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2009 GENDER IN THE WORKPLACE RESEARCH INITIATIVE

Gender and diversity in hiring evaluations:

How perceptions of gender, prestige, race and socioeconomic status can influence hiring decisions

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OVERVIEW OF PROBLEM/ISSUE

Despite the ongoing focus of diversity in the workplace and its advocated benefits, such as enhancing business performance, marketing power and global competitiveness (Spiers, 2008), research shows that there is still opportunity for improvement, especially in recruiting and promoting minority and women candidates to the more senior corporate leadership positions. Prior research and labor statistics indicate an overall increase in the general recruitment of women and racial/ethnic minorities (Bureau of Labor Statistics data show that 68.3% of entrants into the labor force from 2006-2016 will be people of color or women). However, the racial and gender composition of corporate managers and senior executives does not reflect this trend (Cabrera and Thomas-Hunt, 2008, Simon, 2007). A 2007 Catalyst study showed that only 2.4% of Fortune 500 CEOs, 15.4% of corporate officers and 14.8% of corporate directors were women, while they made up 50.6% of general management positions and 46.7% of the overall labor force. In addition, a 2007 survey conducted by the Executive Leadership Council, counted 400 minority members in Fortune 500 executive positions.

To better understand these disparate statistics and offer a plausible solution for increasing the number of women and racial/ethnic minorities in corporate leadership positions, we approached our study from the “supply” perspective, in terms of hiring decisions. Specifically, we sought to investigate the recruiting dynamic that occurs between an employer and a potential candidate and the role that each of race, gender and socioeconomic status play in hiring perceptions. Empirical research indicates that generally, individuals have favorable perceptions of individuals of high socioeconomic status, which may be influenced by the gender and the race of the target, as well (Weeks & Lupfer, 2004). Additionally, judgment perceptions may be directly influenced by the perceiver’s own gender, socioeconomic status, and race/ethnic identity (Holah, 2009).

RESEARCH DESIGN AND FINDINGS

Our research focuses on the role of socioeconomic status, educational prestige, race and gender in hiring perceptions and the impact on proportional representation of minority groups in the workplace. We examined this through two studies. First, we surveyed 63 participants, largely graduate students, ranging from the age of 25 to 45. Although the general perception is that educational prestige signals higher qualification, our findings indicate that the survey respondents viewed applicants that went to high prestige schools *were not* as significantly more qualified than applicants that attended low prestige schools. Second, we gathered qualitative data from direct interviews with 19 business professionals. In the interviews, we posed two diversity-focused questions: 1) should organizations apply affirmative action initiatives in hiring decisions to increase diversity in the workplace? and 2) should organizations

make hiring decisions based on the prestige of a candidate's education? We analyzed the qualitative responses for the first question and found that 89% of the respondents felt that greater emphasis should be on qualification, rather than diversity, a trend that appeared universally across gender lines. For the second question, 42% of our respondents indicated that educational prestige signaled quality and high yield, and so, from a business perspective, it would make sense to use it as a pre-selection tool, but not as a stand-alone factor. On the other hand 58% of the respondents felt that qualifications and experience should be primarily emphasized rather than school prestige.

IMPLICATIONS

Our findings indicate a genuine interest in keeping an open mind in actively promoting diversity. Because 89% of our respondents favored diversity in the interest of enhancing business performance, we propose that firms adopt inclusionary hiring policies that extend beyond gender and race-driven employment, into qualification-driven hiring decisions that emphasize the value of diversity. If we allow the definition of diversity to transcend race and gender, and communicate the benefits of diversity as it relates to the bottom line, decision makers would be more inclined to incorporate diversity in their business strategy and be more motivated to actively promote diversity in the workplace. We recommend that firms adopt effective recruitment policies that increase diversity at the entry point of the firm. Companies should implement a diversity-based recruitment policy that engages the entire firm in a collaborative effort to actively expand its applicant base (Cascio, 2007). Specific recommendations include firms enhancing their relationships with employee affinity groups, such as professional organizations that engage gender and race diversity in the workplace, like NAWMBA,¹ NSHMBA,² NSBE,³ NBLSA⁴ and ABWA⁵, to enhance the likelihood of members applying to firm positions. In addition, firms should also execute internal programs that would drive an increased flow of underrepresented minorities and women through the recruitment pipeline and up the corporate ladder, leveraging its current minority and women senior executives as resources to further attract and develop a more diverse pool of qualified candidates.

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¹ National Association of Women MBAs

² National Society of Hispanic MBAs

³ National Society of Black Engineers

⁴ National Black Law Students Association

⁵ American Business Women's Association