition). In both conditions, managers were told that they were receiving a ‘long short-list’ from which they were selecting candidates for interview.

Instrument. A standardised application form, modeled on that used by the district health boards, was used to permit direct comparability among applicants, making it easier for the respondent to evaluate and make selection decisions without presentation biases and information dissimilarities.

The simulation included a three-page, job description and person specification for each position, followed by 10 applications (8 active for the purposes of this research, with 2 ‘marginal’ cases), presented in alphabetical order. Each application included

the name and contact details of the applicant, details of a bachelor's degree in human resources (HR) or nursing, 16-19 months of relevant experience, a listing of competencies (that met the person specification), and statements of fluency in English and one other language. All of the active applications were independently judged to be of equal quality by a panel of HR raters (for the HR applications) and by a charge nurse panel (for the nursing applications). In each set of applications, two were of lower 'marginal' quality as judged by the expert panels. These were used to increase the variance in the applicant pool and increase the realism of the simulation.

The applicants were either Anglo-Saxon (Pakeha) or Chinese applicants. Cues for ethnicity included surname, country where the degree was gained (only the two highest ranked Universities in each country were used); country where experience was gained (with well-known international companies, such as Coca-Cola, Hilton Hotels, and KPMG for HR, and national teaching hospitals for nursing), additional languages spoken (Anglo-Saxon candidates spoke English and an additional European language, Chinese candidates listed English and a specific regional dialect consistent with their name). Names were deliberately gender-neutral (e.g. Robin, Terrie) to attempt to limit gender interaction effects, and first names of Chinese applicants were anglicised to reduce additional assimilationist stereotyping noted in other New Zealand research (Wilson et al, 2005).

The eight active applications included two each: Chinese migrant; Chinese non-migrant; Anglo-Saxon migrant; Anglo-Saxon non-migrant. The final two "extra" candidates were both non-migrants, that is, one Chinese and one Anglo-Saxon, each with lower level degrees or diplomas that barely met the expressed job requirements.

Decision Variables. Research participants were asked to evaluate each candidate on suitability for the job (7 point Likert scale; 1= unsuitable for the job; 7= very suitable for the job). Studies examining selection decisions have traditionally assessed the applicants' suitability for the position (e.g. Hakel, Ohnesorge and Dunnette, 1970; Landy and Bates, 1973; Dipboye, Fromkin and Wiback, 1975). The final measure was a short-list, compiled by the participant, across all applicants. A demographic profile of the respondent (ethnicity, years of management experience – including prior short-listing and hiring experience – and gender) was also gathered through self-reporting.

The design used in the study parallels real-world selection practices where employers typically evaluate more than one candidate. Moreover, the design was analogous to a hiring situation where decision-makers often have limited information, typically in the form of a brief resume, in order to screen applicants (Bendick, Jackson and Reinoso, 1991; Stewart and Perlow, 2001). The respondents took on average 20 minutes to complete the short-listing of 10 applicants for a given position.

Manipulation checks. As a check on perception of social categories, 12 managers were selected at random, and asked to dictate a summary of the characteristics of the applicant pool for the "hiring manager" to use in combination with the short-list they had generated. All 12 of the managers noted that there were Chinese applicants and migrant applicants in the pool (most also made stereotypical assumptions about gender, despite the lack of cues). As a manipulation check on the high and low demand characteristics, all participants were asked to evaluate hiring difficulties for 10 positions in the district health boards using a 7 point Likert scale: 1= very easy to

hire for this type of position; 7= very difficult to hire for this type of position. The positions evaluated included psychiatrist (uniform rating of 7); orderly (mean rating 1.7); receptionist (mean rating of 2.1); ward nurse (mean rating of 6.7) and HR advisor (mean rating of 3.2).

Qualitative Policy-Capture. While the majority of ‘policy-capturing’ research relies on regression modeling of quantitative variables, this can reduce rather than increase our understanding of contextuality. In this research, we complemented the quantitative policy-capture (through the simulations) with in depth-interviews of 12 randomly selected participants who, again working with a set of applications, discussed their rationales for judgment and selection decision-making. The interviews were transcribed and returned to the interviewees for correction and clarification. We then performed a configurational analysis, by looking for a cluster of rationales and statements that were attached to each of the different types of applicants, and to the process overall.

