



Diversity, inclusion and discrimination in the labour market

Amanda Heath

Researcher

Department of Psychology and Diversity in the Labour Market group

Linnaeus University

amanda.heath@lnu.se

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Overview

- Diversity and inclusion
- Benefits and challenges of diversity
- Barriers to inclusion: prejudice, stereotyping, implicit biases, and discrimination
- Encouraging more diversity, promoting inclusion

Society is diverse

Globalization and immigration mean that multicultural organizations are increasingly the norm

- In 2019, there were 169 million international migrant workers in the world and they constituted 4.9 per cent of the global labour force in the destination countries. These international migrant workers made up approximately 69 per cent of the world's international migrant population of working age (aged 15 and over) in 2019 (ILO, 2021)

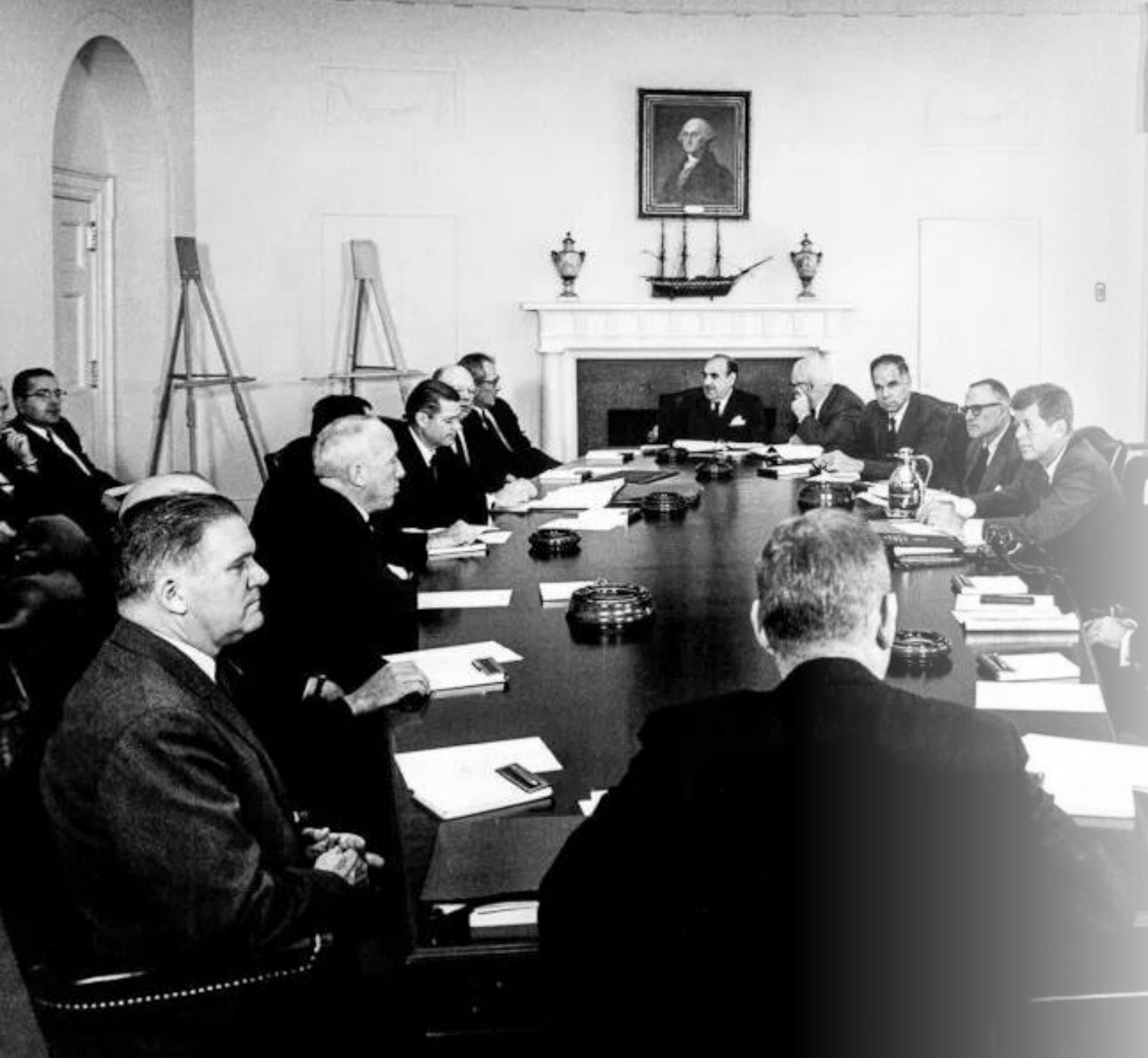


Types of diversity

- Age
- Gender
- Gender identity
- Disability
- Ethnicity
- Sexual orientation
- Neurodiverse
- Attractiveness
-
- There are a lot of group differences, some of which are protected in anti-discrimination law, but still many more individual differences

