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# The Role of Psychological Stigmatization in Unemployment Discrimination

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## Abstract

Discrimination against the unemployed operates through attributions, is unjustifiable, and is nearly instantaneous. Experimental studies 1 and 2 find that unemployment discrimination *operates through attributions* as emphasizing an uncontrollable and external cause for unemployment onset alleviates discrimination. Experimental studies 3 and 4 find that unemployment stigma is *unjustifiable* on productivity grounds as formerly unemployed workers are judged negatively once on the job, even when controlling for on the job performance. Across the studies, unemployed workers are perceived not only as less competent, but also as less warm. Study 5 is a correspondence study in which fictionalized resumes are sent to employers, and finds that discrimination against the unemployed occurs *nearly instantaneously* to becoming unemployed while controlling for qualifications.

Keywords: Stigma, Discrimination, Decision-Making, Human Resources Practices

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### The Role of Psychological Stigmatization in Unemployment Discrimination

*“How hard and humiliating it is to bear the name of an unemployed man. When I go out, I cast down my eyes because I feel myself wholly inferior. When I go along the street, it seems to me that I can’t be compared with an average citizen, that everybody is pointing at me with his finger. I instinctively avoid meeting anyone. Former acquaintances and friends of better times are no longer so cordial. They greet me indifferently when we meet. They no longer offer me a cigarette and their eyes seem to say, “You are not worth it, you don’t work.” – (Zawadski and Lazarsfeld, 1935) qtd. in Goffman (1963: 17)*

Unemployed workers face discrimination while attempting to regain employment, as reflected by the fewer callbacks than equally qualified employed workers they receive when applying for jobs (Kroft, Lange, and Notowidigido, 2013; Nunley, Pugh, Romero, and Seals, 2016). For example, unemployed college graduates experience callback rates that are 30% lower than those who are employed (Nunley et al., 2016). The literature on discrimination against unemployed workers, however, primarily emphasizes the intentional rationality of firms in deciding to avoid unemployed workers, based upon a firm’s productivity-rooted evaluation of job candidates. The stigmatization of unemployment status and the disadvantaged social identity of unemployed workers is under-examined as a possible alternative explanation of discrimination. In particular, the cognitive processes of perceivers – recruiters, hiring managers, and interview panelists – and the potential role of bias in evaluating members of a stigmatized group merits further examination.

This paper presents experimental and field study evidence that stigmatization of unemployment status influences the decision of organizational gate-keepers to not hire an unemployed worker. The bias against unemployed workers we document across five studies goes

beyond existing research explanations about the productivity of unemployed workers, such as skills loss (Pissarides, 1992; Autor, Maestas, Mullen, and Strand, 2015), or the decreased competence of unemployed workers (Oberholzer-Gee, 2008). The evidence presented here suggests that unemployment status as a social identity is discredited, as with other stigmatized social groups, and that psychological processes associated with social identity and stigma contribute to the discrimination in callbacks. Stigmatization of unemployment status contributes to the difficulty of returning unemployed persons to work because gate-keepers treat unemployed workers as members of an out-group that is defective in not just productivity, but also character.

The theoretical contribution and benefit of demonstrating that discrimination *operates through attributions* is that productivity-based explanations point to different solutions for unemployment – suggesting that unemployed workers gain more skills or can become appealing to employers by demonstrating their competence alone. Addressing skills, however, is insufficient if unemployment status itself is stigmatized. Further, a stigmatized social identity can point to why the consequences of unemployment status extend far beyond diminished income, but also to negative effects on health and well-being. A stigmatized social identity is a substantially different plausible cause of employment discrimination than a skills or productivity gap, and better fits the pattern of deep damage to well-being following the onset of unemployment during recessions.

Stigmatization of social identity also suggests greater attention focus on how organizational gatekeepers' perceptual biases enforce and perpetuate unemployment discrimination through normative stigmatization of unemployment status. Psychological stigmas and bias generally *operate through attributions* perceivers make. Further, they are *unjustifiable* on productivity grounds. Finally, they are *nearly instantaneous*: unlike productivity-rooted

explanations, psychological stigmas operate against every person unemployment status, regardless of whether a person just entered unemployment status or was long-term unemployed.