Results

The survey was administered to 183 practicing managers enrolled in an executive development programme in the management of healthcare organisations. The sample demographics were heterogeneous in terms of ethnicity, gender, and managerial experience, and statistically similar to the metropolitan population of working age. The respondent managers had, on average, over ten years of supervisory experience and had all been involved in short-listing and hiring decisions in the past.

A multivariate analysis was conducted to evaluate the hypotheses. Independent variables were ethnicity of the applicant (Anglo-Saxon and Chinese); migration status of the applicant (migrant or non-migrant); and perceived difficulty in hiring based on talent shortages in the labour market (Low demand-HR, High demand-nursing). The dependent variables included perceived suitability for the position. A multivariate analysis of variance (MANOVA), with repeated measures, was performed to test the hypotheses.

Effect of Ethnicity on Selection Outcomes

The MANOVA shows a significant effect for ethnicity of applicant by migration status ($F = 9.46$, $\eta^2 = .36$, $p < .05$). This supports hypotheses one and two. As summarised in Table 1, the 2x2x2 ANOVA shows a significant main effect for ethnicity on assessed suitability for the position ($\eta^2 = .48$, $p < .01$). The MANOVA results demonstrate migration status modestly increases the impact of ethnicity on evaluations of suitability, but that, consistent with recent research, this is a migration effect that is moderated by ethnicity rather than directly interacting with it. Specifically, Anglo-Saxon migrants are rated more highly and Chinese migrants less highly, than their local, non-migrant counterparts.

Table 1: MANOVA: Ethnicity, Migration and Demand on Suitability

Effects/ Variables		
	Multivariate F	Univariate F
Within-Subject Factors		
APPL ETHNICITY	9.177*	10.015**
APPL MIGRATION	2.879 ^{NS}	2.731 ^{NS}
APPL ETHNICITY x MIGRATION	6.384*	7.09*
DEMAND X APPL ETHNIC	4.278**	12.291**

** p < .01, *p < .05; For multivariate statistics, $df = (10, 756)$.

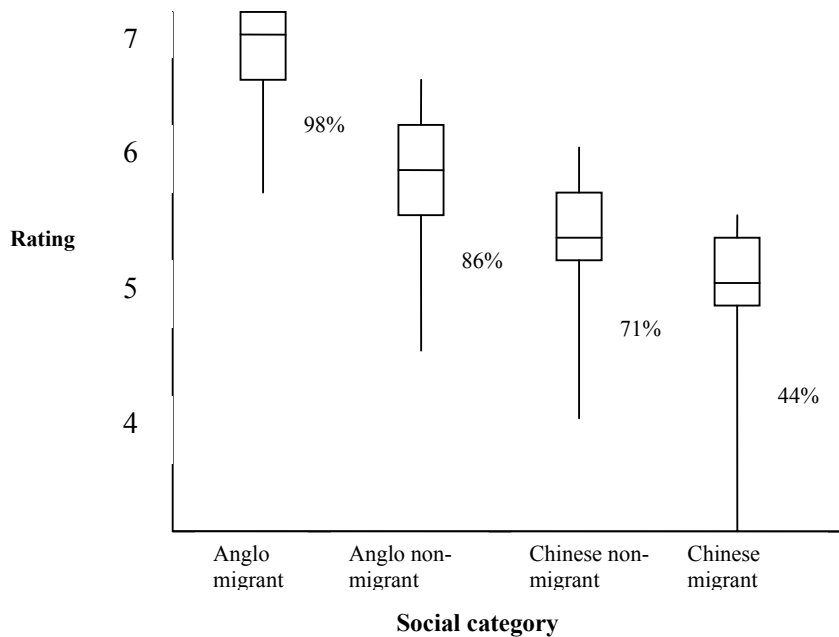
In addition to suitability ratings, dependent variables in the simulation included the final short-listing decision. After rating all candidates, respondents were asked to construct an actual final short-list. We did not constrain the number who could be short-listed, but most managers assumed that it would be a smaller subset of the 'long short-list' with which they were provided. The applicant pool presented was evenly divided among qualified candidates from each ethnic and migration group: Anglo-Saxon and Chinese; migrant and non-migrant. Given that all had equivalent experience and qualifications, it is reasonable to expect that these types of candidates would be equally represented in the final short-lists. However, the cumulative short-lists included far fewer ethnic candidates than would be expected based on the representation in the applicant pool and the short-listing prevalence of non-Chinese candidates (as shown in Table 2 and Figure 1).