Diversity and inclusion (DI)

- Sometimes EDI or DEI – which stands for Diversity Equality/or Equity and Inclusion
- How does 'equality' and 'equity' differ in meaning?
- Inclusion refers to an environment where everyone feels respected and valued, and has equal opportunities, regardless of their background or identity



The dangers of homogeneity: Groupthink

Irving Janis (1972, 1982)

- Cohesive in-group, striving towards agreement and unity
- Cannot see alternative courses of action
- Shared illusions and in-group norms that hinder critical thinking and reality testing
- Dangerous in-group behaviour and decision making
- Ignoring those outside of the group

Groupthink is possible in many cohesive groups, but much more likely in a homogenous group (where people are the same age, background etc)

Leads to unethical decisions or risky decisions
(Challenger Shuttle disaster
<https://www.youtube.com/watch?v=8mCKhj6oU60>)

For diversity and inclusion

- Avoid groupthink
- Social justice
- Comply with law
- Enhance organization image - branding
- Strengthen customer orientation – diverse clients require diverse orgs
- Increase employee satisfaction and engagement
 - Culturally diverse teams are more satisfied (Stahl et al, 2009)
 - Millennials' engagement linked with inclusive work culture (Deloitte, 2015)
- Cognitive diversity = better problem solving
 - Phillips, Northcraft & Neale (2006) diverse groups outperformed homogenous
 - Freeman & Huang (2014) Web of Science articles 1985-2008 - impact factors and citations
- Diverse teams more creative, though longer time and more conflict (Bodla, Tang, & Tien, 2016; Patricio & Franco, 2022)
- Attract the best employees
 - Glassdoor (2014) survey, 65% said a diverse workforce is an important factor when evaluating companies and job offers
 - Wider pool of talent to select from



Financial benefits of diversity

- Herring (2009) companies reporting the highest levels of racial diversity brought in nearly 15 times more sales revenue on average than those with the lowest levels of ethnic diversity. Also related to market share of company.
- Higher levels of gender diversity of boards of FTSE 350 (top UK public companies) positively correlate with better financial performance
- McKinsey surveys 2015/18/20/23: Correlation between diverse leadership teams and financial performance. Companies in the top quartile of racial/ethnic diversity were 35 percent more likely to have financial returns above their national industry median. Companies in bottom quartile for racial and gender diversity were significantly more likely to return above average financial performance.
 - Has been criticised, correlational design, which way round causation



Challenges with diversity

- Group cohesiveness and less conflict in homogenous groups (Williams & O'Reilly, 1998)
- Homogenous groups communicate more and in a greater variety of ways (Earley & Mosakowski, 2000).
- Misunderstandings and conflict (conflict has good and bad sides)
 - task conflict may increase performance, and personal conflict may decrease performance (Jehn, Chadwick, & Thatcher, 1997, Jehn et al <https://www.researchgate.net/profile/Margaret-Neale/publication/248439051>)
 - process loss (more conflict, time) and process gains (more creativity and innovation) in culturally diverse teams (Patricio & Franco, 2022; Stahl et al, 2009)



- Higher staff turnover, i.e. people leaving the organization (Mazur, 2010), probably associated with discrimination and integration problems (with in-groups)

Diverse groups need to be managed



Barriers to increasing inclusion

Causes of underrepresentation

- Personal – different interests
- Leaky pipeline (e.g. competitive workplaces, Flory, Leibbrandt & List, 2015)
- Discrimination and biases in selection by recruiters

A riddle

A father and son are in a car crash and are rushed to the hospital. The father dies. The boy is taken to the operating room and the surgeon says, "I can't operate on this boy, because he's my son."

How is this possible?

40-75% of people can't solve this riddle because they're unable to imagine the surgeon is a woman. The surgeon is the boy's mother.

Stereotypes and behaviour

“There is nothing more painful to me at this stage in my life than to walk down the street and hear footsteps... then turn around and see somebody white and feel relieved.”

Jesse Jackson, former US Democrat politician and civil rights activist





2018, Philadelphia, US

Protesters targeted a Philadelphia Starbucks on Monday after two black men were arrested last week when a store employee called police to say the men were trespassing.

The protests followed the release of a video that showed the two men being arrested after a store manager called the police because they were sitting in the store without placing an order. The two said they were waiting for a friend who arrived just as they were taken away in handcuffs.

Witnesses said the two were refused access to the bathroom because they had not made a purchase but that another customer had just used the bathroom without buying anything. Another said she had been there for hours without making a purchase.

