



GENDER DYNAMICS IN REFERRAL-BASED HIRING: A FIELD STUDY

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#1 MOTIVATION

- A large and increasing proportion of jobs are obtained through informal contacts.
- Many employers use referrals to resolve information asymmetries regarding job-seekers' abilities.
- Potential disadvantage:
 - Individuals refer people they know and like.
 - Gender composition of networks and/or gender biases may determine who gets referred.
 - Referrals may contribute to the persistent gender segregation on the labor market.

#2 QUESTIONS

1. Is there gender homophily in referrals?

When asked to refer someone for a job opening, do men refer other men and do women refer other women?

2. If so, ...

... to what extent is this driven by gender differences in social network composition?

... is this robust across jobs with varying gender stereotypicality?

#3 STUDY DESIGN

Field study at a European business school

- Highly ranked, competitive and prestigious school, many students end up at top positions in business/politics.
 - This subject pool is particularly relevant for understanding the "glass ceiling".
- **455 students were asked to refer another student at the school for a part-time job.**
- Randomized between two **real jobs at a public relations and media company:**
 - Analyst
 - Creative contents manager
 (Analyst job is slightly more stereotypically male.)
- Finder's fee: 5000 SEK (~\$580) if the person they refer is hired.
- Asked to **list their five closest friends at the school.**

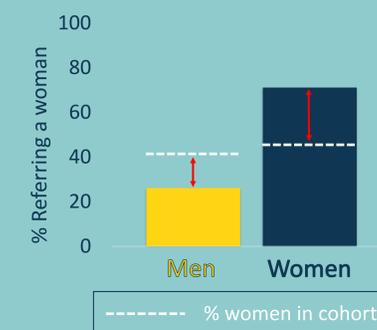
Additional data from the school:

- Grades
- Seminar groups



#4 RESULTS

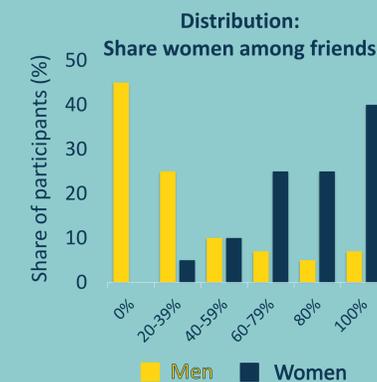
72 % provide a referral of their own gender.



Women are 2.6 times more likely than men to refer a woman for the job ($p < 0.01$).

Compared to the gender composition of their cohort, men "over-refer" men and women "over-refer" women ($p < 0.01$).

Partly driven by composition of social networks.



Friend networks are highly homogenous: women [men] tend to be friends with women [men].

- **Controlling for the share of women among friends, the estimated gender homophily in referrals decreases by half, but remains significant.**
- Results robust across jobs with varying gender stereotypicality.
- *Additional exploratory analyses in paper: Propensity to refer within vs. outside network, propensity to refer high ability individuals, propensity to refer individual from same seminar group, etc...*