Given that all had equivalent experience and qualifications, it is reasonable to expect that each type of candidate would be equally represented in the final short-lists. However, the cumulative short-lists included far fewer ethnic candidates than would be expected based on the representation in the applicant pool, and Chinese migrants appear far less frequently than Anglo-Saxon migrants (as shown in Table 2).

Table 2: Percentage of Times Short-Listed

	Anglo-Saxon Migrant	Anglo-Saxon Non-migrant	Chinese Non-migrant	Chinese Migrant
Across conditions	98	86	71	44
- Low demand	96	72	54	13
- High demand	100	100	88	75

Figure 1. Average rating of applicant suitability by social category with range and quartiles (rating) and percentage short-listed.



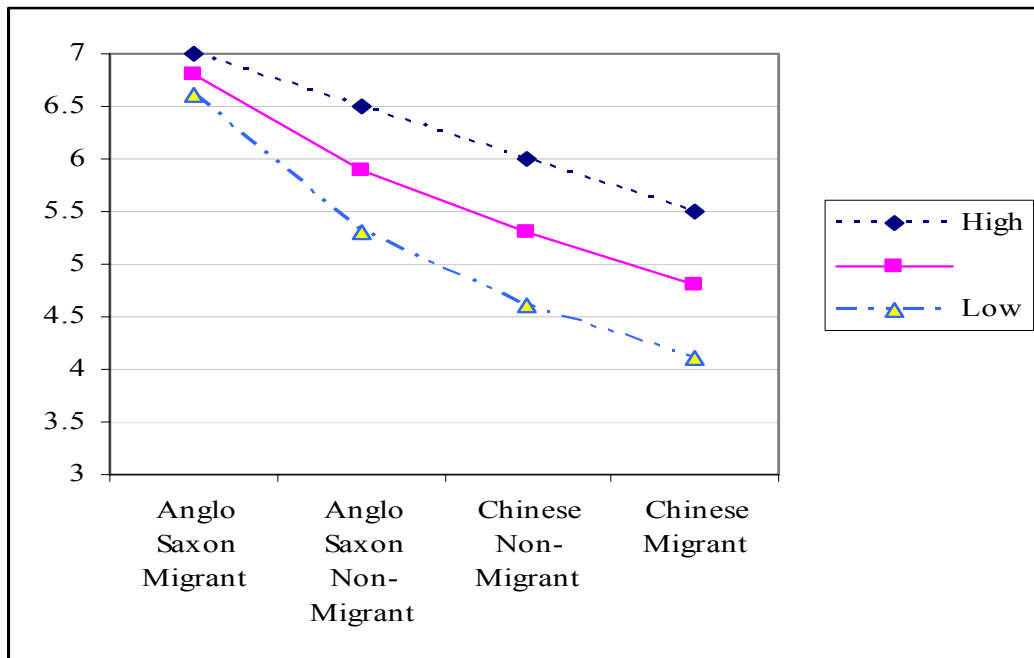
Effect of Demand on Selection Outcomes

As noted in the MANOVA, the demand for certain types of workers impacts on the selection process as well. Perceived demand increases the perceived suitability of all applicants, but has more pronounced impact in reducing the negative effects of ethnicity and migration penalties for Chinese applicants. High demand conditions significantly increased the likelihood of being short-listed for an interview for all candidates, but again had particularly positive impacts on Chinese and Chinese migrant applicants (see Figure 2).

The under-representation of ethnic applicants in the final short-list was highly significant in the low demand condition (Pearson χ^2 (3, N = 183) = 334.6, $p < .001$), but not in the high demand condition. In the high demand conditions, participants constructed longer short-lists (usually 6-8 candidates) which facilitated inclusion of greater numbers of Chinese and other candidates rated as ‘less suitable’, compared to the low-demand conditions (2-4 candidates), (see Table 2).

To summarise, the findings point towards a significant impact of Chinese ethnicity in both assessed suitability and probability of being short-listed for positions. This ‘ethnic penalty’ is heightened for recent migrants. The penalty is, however, moderated, by high levels of demand for qualified applicants, which increases both perceived suitability and likelihood of being short-listed. The latter is at least partially the result of larger, more inclusive short-lists which tend to include all, or almost all, candidates who meet job requirements.