As a result of the bad publicity, Starbucks announced they would close all their US stores for the day to send employees on unconscious bias training

Prejudice, stereotyping and discrimination



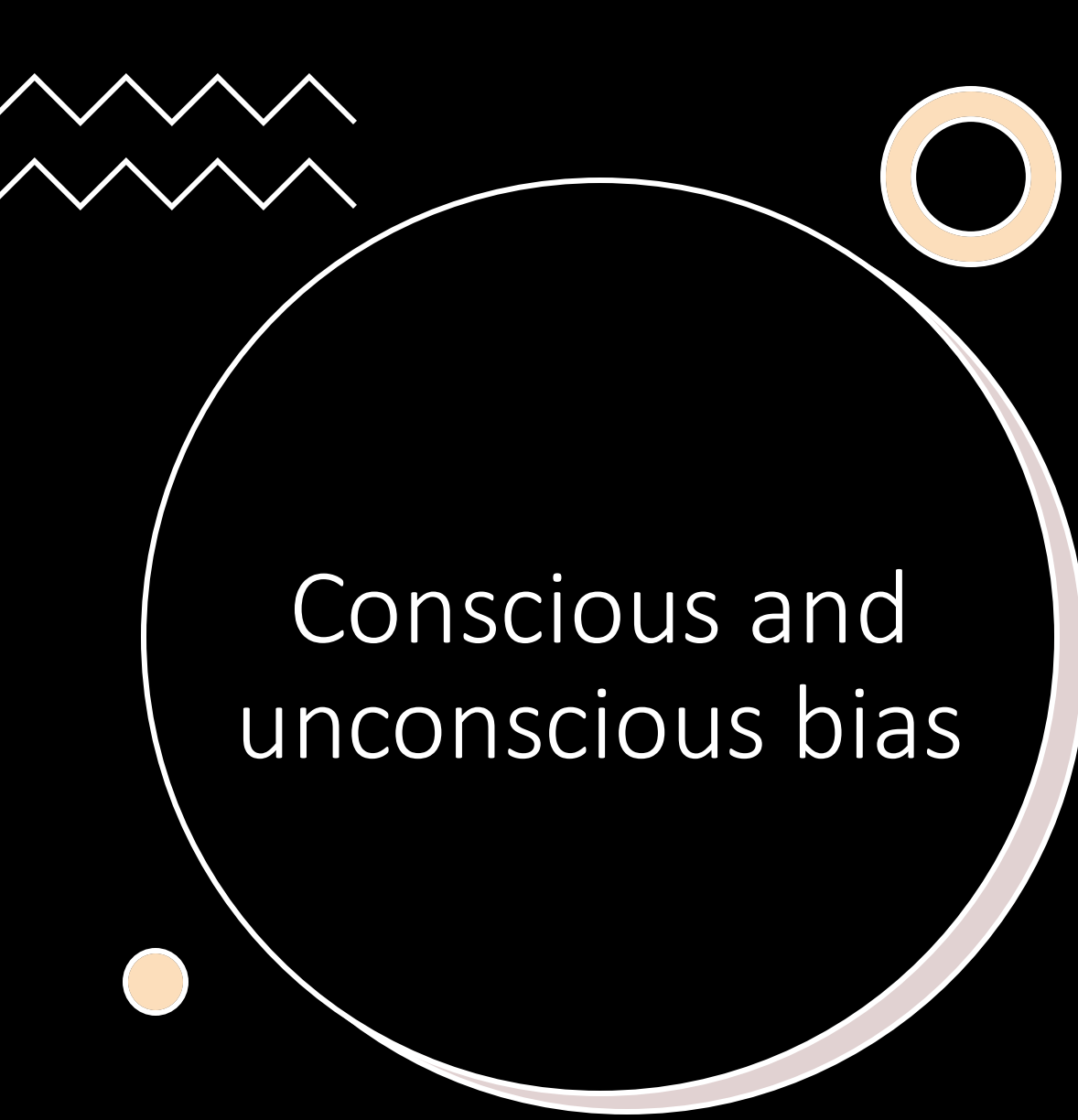
Prejudice: an attitude or a judgement ('valenced evaluative response' Correll et al) towards a group and its members. An individual-level bias that creates or maintains hierarchical status relations (Dovidio et al)



Stereotypes: category-based associations and beliefs about the typical characteristics and attributes of a group and its members



Discrimination: behaviour that creates, maintains, or reinforces advantage for some groups and their members over other groups and their members. Disparate treatment. Direct and indirect.



