

## Workshop Factorial Designs in Recruiter Surveys

9<sup>th</sup> of November 2016, University of Bern, Switzerland

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9h25 – 9h30	<b>Ben Jann &amp; Christian Imdorf</b> (University of Bern) Welcome address	<b>Unitobler Room F-105</b> Basement floor
9h30–10h15	<b>Andreas Damelang</b> (University of Erlangen) <i>Improved employment chances for skilled immigrants? A factorial survey on the acceptance of officially recognized foreign certificates in German firms</i>	Unitobler Room F-105
10h15–11h15	<b>Giuliano Bonoli, Flavia Fossati, Fabienne Liechti &amp; Daniel Auer</b> (University of Lausanne) <i>The effect of active labour market policy participation and immigration background on employer's hiring intent: evidence from a survey experiment in Switzerland</i>	Unitobler Room F-105
11h15–11h30	COFFEE BREAK	
11h45–12h45	<b>Oliver Lipps, Patrick Mc Donald &amp; Daniel Oesch</b> (University of Lausanne) <i>Child premia and child penalties in the recruitment process. Results from a factorial survey in Switzerland</i>	Unitobler Room F-105
12h45–13h45	LUNCH BREAK	
13h45–14h45	<b>Christian Imdorf<sup>1,2</sup>, Stefan Sacchi<sup>1,2</sup>, Robin Samuel<sup>3</sup> &amp; Lulu Shi<sup>1</sup></b> (Universities of Basel <sup>1</sup> , Bern <sup>2</sup> , and Luxembourg <sup>3</sup> ) <i>Studying Scarring Effects Using Factorial Designs: Rating or Ranking?</i>	Unitobler Room F-105
14h45–15h00	COFFEE BREAK	
15h00–16h00	<b>Didier Ruedin</b> (University of Neuchatel) <i>When immigrants are preferred: A case of positive discrimination in hiring</i>	Unitobler Room F-105
16h00–17h00	<b>Ulf Liebe<sup>1</sup> &amp; Benita Combet<sup>2</sup></b> (University of <sup>1</sup> Bern and <sup>2</sup> Lausanne) <i>The potential of using stated choice experiments to study employers' hiring behavior</i>	Unitobler Room F-105
17h15–18h00	APERITIF @ Institute of Sociology, <b>Campus von Roll</b>	<b>Areal von Roll Fabrikstr. 8</b> 1 <sup>st</sup> floor
18h15–19h45	<b>Valentina Di Stasio</b> (University of Oxford) <i>Who is ahead of the labor queue? Institutions and employers' perspective on overeducation, undereducation and horizontal mismatches</i>	<b>Areal von Roll Room B 305</b> 3 <sup>rd</sup> floor

To register for attending the workshop please write to [christian.imdorf@soz.unibe.ch](mailto:christian.imdorf@soz.unibe.ch)

## Abstracts

### **Improved employment chances for skilled immigrants? A factorial survey on the acceptance of officially recognized foreign certificates in German firms**

*Andreas Damelang, Martin Abraham, Sabine Ebensperger & Felix Stumpf (University of Erlangen)*

With the "Recognition Act" in 2012, Germany introduced a standardized procedure to assess and recognize foreign vocational and professional qualifications. This procedure is intended to formally help employers with the identification of equivalent foreign and German vocational and professional qualifications. Yet, it is unclear in how far firms – the central gatekeepers of the labour market – actually rely on the results of this official instrument. Our research question is therefore whether the official confirmation of equivalent foreign qualifications will, *ceteris paribus*, actually lead to equal chances in application and hiring processes. More generally, we investigate whether formal professional recognition enables foreigners to access qualified labour market segments more easily.

To answer these questions, we employ a factorial survey. The basic idea here is to present firms hypothetical foreign applicants for a job position as a logistics manager. The characteristics of the applicants and their degrees are experimentally varied. To be able to differentiate between signalling and productivity effects of professional recognition as perceived by employers, we enquire the likelihood of an invitation for a job interview and the training requirement for each applicant. For a detailed analysis, the applicants come either with a German vocational training degree or a foreign qualification, the latter either without any official evaluation or with partial or full recognition as an equivalent to a German degree.

The survey was conducted among a representative sample of all German firms which employ at least one logistics manager. We are able to show that the official accreditation of foreign degrees provides a positive motivational signal for employers, which increases the employment chances of skilled immigrants compared to applicants who do not seek any recognition in this occupation. However, we also find that the official recognition does not have any effect regarding the productivity assessment by German firms.

### **The effect of active labour market policy participation and immigration background on employer's hiring intent: evidence from a survey experiment in Switzerland**

*Giuliano Bonoli, Flavia Fossati, Fabienne Liechti & Daniel Auer (University of Lausanne)*

It is well known that immigrants are generally overrepresented in most statistics concerning labour market disadvantage. Therefore, they are also disproportionately affected by policies that aim at reintegrating unemployed individuals into the labour market. However, we know relatively little about how employers value participation in such measures for their hiring decisions and especially whether these can mitigate immigrants' labour market disadvantage. On the basis of a factorial survey experiment, we simulated a hiring process for three positions, a low and mid- and high skilled one, i.e. a job as care-taker, HR-assistant and accountant, respectively. Recruiters were asked to evaluate fictional candidates, which differ, among others, in their immigrant background and participation in active labour market programmes (ALMP), in terms of hireability and wages.