Figure 2. Average Rating of Applicant Suitability by Social Category and Demand Condition



Rater Rationales: Qualitative Policy Capturing

The selected participants began their interview on the short-listing process by talking about the employment market; in particular how difficult it was to recruit good staff, and how they struggled to compete in the health sector labour market against the backdrop of demands for high quality outcomes and staff shortages. Their characterisation of the general labour market, however, was highly stereotypical including references to ‘migrants who can’t speak English’, ‘Islanders who don’t want to work hard’, ‘women who are too [expletive deleted] to work in teams’, and ‘Asians who were only good with technology’. These characterisations reflect well-articulated stereotypes, but in and of themselves, does not mean that decision-making is biased.

As the participants began to focus on the short-listing process and applications, their comments became significantly less global, and more directed toward the organisation, its culture and priorities. While their comments still retained stereotypical aspects, and obvious social categories (women, “Asians”, “Kiwis”, “Brits”, etc, their comments were increasingly focused on the person-organisation fit rather than global labour market characteristics or person-job fit. They spoke of having a ‘United Nations of employees’ in their workplace, with ‘lots of workers from overseas’. Their conversations in this regard were about fitting the person into the ‘public service’ culture of the organisation, and in particular the need for the prospective employee to ‘fit into the culture and systems of the health board’. In looking over the applicant pool, the interviewees remarked on the ‘high’ proportion of Chinese applicants (but not the high proportion of migrants). Interviewees suggested

that they would normally see a much more diverse applicant pool, with candidates from the EU, the former Soviet republics, and Southeast Asia, as well as China. In discussing migrants, or ‘overseas applicants’ as they were most often termed, the applicants were characterised generally (and stereotypically) as “unaware of local requirements”, and having difficulties ‘fitting in’ because of issues as simple as food preferences and hygiene, to ‘being part of the team’. Chinese were singled out as ‘very different’, ‘shy’, ‘quiet’, ‘hierarchical’ and ‘not interested in fitting the New Zealand culture’. With the exception of the last characteristic (not fitting in), Chinese applicants were stereotyped whether they were born in New Zealand or were recent migrants. Their discussions, rationales and actions were consistent with stereotype activation and were used to reduce person-organisation fit, which in turn reduced the hiring probability. As the participants focused on the actual short-listing task, they were much more attuned to person-job fit requirements, and made more extensive use of the selection criteria. However, this was significantly pronounced and frequent in the high demand (nursing) situations, which is consistent with perceived demand, thus increasing the “motivation to hire” and increasing vigilance for matches between stereotype-driven candidate characterisations and position requirements.

In considering the applications for the HR (lower demand) position, participants quickly moved to ‘screen out’ diverse candidates, stating the need for ‘New Zealand experience’ (though this was not a stated job requirement) with a clear preference for Anglo-Saxon candidates, both local and migrant (from Canada and the UK), even though the latter contravened their suggested “local experience” requirement, and the less preferred Chinese non-migrant applicants did not. The participants were generally dismissive of the Chinese candidates for HR positions, particularly Chinese migrants, expressing ‘common problems’ in the equivalence of qualifications, the standard of English spoken, knowledge of Treaty requirements (without any relevant evidence with regard to these in the applications of any candidates). In these situations, there were no contextual signals that would cause decision-makers to moderate their hiring stance, or support negative stereotypes, despite clear job criteria. Decision-makers who had “suitable”, that is, ethnically similar candidates at hand, created additional job requirements that contravened Chinese candidate stereotypes and discounted their organisational and job fit.

While similar issues arose occasionally in the context of the high demand (nursing) position, they appeared in a distinct minority of cases, and reflected more job relevant concerns about ‘understanding common standards and protocols for medical procedures’, and comparability of client and system knowledge. This suggests, consistent with Kulik’s social categorisation model, that stereotypes were not broadly invoked for person-organisation fit considerations in the high-demand condition, and where concerns were expressed, this was more consistent with pre-specified selection requirements. Several participants noted that there were increased Chinese and other Asian patients and this would make Chinese nurses more valuable. In addition, the participant’s statements about the short-listing process for nurses focused on ‘dire need’, and ‘chronic shortages’, which required ‘screening in’ candidates, consistent with “motivated decision-making” as ‘even if they aren’t hired for this position, if they are good we’ll place them anyway’.