Conscious and unconscious bias

Explicit attitudes and stereotypes:

- Consciously held a/s that we deliberately think about and report
- Captured by self-report measures (e.g., Modern racism scale)

Implicit attitudes and stereotypes:

- Automatically activated a/s that people may not be aware of that they have
- Measured by response latency tests (e.g., Implicit Association Test, IAT)



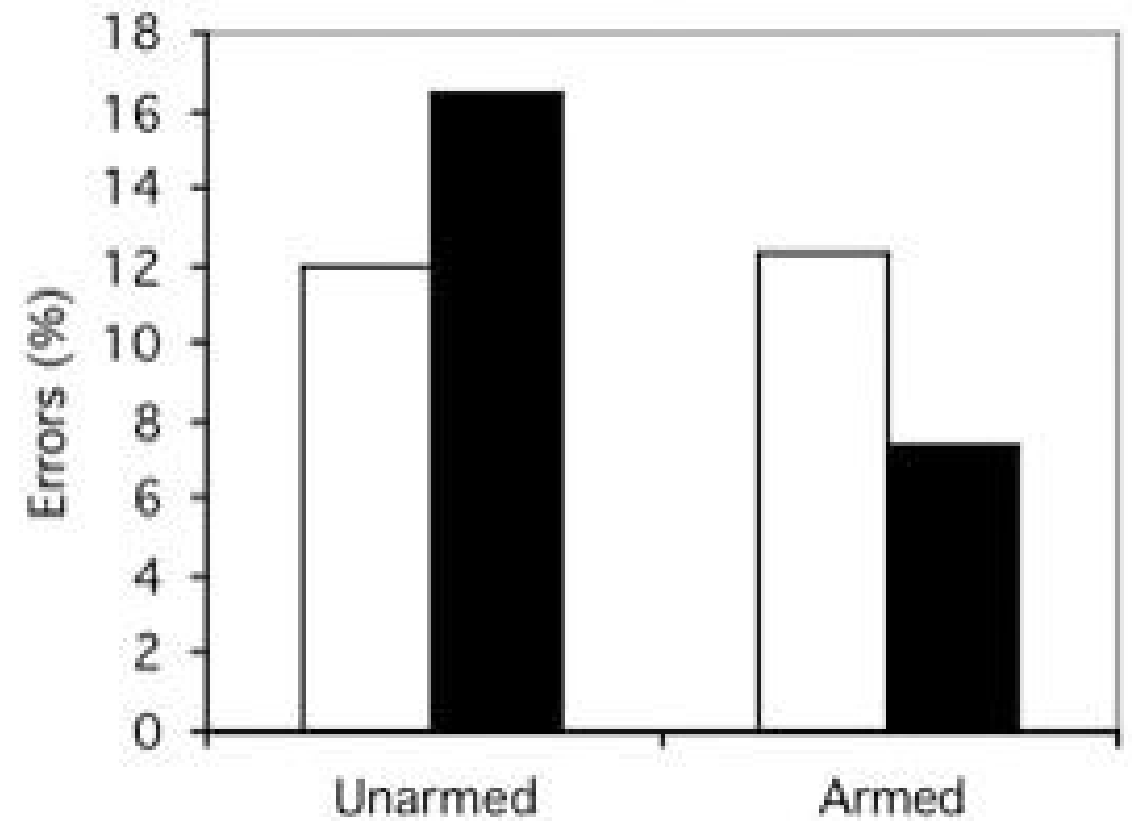
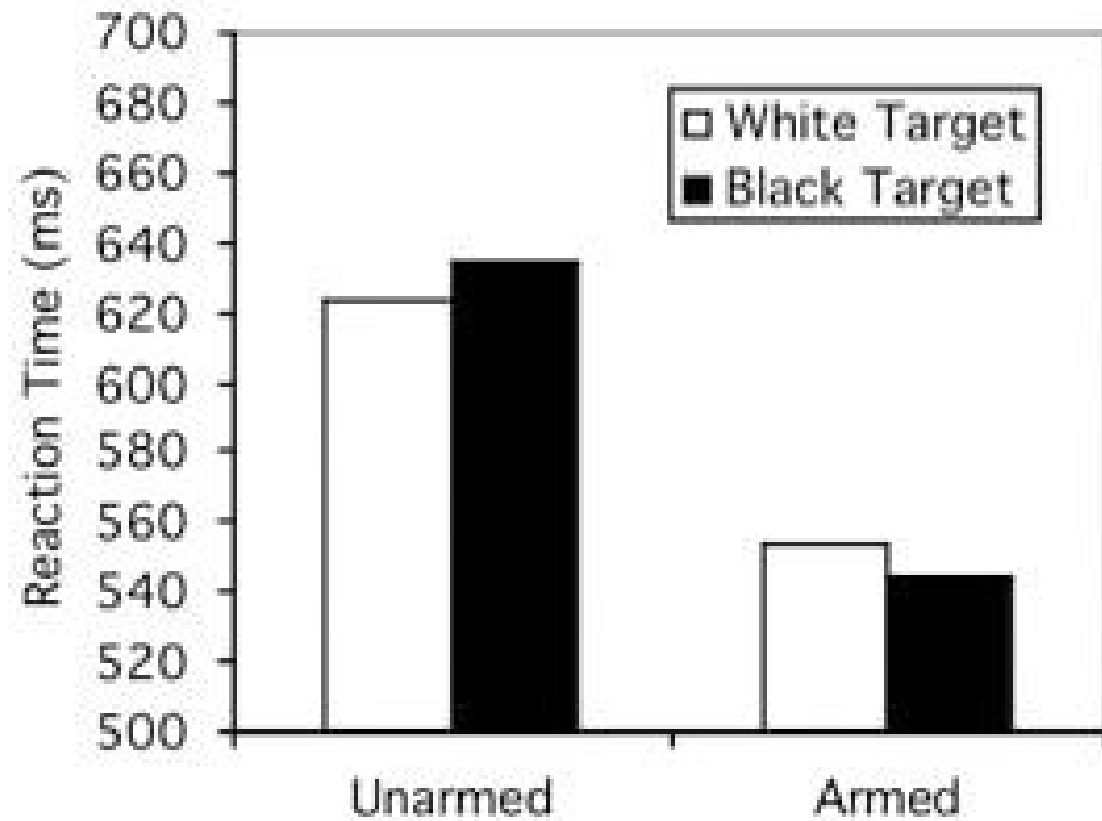