Social identities, or the groups in which an individual can claim membership, affect how people navigate and experience their social world. As the introductory quote suggests, the loss of a job can be a degrading and alienating experience. In an employment relations context, employment status acts as an identity group. Those who are employed view employment status as normal, and benefit from higher status compared to unemployed workers. Belonging to an in-group, employed workers may treat unemployed workers as members of a devalued out-group. Research has found that individuals automatically favor and evaluate more positively others who belong to their in-group (e.g. Perdue, Gurtman, Dovidio, Tyler, 1990; Tajfel & Turner, 1979). Stigmatization suggests that a cause of long-term unemployment could be recruiters, managers, and interview panels avoiding hiring unemployed workers because of biases against members of this particular stigmatized out-group or social identity category.

In the literature, stigma refers to perceived “blemishes of individual character” and “deeply discredited” social identities (Goffman, 1963). Modern psychological literature on stigma highlights social identities related to a person’s behavior or personality that are “devalued in a particular social context” (Crocker, Major, and Steele, 1998; Major, and O’Brien, 2005). While documentation of discrimination against unemployed workers is abundant and rigorous, research on the organizational and decision-making context in which such discrimination operates is less common. In line with the work of Karren and Sherman (2012) and Monteith et al. (2015), we study how the stigmatization of unemployment status acts as a theoretical basis for the discrimination against unemployed individuals based upon their membership in a devalued group.

Early research found unemployment harmed emotional stability, increased fear, represented a loss of prestige and status, and led to feelings of inferiority, decreased self-confidence and morale (Eisenberg and Lazarsfeld 1938). Today, unemployed job-seekers in the U.S. internalize stigma with consequences for psychological and physical well-being in the U.S. (Mc-Kee Ryan et al. 2005). Unemployment status decreases self-esteem, internal locus of control, and confidence, and increases alienation, anxiety and depression across all racial groups (Darity 2003). The impact of prolonged unemployment includes lower lifetime wages and greater detachment from the labor force (Davis, and Von Wachter, 2011), but also an increased risk of suicide (Classen, and Dunn, 2012). Joblessness deprives unemployed workers of higher goals and purposes, personal status, and identity (Jahoda 1988). Darity and Goldsmith (1996) argue that the effects of unemployment on unemployed workers are severe and internalized, damaging their psychological capital. In contrast to being unemployed, being employed confers status and a desirable occupational identity (*Ibid*). Status differentials between employed and unemployed workers may lead organizational gate-keepers who influence hiring decisions to discriminate against lower status unemployed workers, in part to maintain their own prestige and avoid becoming stigmatized for hiring members of a devalued group (Kulik, Bainbridge, and Cregan 2008).

### **Theory and Hypotheses**

Employment status occupies a unique position in the spectrum of different social identities because of the variance among unemployed workers on dimensions relevant to identity status. In the literature on social identity, the severity of a stigma depends upon characteristics of the identity. For instance, social identities can be ascribed (i.e. identity groups into which they are born) or achieved (i.e. identity groups that join or leave) (Linton, 1936), temporary or

permanent, reversible or irreversible (Ebaugh, 1988), as well as controllable or uncontrollable (Weiner, Perry & Magnusson, 1988). For unemployed workers, some individuals find themselves unemployed through involuntary and uncontrollable circumstances, while for other individuals, becoming unemployed is a choice. Similarly, some individuals find unemployment to be a temporary status while others experience it as permanent. Traditional research on social identity has usually examined the effects of these differing characteristics of identity on judgments across different identities (e.g. physical stigma vs. mental stigma). Employment status allows us to examine the effects of varying these characteristics within a single social category.

### **Theories of Unemployment Discrimination**

Nunley et al. (2016) describe notable theories for why employers penalize unemployed workers in the job search phase, including signaling loss of skill and ranking. Each rationale emphasized in the literature on unemployment discrimination emphasizes a hiring firm's decision to avoid hiring unemployed workers based upon the diminished competence (e.g., skills and productivity) of members of this group. According to the signaling hypothesis, a layoff or spell of unemployment is likely to indicate a worker with lower skills. The loss of skills hypothesis suggests that skills decline with extended periods of unemployment (Pissarides, 1992; Autor, Maestas, Mullen, and Strand, 2015). The ranking hypothesis suggests firms discharge lower skilled workers first in a difficult business environment, and that these workers are less likely to be hired, and thus more likely to be unemployed for long durations, providing a mechanism for why long-term unemployment status carries a signal regarding worker skill levels (Oberholzer-Gee, 2008). In many studies of unemployment, the working assumption by scholars

is that discrimination against unemployed workers is an intentional action as part of the employer's human resources strategy to recruit workers that are more productive.