Overall, the interviews reinforced the dominance of stereotyping and social categories in the decision process. Consistent with the simulation results, however, ethnicity

driven employment disadvantage was moderated by perceived labour market scarcity and thus, employer need. That is, the ‘motivated’ decision-maker was more likely to “screen-in” minority candidates and to use job requirements to increase the “match” with ethnically diverse candidates. In low demand contexts, the converse occurred, decision-makers involved stereotypes to provide rationales for reduced person-organisation and person-job fit (even though the client demographic rationale, for example, is equally applicable to both the HR and nursing positions).

The interviews were also interesting in their lack of internal logic; ‘kiwi experience’ was preferred but so were UK migrants; migrants brought interesting experience and the ability to connect with patients, but not if they were from China, despite Chinese patients and job applicants outnumbering those from the UK in the healthcare system; and skills-based assessment only dominated when the situation was ‘dire’, but even then Chinese candidates – with equivalent objective skills (in qualifications, certifications and experience) – were less preferred.

Discussion

The purpose of this study was to investigate the effect of ethnicity and migration of applicants on selection decisions, in a context of high and low labour market demand. It is clear from the results that ethnicity of the applicants reduces preliminary selection outcomes at the screening stage. The findings indicate that applicants with Anglo-Saxon/European ethnicity have a higher perceived “fit” for the position, and organisation, and a higher probability of being short-listed, based on social categorisation, stereotyping, and resultant selection biases. On the other hand, Chinese applicants, particularly new migrants, are impacted by selection bias through stereotyping and social categorisation processes. These selection biases are moderated, but not completely eliminated, by labour market demand. This latter finding is one of the first demonstrations of the Kulik, Roberson and Perry (2007) model regarding social categorisation process in employment discrimination. The approach taken here is slightly different than Kulik et al.’s emphasis on internal sources of motivation for the decision-maker; in this research we have operationalised motivation as the result of external pressures on the selection decision, through perceived labour market shortages which result in ‘screening in’ of applicants rather than screening out, a differentiated approach with significant impact on selection outcomes.

Overall, these findings are consistent with the extant literature on influence of ethnicity on selection decisions, and in differing levels of “ethnic penalty” (Mace et al, 2005; Carmichael and Wood, 2000, Wilson et al, 2005). In particular, this research reinforces previous findings that Asian (particularly Chinese) applicants are penalised in Anglo-Saxon/European work settings (Ward and Masgoret, 2004; Wilson et al 2005) particularly when they are not engaged in ethnically-stereotypical jobs or industries. The lower perceived suitability of ethnic applicants may be explained by the concept of ethnic stereotyping which emphasises discriminatory or negative biasing effects of ethnicity (Taylor, 1981). Given that all applicants in the pool actually possessed more than the stated qualifications and experience for the job, average ratings for ethnic applicants that place them well below “suitable” (5-6 on the

7 point scale) suggests that the raters' bias is driven by ethnic schema rather than by objective differences in applicant or job characteristics.

More importantly, Kulik, Roberson and Perry's model and this research, begin the process of contextualising the process and outcomes of selection bias. Context is critical to understanding how stereotypes are both invoked and suppressed in employment decisions. While Kulik et al. (2007) focus on micro-level motivators, e.g. decision-maker attitudes, we have taken this to a higher level by looking at objective causes of differential framing and motivational orientation. This higher level of analysis is also important as the linear, rational decision-maker in the social categorisation model is focused primarily on engaging stereotypes in person-job fit, while we have demonstrated that decision-makers may also call upon person-organisation fit to differentiate candidates who are objectively equivalent in their fit to the job requirements.

We can also see partial multiplier effects in the interaction of migration and ethnicity. As Kulik and other authors have noted, while 'double jeopardy' is intuitively appealing, it is less commonly evidenced. Our findings give some insight into why this may be the case. First, the impact of migration is paradoxical, enhancing the human capital of those from the developed world, and reducing that of migrants from the developing world. Secondly, while theories of social categorisation assume that each category is considered consistently and independently, our research suggests that some categories are commingled, in particular with ethnicity and migration. For example, our interviewees had somewhat pejorative single labels for migrants from the UK ('poms') and for New Zealand-born Chinese ('bananas'). Where categories are commingled, they may not be easily disaggregated and singularly invoked as the categorisation model predicts. This is a gap in the model; while Kulik et al specifically theorise the potential for sub-categories, meta-categories which cannot be easily disaggregated are not incorporated in this theorising, but emerge anecdotally from this research programme.