Rapid stereotype decision making bias: shooter studies Correll, Judd, Wittenbrink, 2002

- try the test yourself
<https://www.colorado.edu/lab/social-perception/research/police-officers-dilemma>

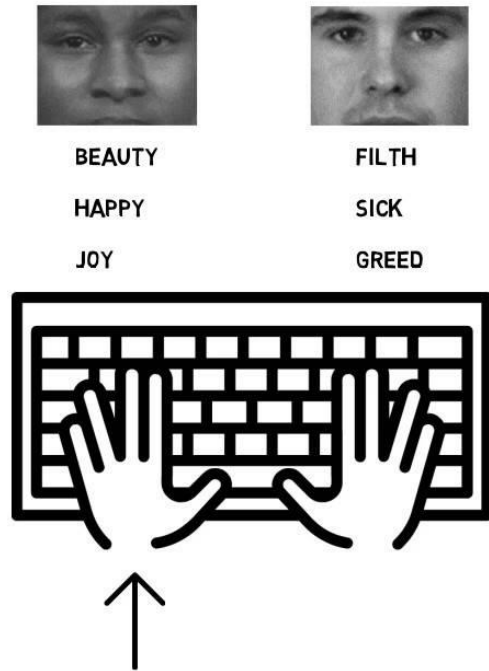
[Note: doesn't work on all browsers, can use on computer only. Press S(safe) and K (shoot) buttons]

Results

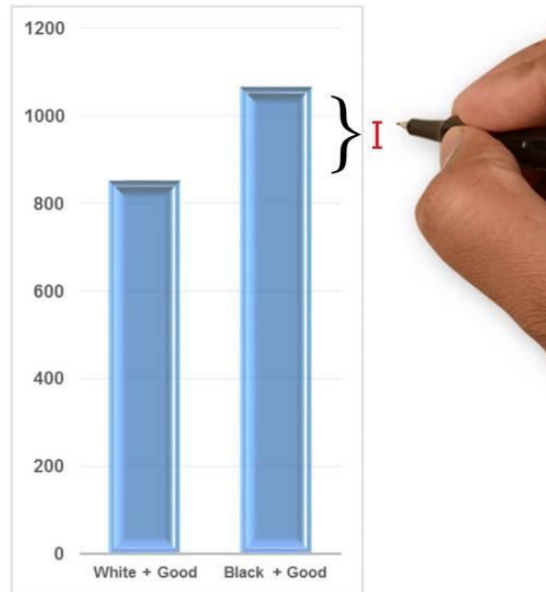


‘Unconscious bias training’ and The Implicit Association Test (IAT)

The Black - White Race Attitude Test

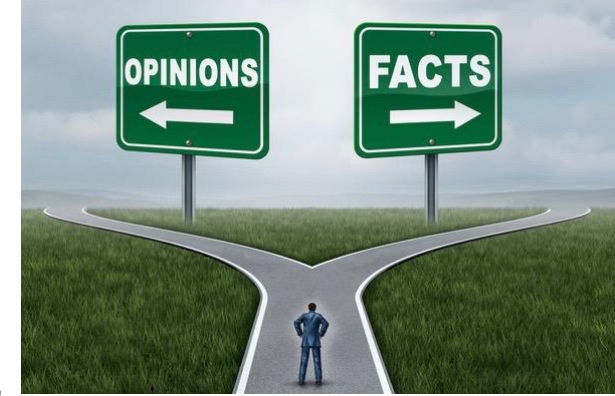


- <https://implicit.harvard.edu/implicit/takeatest.html>



- Mixed evidence on link with behaviour (discrimination)
- Best Agerström & Rooth (2011)
- No good evidence for efficacy of UBT

Recruitment and selection biases



- Outgroup homogeneity bias – ‘they are alike, we are diverse’
- Confirmation bias – look for things that confirm your original impression and ignore things that disconfirm
- ‘Similar to me’ biases/similarity attraction bias – favouring applicants who are like you or share your background
- (...and relatedly) Affinity bias - where you choose someone because you feel you have something in common with them, like personality
- Halo (positive) and Horn effects (negative)
- Expectation anchor (related to halo effect) – when we allow ourselves to anchor onto one certain piece of information about a candidate and use it as a comparison to make decisions (e.g. comparing applicants to the person in the job previously)

How to avoid biases?