Several studies, however, have suggested an alternative mechanism for discrimination against unemployed workers: the psychological stigmatization of unemployment (Karren and Sherman (2012); Sharone (2013); Monteith et al. (2015)). For example, those who possess system-justifying beliefs are more likely to judge unemployed workers negatively (Monteith et al., 2015). Beliefs in a just world are likely to affect judgements of an unemployed persons' deservingness, and can explain why a perceiver would blame an unemployed person for their unfortunate situation: because it helps them feel greater security about their own status (Lerner (1980); Furnham (2003)). When evaluating whether to hire a candidate, employers look at not only the productivity of the worker, but also at fit or the cultural similarities between the job candidate and the organization (Rivera 2012). A worker who possesses a stigmatized characteristic encounters decreased willingness from organizational members to associate with them, not necessarily because they are less productive, but because the suitability of unemployed workers for membership in the privileged organizational group is called into question by the unemployment status itself, and a devaluation of members of the stigmatized group. Those who do speak up for or associate with stigmatized organizational members may experience co-workers' disapproval, decreased promotion potential, and negative appraisals (Kulik, Bainbridge, and Cregan 2008).

The theories of unemployment discrimination highlighted by Nunley et al. (2016) suggest that perceptions of competence are one mechanism through which discrimination against unemployed workers occurs. In the organizational behavior and psychological literature, competence is measured as the extent to which a person is competent, confident, capable,

efficient, intelligent, and skillful (Fiske, Cuddy, Glick, and Xu, 2002). In the context of unemployed workers, however, Darity and Goldsmith (1996) present a model of employers discriminating against unemployed workers because of their decreased psychological capital: self-confidence, locus of control, and self-esteem. As Darity and Goldsmith (1996) write, “the destructive psychological legacy of unemployment can affect traits that are important to employers.” Thus, a psychological stigmatization view of unemployment discrimination would suggest that beyond negative appraisals of their competence, unemployed workers must also demonstrate their warmth as human beings. Psychological theories of stigmatization suggest unemployed workers are not evaluated based solely upon their likely productivity. Specifically, a stigma-based explanation suggests that unemployed workers are perceived as less warm: less friendly, well-intentioned, trustworthy, good-natured and sincere (Fiske et al., 2002). Decreases in the perception of an individual’s warmth are found in the literature on stigmas (Fiske, and Taylor, 2008; Jones, Farina, Hastorf, Markus, Miller, and Scott, 1984). As Fiske et al. (2002) document, welfare recipients, poor blacks, and poor whites are not only viewed as incompetent, but as deficient in warmth. Groups that are low-status and viewed as competitors are viewed contemptuously (Fiske et al., 2002). As Fiske et al. (2002) write, groups that are low in warmth and competence are “viewed as parasites in the system .... In allegedly draining economic and political capital from society, they supposedly compete in a zero-sum allocation of resources.”

As two variables that are fundamental to social judgment (Fiske, Cuddy, and Glick, 2007), measurement of perceptions of both the warmth and the competence of unemployed workers are important to understanding the role of stigmatization in unemployment discrimination. When applied to decision-making, the stigma literature we draw from suggests that individual decision-makers within firms do not just evaluate unemployed workers as less

competent or productive. Decision-makers possess biases that may lead them to treat the unemployed as members of a stigmatized out-group. If unemployed workers are seen as members of a stigmatized social category, they should also be seen as possessing decreased warmth. Absent a stigma against the unemployed, the personal warmth of an unemployed worker should not be influenced by the mere knowledge of the employment status of an individual. These arguments drawn from the stereotype content model suggest the following hypothesis:

Hypothesis 1: Unemployed workers are perceived as less competent and less warm than the continuously employed.

### **Operating Like a Stigma: Attributions for Unemployment Onset**

Unemployed job seekers are seeking to discard their membership in the unemployed social category, and acquire membership in a higher status social category as an employed individual in a specific organization. However, whether or not an individual can attain this group membership is dependent upon gatekeepers who decide whether or not to hire the individual. Psychological stigmas associated with unemployment affect the judgments and willingness of organizational gatekeepers to open doors to potential new group members. From the perspective of a firm or individual considering whether to hire an unemployed candidate, if discrimination in decision-making rests upon gate-keepers' stereotypes of a particular social identity, it could be detrimental to the goals of the hiring process.