Finally, while most models focus primarily on attitudes and judgment, we have extended this to areas of action, and demonstrated that external labour market pressures may reduce active discrimination in employment access, even though attitudinal barriers remain.

Conclusion

This study investigated the effects of ethnicity and recent migration to New Zealand on the perceived suitability of applicants for early career 'professional' positions in New Zealand, a country that is becoming increasingly ethnically diverse. The major finding is that the ethnicity of the applicant plays an important role in hiring decisions, and that this decisional bias involves a social categorisation process of stereotyping and stereotype-driven decision-making. Across ethnic groupings, penalties appear to apply to immigrants, with non-Anglo-Saxon applicants being penalised for recent migration, and Anglo-Saxon migrants being advantaged. The findings show that ethnic minority applicants, particularly migrants, have reduced access to the labour market and are less likely to advance to the next stage of the selection process. Consistent with policy statements, however, tight labour markets,

characterised by widely acknowledged talent scarcity, do reduce barriers to employment entry. This reinforces the importance of contextual factors, and employer “motivation” in selection bias, and supports the theoretical importance of social categorisation models in understanding selection biases and stereotype drive decisional biases.

This study, however, has several research limitations. As part of a larger, longitudinal research programme, we have focused on a single aspect of the research – namely ethnic penalty and perceived talent shortages. We are assessing only one non-majority ethnicity, and Asian migrants, particularly those from China and Southeast Asia have experienced demonstrable labour market disadvantage in most OECD countries, including New Zealand (Massey et al, 1998; Wilson et al 2005). This is a compromise occasioned by limited access to relevant managers, and the need to constrain the research parameters to ensure the ability to test the hypothesised relationships. We have attempted to address the normal limitations of survey-based research, by using a quasi-experimental simulation approach, combined with an in-depth interview to balance policy-capturing approaches. This is still dealing with only a limited number of managers, albeit that these are representative decision-makers who are ‘gate-keepers’ in the larger national labour market. The research programme considers many other moderating factors, including rater ethnicity, and organisational demography, but these are not reported here.

Nonetheless, this study has implications for both managers and professional leaders in healthcare. In particular, this research suggests that employment discrimination persists, potentially overwhelming our ability to accurately perceive the talent and skills presented by diverse applicants. As the workforce becomes more ethnically diverse, issues of relative discrimination and opportunities for injustice persist and may increase. Apart from increased awareness to combat stereotyping and focus selection on clearly written skill-based criteria, the findings of this research suggest that raising awareness of skill shortages and encouraging a ‘screen in’ rather than ‘screen out’ orientation to short-listing may improve the diversity of the labour pool. For job seekers, in many cases it is too late to switch careers to an area of skill shortage (though this would be a potentially effective strategy), but in light of the findings, reduction of ethnicity cues, and increased visibility and salience of job skills that meet stated criteria may enhance employability.