- Clear job role specifications based on demonstrable skills
- Blind CV/resume screening
- Trained interviewers
- Standardised questions
- Decision or scoring criteria
- Work samples
- Third party recruiters



Research on diversity and discrimination in the labour market

Gender

In Nordic countries there is less evidence of gender discrimination against women and it some evidence of discrimination against men...

- positive responses to job applications 5% higher in women driven by female-dominated occupations. Men half as likely to receive an offer in these occupations. No differences in male-dominated and mixed occupations (Ahmed, Granberg & Khanna, 2021)
- Female recruiters or firms with a high share of female employees favour women in the recruitment process (Carlsson & Eriksson, 2019a)
- Six countries (Germany, Netherlands, Norway, Spain, UK, US) , fictitious applications, no evidence but male in female-dom (Birkelund, Lancee *et al*, 2022)
- STEM hiring
 - women and men STEM managers apply differential selection criteria when evaluating a female candidate: men demonstrating implicit in-group favouritism in their hiring decisions. The ability to work long hours was a more important criterion for male managers when evaluating a female candidate, whereas female managers gave greater importance to problem-solving ability, a more gender-equal criterion (Friedmann & Efrat-Treister, 2023)
 - Women are put off applying for job vacancies that use macho language (Wille & Derous, 2018)

A photograph of a long, rectangular table covered with a white tablecloth, set for a formal lunch. Numerous men, all appearing to be of white ethnicity and dressed in dark business suits, are seated along both sides of the table. The table is elegantly decorated with white linens, glassware, silverware, and small baskets of bread. Centerpieces of purple and white flowers are placed at intervals along the table. The setting is a modern room with large windows in the background, through which a cityscape is visible. The overall atmosphere is formal and professional.

95% of CEOs are white men

CEO lunch at the Munich Security Conference 2022

Stereotype fit

- Women tend to be evaluated more negatively in work domains that are presumed to require agentic traits (mastery: assertive, competitive), e.g., leadership positions, construction work
- Women tend to be evaluated more favourably in work domains that are presumed to require communal traits (relatedness: caring, emotional) e.g., elderly care, day care

So gender discrimination is complicated based on our stereotypes about what traits are required in different occupations

Sexual orientation

Ahmed *et al.* (2011) job applications to 4,000 employers in 10 different occupations in Sweden. Changed detail indicating sexual orientation in different applications

- gay male applicant was discriminated against in male-dominated occupations, lesbian applicant discriminated against in typical female-dominated occupations. Gay people to some extent face the same obstacles on the labour market as heterosexual women

<https://www.ifau.se/globalassets/pdf/se/2011/wp11-21-are-homosexuals-discriminated-against-in-the-hiring-process.pdf>

Aldén, Hammarstedt, & Swanhberg (2020) nationwide survey on job satisfaction. Gay men more likely to be satisfied with their job than heterosexual men. Lesbians were less satisfied with their job in general and promotion prospects