Our results show that both ALMP-participation and the immigration background of a candidate influence employers' rating. Participation in a training programme, as well as being available for a wage subsidy, increases candidate's probability to get invited for a job interview. Participating in a none-adapted employment programme, i.e. one which is not related to skills that are useful to or match the skill level of the candidate, has a negative impact. For the accountant position employers are less likely to invite a candidate with a foreign background than a Swiss one. For the other two positions, i.e. HR-assistant and care taker, all foreign candidates except the Spanish one are evaluated less positively than the Swiss. Moreover, overall our results show that the disadvantage experienced by immigrant groups cannot be compensated by participation in ALMP measures.

## **The wage penalty for motherhood: evidence from panel-data and a survey experiment in Switzerland**

*Oliver Lipps<sup>1</sup>, Patrick McDonald<sup>2</sup> & Daniel Oesch<sup>2</sup> (<sup>1</sup>FORS, <sup>2</sup>University of Lausanne)*

An increasing body of research suggests that there is a wage penalty for motherhood. Unlike fathers who tend to earn more than other men, mothers earn less than other women. While differences in human capital, job properties and work experience go some way in explaining these wage gaps, most studies still find a non-trivial unexplained wage residual and thus a wage penalty for motherhood. This wage penalty may arise from two different sources: from the (unmeasured) effects of motherhood on productivity or from employer discrimination. The big challenge faced by this literature is to come up with direct measures of productivity or discrimination.

We take up this challenge by analysing the wage penalty of motherhood for Switzerland on the basis of two data sources. We first use the Swiss Household Panel 1999-2014 and fixed-effects models to determine the size of the unexplained wage residual after controlling for differences in human capital and job characteristics. We then resort to a factorial survey experiment where we ask 500 HR professionals in Switzerland to give us an estimate of the adequate wage for fictional job candidates who solely differ in terms of having 0, 1, 2 or 3 and more children.

Our first and very tentative panel-data results indicate that having children are associated with a residual wage penalty of 5 to 8 per cent for mothers and a small residual wage premium of 1 to 2 per cent for men (see Murphy and Oesch 2016: 1249-50). Analyses based on a small subsample of the factorial survey experiment suggest that these wage residuals are driven by discrimination: for otherwise identical profiles, having children leads to higher wages for male job candidates, but to lower wages for female candidates.

## **Studying Scarring Effects Using Factorial Designs: Rating or Ranking?**

*Christian Imdorff<sup>1,2</sup>, Stefan Sacchi<sup>1,2</sup>, Robin Samuel<sup>3</sup>, & Lulu Shi<sup>1</sup> (Universities of Basel<sup>1</sup>, Bern<sup>2</sup>, and Luxembourg<sup>3</sup>)*

Early job insecurity is a much-discussed topic across European countries. Research overwhelmingly found that being unemployed after graduation affects employment chances and also future wages negatively, other research, however, did not find such scarring effects. Some of this mixed evidence may be due to the different ways in which data were collected. Evaluating the effects of potentially stigmatizing applicant characteristics on hiring chances, such as previous unemployment spells, is known to be prone to social desirability bias. Factorial survey experiments (FSE) and forced choice experiments (FCE) have been suggested to alleviate some of these problems.

In this workshop contribution, we gauge the capability of FSE and FCE to estimate effects of early career unemployment spells on recruiters' hiring decisions. Using data obtained from a survey with sequentially implemented FSE and FCE with 2000 recruiters in Bulgaria, Greece, Norway, and Switzerland we compare FSE and FCE using multilevel linear regression models and multilevel probit models with random effects. Our preliminary results suggest that FCE may be better suited to gather valid data with minimal social desirability bias.

## **When Immigrants are Preferred: A Case of Positive Discrimination in Hiring**

*Didier Ruedin (University of Neuchatel)*

*Objective:* Find out what drives discrimination in hiring decisions. The project replicates the analysis reported in Baert & De Pauw (2014), and extends it to differentiate between jobs requiring different skills levels. *Methods:* The project uses two online experiments with students and the general population. *Results:* Participants prefer the immigrant candidate in all instances, irrespective of the skills level required. *Conclusion:* Recruiters do not universally discriminate against individuals with immigrant names, and in some cases seem to prefer them for specific occupations.

## **The Potential of Using Stated Choice Experiments to Study Employers' Hiring Behavior**

*Ulf Liebe & Benita Combet (Universities of Bern and Lausanne)*

Multifactorial survey experiments, namely, factorial survey experiments (FSEs) are increasingly used to better understand and explain hiring processes in the labor market. We provide an introduction to the multifactorial survey method of stated choice experiments (SCEs). In SCEs respondents choose between at least two alternatives, which vary in their attributes, the alternative they prefer most. Since in the hiring process employers choose between applicants this method might mirror decision making in the labor market more closely than FSEs.

## **Who is ahead of the labor queue? Institutions and employers' perspective on overeducation, undereducation and horizontal mismatches**

*Valentina di Stasio (University of Oxford)*

Using a harmonized factorial survey, this study compares employers' assessments of matched and mismatched job applicants in England and the Netherlands. It contributes to the overeducation literature in several ways. First, matching is measured from the perspective of employers, who are better informed about job requirements than employees. Second, overeducated applicants are compared to matched applicants competing for the same job opening. This shift in focus towards applicant pools is necessary to properly test whether overeducation is rewarded during the hiring process, the central tenet of job competition theory. Third, vertical and horizontal mismatches are analyzed jointly: this more fine grained differentiation refines sociological perspectives on credentialism and reveals the complex ways in which employers assign applicants to jobs. Results show that Dutch employers apply more rigid hiring floors and more strongly penalize horizontal mismatches: compared to England, in the Netherlands overeducation cannot compensate for the lack of occupation-specific training.