REFERENCES

- Arvey, R.D. and Renz, G.L. (1992). Fairness in the selection of employees. *Journal of Business Ethics*, 11(5-6): 331-340.
- Bart, B. D., Hass, M. E., Philibrick, J. H., Sparks, M.R., and Williams, C. (1997). What's in a name? *Women in Management Review*, 12 (8): 299-307.
- Bendick, Jnr. M., Jackson, C., Reinoso, V., and Hodges, L. (1991). Discrimination against Latino job applicants: A controlled experiment, *Human Resource Management*, 30: 469-84.
- Bertrand, M., and Mullainthan, S. (2003). Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination, *Working paper series* May 27 03-22., University of Massachusetts.
- Blackaby, D. H., Leslie, D. G., Murphy, P. D. and O'Leary, N. C. (1999), Unemployment among Britain's ethnic minorities, *Manchester School*, 67, 1-20.
- Bodenhausen, G.V. and Macrae, C.N., (1998). Stereotype activation and inhibition. In: Wyer Jr., R.S., Editor, , 1998. *Stereotype activation and inhibition: Advances in social cognition* Vol. 11, Lawrence Erlbaum Associates, Mahwah, NJ, pp. 1-52.
- Brewer, M.B. (1988). A dual process model of impression formation. *Advances in Social Cognition*, 1: 1-36.
- Brown, C., and Gay, P. (1985). *Racial Discrimination: 17 years after the act*, London, Policy Studies Institute.
- Carmichael, F., and Woods, R. (2000). Ethnic Penalties in Unemployment and Occupational Attainment: evidence for Britain. *International Review of Applied Economics*, 14(1): 71-81.
- Chang, S. and Kleiner, B.H. (2003). Common racial stereotypes. *Equal Opportunities International*, 22(3): 1-9.
- Deaux, K. (1995). How basic can you be? The evolution of research on gender stereotypes. *Journal of Social Issues*, 51(1): 11-20.
- Dipboye, R. L., Fromkin, H. L., and Wiback, K. (1975). Relative importance of applicant sex, attractiveness, and scholastic standing in evaluation of job applicant resumes. *Journal of Applied Psychology*, 60:39-43.
- Eagly, A.H., Makhijani, M.G. and Klonsky, B.G. (1992). Gender and the evaluation of leaders: A meta-analysis. *Psychological Bulletin*, 111: 3-22.
- Esmail, A., and Everington, S. (1993). Racial discrimination against doctors from ethnic minorities, *British Medical Journal*, 36: 691-2.
- Esmail, A., and Everington, S. (1997). Asian doctors are still being discriminated against. *British Medical Journal*, 314:1619.

- Finkelstein, L.M., Burke, M.J. and Raju, N.S. (1995). Age discrimination in simulated employment contexts: An integrative analysis. *Journal of Applied Psychology*, 80: 652-663.
- Firth, M. (1981). Racial discrimination in the British labour market. *Industrial and Labour Relations Review*, 34:265-272.
- Fiske, S.T. and Taylor, S.E. (1991). *Social cognition* (2nd ed.), New York: McGraw-Hill.
- Fryer, R.G., and Lewitt, S.D. (2004). The causes and consequences of distinctively Black names. *The Quarterly Journal of Economics*, 109 (3): 767-809.
- Hakel, M.D., Ohnesorge, J.P., and Dunnette, M.D. (1970). Interviewer evaluations of job applicants' resumes as a function of the qualifications of the immediately preceding applicant: An examination of contrast effects. *Journal of Applied Psychology*, 54: 27-30.
- Heilman, M.E. and Martell, R.F. (1986) Exposure to Successful Women: Antidote to Sex Discrimination in Applicant Screening Decisions? , *Organizational Behavior and Human Decision Process* 37: 376-390.
- Hubbuck, J., and Carter, S. (1980). *Half a chance? A report on job discrimination against Young Blacks in Nottingham*. London: Commission for Racial Equality
- Johnson, R.W., and Neumark, D. (1997). Age discrimination, job separations and employment status of older workers. *The Journal of Human Resources*, 32 (4): 779-813.
- Johnston, M. (2003 June 25). Ad firms lead campaign to fight racism towards immigrants, *New Zealand Herald*, <http://www.nzherald.co.nz/index.cfm?ObjectID=3508848> retrieved on 15 July 2004.
- Jowell, R., and Prescott-Clarke, P. (1970). Racial discrimination and white collar workers in Britain. *Race*, 11:397-417.
- Kalin, R., and Rayko, D.S. (1978). Discrimination in evaluative judgments against foreign accented job candidates. *Psychological Reports*, 43:1203-1209.
- Kulik, C., Roberson, L. and Perry, E. (2007) The multiple-category problem: Category activation and inhibition in the hiring process. *Academy of Management Review*, 32(2) 529-548.
- Landy, F.J. and Bates, F. (1973). Another look at the contrast effect to the employment interview. *Journal of Applied Psychology*, 58: 141-144.
- Mace, K., Atkins, S., Fletcher, R., and Carr, S. (2005) Immigrant job hunting, labour market experiences and feelings about job satisfaction in New Zealand: An exploratory study. *New Zealand Journal of Psychology* 34 (2) 97-110.