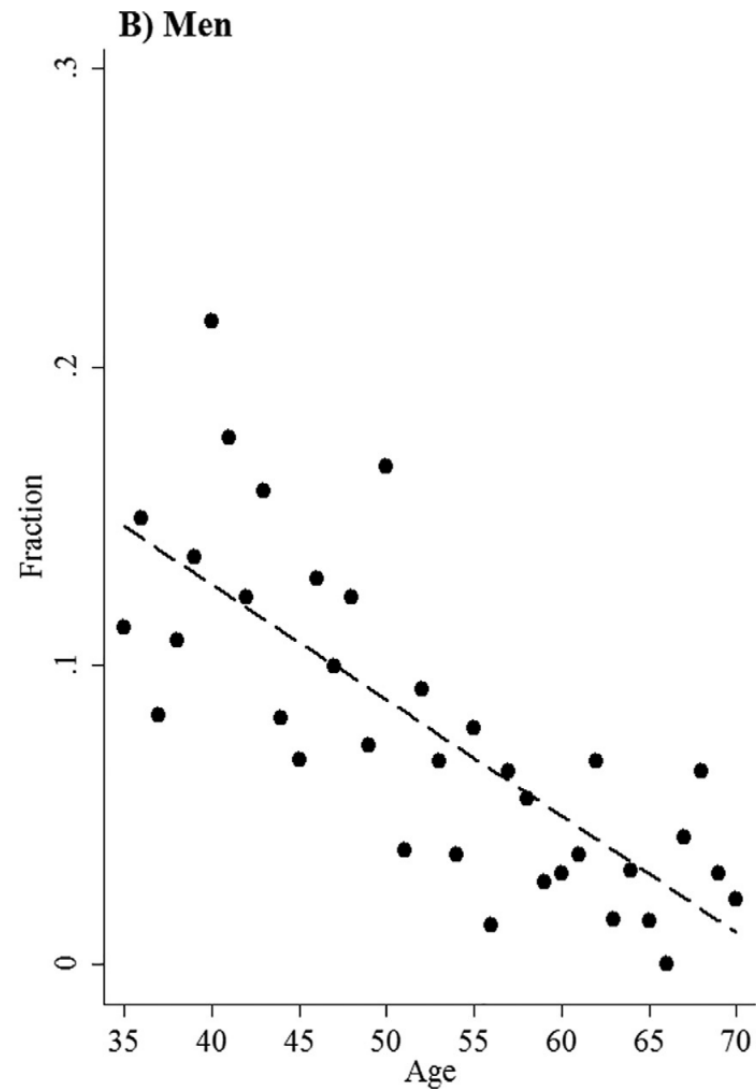
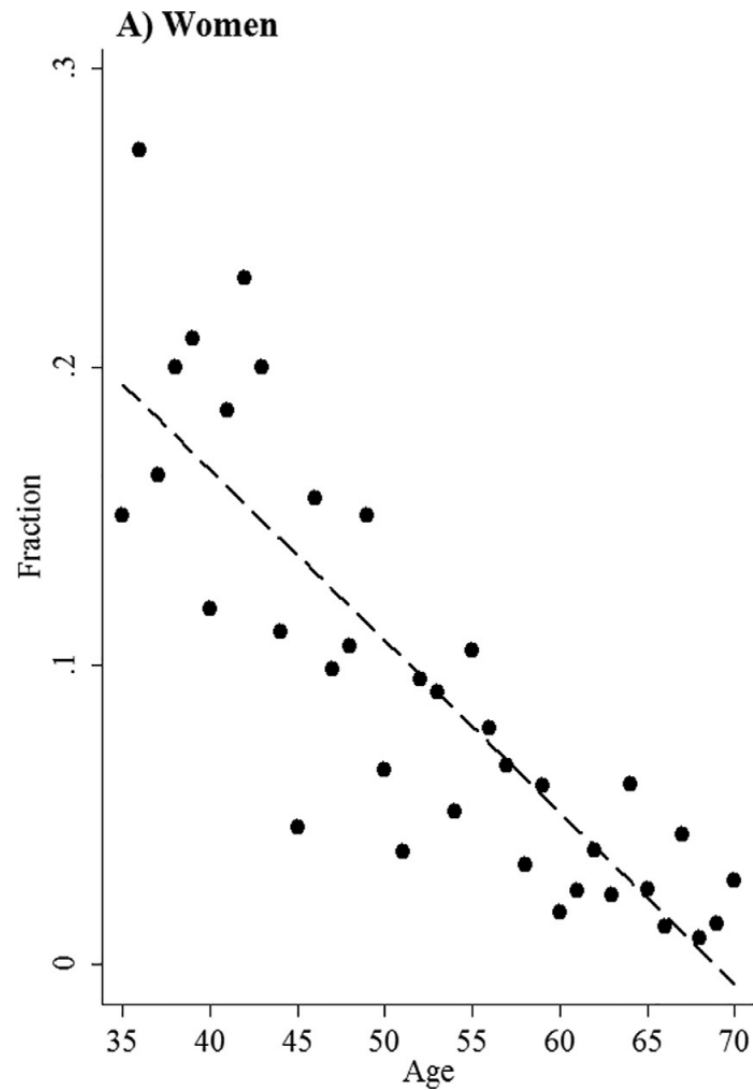
Ahmed & Hammarstedt (2021) customer and worker discrimination against gay and lesbian business owners (N= 1406).

- Respondents less positive to a restaurant opening with lesbian owners
- Less interested in an available job if the owners were gay men
- Participants increased their wage demands with lesbian owners and when the number of women among the owners increased in general

Age discrimination

Carlsson & Eriksson (2019b)

- field experiment, 6000 fictitious resumes randomly assigned information about age (35–70 years) sent to Swedish employers with vacancies in low- and medium-skilled occupations.
- Callback rate begins to fall substantially for workers in their early 40s and becomes very low for workers close to the retirement age.
- The decline in the callback rate by age is steeper for women than for men



Employer stereotypes about the ability to learn new tasks, flexibility, and ambition seem to be an important explanation for age discrimination

An aerial, high-angle photograph of a busy city intersection. The image shows multiple crosswalks with white diagonal stripes on a dark asphalt surface. Several vehicles, including cars and a bus, are visible, appearing blurred due to motion. Pedestrians are walking on the sidewalks. The overall scene conveys a sense of urban complexity and movement.

Multiple categories or
intersectionality

Rate each individual on a scale of 1-5 on

- How warm?
- How competent?

- Arab man
- Swedish man
- Swedish woman
- Arab woman
- Arab man 55-year-old Arab woman
- 30-year-old Swedish man
- 55-year-old Swedish man
- 55-year-old Arab man
- 30-year-old Arab woman
- 55-year-old Swedish woman

- 30-year-old Swedish woman
- 30-year-old Arab man
- Swedish homosexual man
- Swedish homosexual woman
- Arab homosexual woman
- Arab homosexual man

Multiple group membership

Strinic, Carlsson, & Agerström (2021)

This study used recruiters in Sweden

The Arab female is particularly badly judged but add the homosexual category and warmth and competence judgements increase

<https://www.researchgate.net/publication/343681330>

	Warmth	AD_M	SD	Competence	AD_M	SD
Reference categories						
Swedish man	3.20	.572	.60	3.91	.628	.67
Swedish woman	3.68	.557	.51	3.67	.562	.54
Arab man	2.96	.557	.57	3.32	.622	.62
Arab woman	3.27	.610	.62	3.00	.693	.84
Intersection with age						
30-year-old Swedish man	3.23	.556	.55	3.73	.627	.64
55-year-old Swedish man	3.04	.618	.61	3.82	.656	.69
30-year-old Swedish woman	3.61	.668	.69	3.71	.624	.60
55-year-old Swedish woman	3.76	.592	.62	3.44	.636	.58
30-year-old Arab man	2.99	.588	.63	3.41	.600	.58
55-year-old Arab man	2.94	.594	.63	3.19	.573	.60
30-year-old Arab woman	3.30	.617	.63	3.25	.690	.78
55-year-old Arab woman	3.16	.665	.73	2.74	.831	.94
Intersection with sexual orientation						
Swedish homosexual man	3.83	.535	.54	3.60	.604	.56
Swedish homosexual woman	3.28	.589	.56	3.58	.637	.60
Arab homosexual man	3.33	.685	.68	3.22	.682	.76
Arab homosexual woman	3.53	.667	.66	3.44	0.626	.64



Reducing factors that hinder inclusion

- Holistic approach is required to increase inclusion in the workplace and limit the opportunities for discrimination
 - Reducing demand-side factors like biases in selection by recruiters
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Recruitment: supply-side factors

- Projects to encourage interest in school (e.g. STEM subjects in girls)
- Encouraging applications from underrepresented groups, like targeted recruitment, branding efforts, demonstrating diversity or commitment to diversity and inclusion
 - Heath, Carlsson & Agerström

Heath, A. J., Carlsson, M., & Agerström, J. (2023). What adds to job ads? The impact of equality and diversity information on organizational attraction in minority and majority ethnic groups. *Journal of Occupational and Organizational Psychology*, 96, 872–896. [DOI: 10.1111/joop.12454](https://doi.org/10.1111/joop.12454)

[Heath, A.J.](#), [Carlsson, M.](#) and Agerström, J. (2023). Is employer collection of diversity data attractive to potential job seekers? Ethnicity and sex differences and a UK–Sweden comparison, *Personnel Review*, 52, 1900-1915. [DOI:10.1108/PR-10-2021-0735](https://doi.org/10.1108/PR-10-2021-0735)



Best way to reduce discrimination and increase diversity and inclusion

- Increase the number of diverse applicants to jobs through recruitment materials/websites and text of job advertisements. Show evidence of diversity externally in branding
- Use standardised procedures for recruitment and selection and trained, representative hiring panels, work samples
- Objective performance indicators in employee appraisals and promotions (e.g., management by objectives)

Diversity in the Labour Market Group

<https://lnu.se/en/research/research-groups/diversity-in-the-labour-market/>

Researchers

Jens Agerström, Ali Ahmed, Lina Aldén, Magnus Carlsson (lead), Asuman Erenel, Stefan Eriksson, Mark Granberg, Hans Grönqvist, Mats Hammarstedt, Amanda Heath, Dan-Olof Rooth, Samantha Sinclair, Andrea Strinic

PhD students

Marcos Demetry, Niklas Ottosson, Rinni Sharma, Sara Värn

Research assistants

Olof Axman, Towe Nilsson

Universities

Linnéuniversitetet, Linköpings universitet, Stockholms universitet, Uppsala universitet

Linnéuniversitetet Kalmar
Växjö