- McDonald, T., and Hakel, M.D. (1985). Interviewers' decision as a function of applicant, race, applicant quality and interviewer prejudice. *Personnel Psychology*, 35:163-174.
- Macrae, C.N. and Bodenhausen, G.V. (2001). Social cognition: Categorical person perception. *British Journal of Psychology*, 92: 239-255.
- Modood, T. (1997). *Ethnic Minorities in Britain*. London, Policy Studies Institute.
- Massey, D., Arango, J. Hugo, G., Kouaouci, A., Pellegrino, A, and Taylor, J.E. 2005. *Worlds in Motion: Understanding International Migration at the End of the Millennium*. Oxford, Clarendon Press.
- Mullins, W. T. (1982). Interviewer decisions as a function of applicant race, applicant quality and interviewer prejudice. *Personnel Psychology*, 35:163-174.
- Reza, A.G; Marin, A., and Wadsworth, J. (2002). Gays' Pay in the U.K, Royal Economic Society Annual Conference 2002,8, Royal Economic Society, U.K.
- Scaife, A., (2004, March 5). Job hunters lay blame on names. *Central Leader*, pp. 3
- Singer, M. S., and Eder, G. S. (1989). Effects of ethnicity, accent, and job status on selection decisions. *International Journal of Psychology*, 24, 13–34.
- Singer, M., and Bruhns, C. (1991). Relative effect of applicant work experience and academic qualification on selection interview decisions: a study of between-sample generalizability. *Journal of Applied Psychology*, 76 (4): 550-9.
- Smith, L. (1996). Unique names and naming practices among African-American families. *The Journal of Contemporary Human Services*, 77(5): 290-297.
- Spoonley, P. (1978). The Multicultural workforce: The role of gatekeepers. *New Zealand Journal of Industrial Relations*, 3 (2): 63-70.
- Statistics New Zealand. (2006). *Demographic Trends*. Wellington, New Zealand: Government Printing Office.
- Stewart L. D., Perlow R., (2001). Applicant race, job status, and racial attitude as predictors of employment discrimination. *Journal of Business and Psychology* 16: 259–275.
- Taylor. S.E. (1981). A categorization approach to stereotyping. In: D.L. Hamilton (ed.), *Cognitive processes in stereotyping and intergroup behavior*. Hillsdale, NJ: Erlbaum, pp. 83-114.
- Ward, C., and Masgoret, A-M. (2004). Immigrants employment: A study of recruitment agencies' responses to New Zealand and Chinese candidates. <http://www.vuw.ac.nz/cacr/research/immigrant.aspx> accessed on 20 November 2004.

Watts, N., and Trlin, A. (1999). Cultural resources of immigrants and international business in New Zealand, *New Zealand Population Review*, 25, 119-132.

Willis, E., Willis, L., and Grier, J. (1982). Given names, social class and professional achievement. *Psychological Reports*, 51:543-9.

Wilson, M., Parker, P. and Kan, J. (2007). Age biases in employment: Impact of talent shortages and age on hiring. *The University of Auckland Business Review*, 9(1) 33-41.

Wilson, M., Gahlout, P., Liu, L., and Mouly, S. (2005). A rose by any other name: The effect of ethnicity and name on access to employment. *The University of Auckland Business Review*, 7(2) 65-72.

¹ Rather than skin colour or race, which are common categorizations in US and UK research, this research focuses on ethnic groupings. While acknowledging that there are many Asian and Commonwealth ethnicities and identities, we have adopted the meta-terms, Anglo-Saxon and Chinese to refer to large ethnic groupings. The term Anglo-Saxon is closely aligned with the 'Pakeha' label in New Zealand to denote those of Anglo-Saxon heritage, primarily light-skinned, English speaking peoples. Chinese is used as an encompassing terms for the multiple ethnicities in the PRC and related economic zones, with a heritage that includes identification with the majority and minority ethnicities and language groups of these regions

¹ Rather than skin colour or race, which are common categorizations in US and UK research, this research focuses on ethnic groupings. While acknowledging that there are many Asian and Commonwealth ethnicities and identities, we have adopted the meta-terms, Anglo-Saxon and Chinese to refer to large ethnic groupings. The term Anglo-Saxon is closely aligned with the 'Pakeha' label in New Zealand to denote those of Anglo-Saxon heritage, primarily light-skinned, English speaking peoples. Chinese is used as an encompassing terms for the multiple ethnicities in the PRC and related economic zones, with a heritage that includes identification with the majority and minority ethnicities and language groups of these regions