Past research has found that a stigma, when perceived as uncontrollable, elicits relatively positive responses compared to when the same stigma is perceived as controllable (e.g., Schwarzer, and Weiner, 1991). For example, an AIDS patient who contracted the disease through a blood transfusion (i.e., stigma was uncontrollable) would elicit more positive responses than an AIDS patient who contracted the disease through promiscuous sex (i.e., stigma

was controllable; Weiner, Perry, and Magnusson, 1988). In contrast, those who are thought to possess a stigma that is in their control are more likely to experience stigmatization (Weiner et al., 1988; Rush, 1998).

Previous research on attributions pertaining to stigma onset theorizes that, following a negative event, controllable and internal attributions (e.g., voluntarily left job) of the cause lead to negative judgments regarding an individual's *effort* while uncontrollable and internal attributions (e.g., laid-off) lead to negative judgments of an individual's *ability* (Weiner, Perry, and Magnusson, 1988). They write that when perceived to be controllable (e.g. due to lack of personal effort or will), stigmas evoke "anger but little pity" and lead to judgments such that these stigmatized individuals "tend(s) to be punished or neglected." In contrast, "causes of failure that are perceived as uncontrollable (e.g. lack of aptitude or externally imposed barriers) generate pity, no anger, and help-giving." Thus, attributions about whether the onset of unemployment is controllable or uncontrollable will influence attributions regarding effort (controllable) and ability (uncontrollable), which lead to perceptions regarding their deservingness.

Social cognition research traditionally suggests that when individuals observe others' behavior and outcomes, they tend to overemphasize dispositional/internal explanations and underemphasize situational/external explanations (Ross, 1977; Jones, and Nisbett, 1971; Lerner, 1977). However, the process by which individuals attribute a cause to the onset of a stigma is unclear. For executive elites, when societal arbiters assess corporate failure as due to controllable behaviors upon the part of those elites, the elites are stigmatized, facing negative evaluations, denigration, and great personal cost (Wiesenfeld, Wurthmann, and Hambrick, 1998). In the case of unemployed workers, there are several possible reasons for a spell of unemployment.

Foremost are macroeconomic conditions, a factor clearly outside the control of unemployed workers.

Being laid-off could suggest lower skills, while quitting voluntarily provides an unclear signal regarding the skills of the individual. One hypothesis suggests voluntary quits are often seen more favorably, as a sign that a person is leaving for better work, while dismissals are viewed negatively (Batt, and Colvin, 2011). Table 1 presents a 2x2 model of attributions predicted by attribution theory as it pertains to the stigmatization of unemployed workers. Internal controllable attributions about the onset of unemployment relate to perceived low effort/motivation of unemployed workers, workers' perception (unhappy at work), and seeking a better job. Internal uncontrollable attributions relate to poor health, poor abilities or skills. External uncontrollable attributions relate to changes in company strategy or economic recession / downturn. Stigma should operate when unemployment is perceived as being internal and controllable, and it should be alleviated when it is perceived as external and uncontrollable.

{{PLACE TABLE 1 ABOUT HERE}}

In the stigmatization model displayed in Table 1, being laid-off is likely to be perceived as more external and uncontrollable circumstance in contrast to voluntarily leaving, which suggests unemployment status is likely to be perceived as within individual control. Theories of stigmatization would predict that a person who voluntarily leaves would be stigmatized in excess of those who are employed, as well as in excess of the laid off individual if the laid off individual is perceived as being laid off due to uncontrollable circumstances. These arguments suggest that if psychological stigmatization is implicated in employment discrimination:

Hypothesis 2: Unemployed workers are more penalized when unemployment onset is due to an internal and controllable (e.g. voluntary quit) compared to an external and uncontrollable (e.g. lay off, employer going out of business) cause.

### **Unjustifiable: Lingering Stigma and Attribute Substitution**

In most cases, unemployment as a social identity category is characterized by temporary membership before a person returns to the ranks of the employed. While much of the social psychology literature on stigma has focused on membership in social categories that are immutable, identity scholars do distinguish between ascribed identities (i.e. identities that one is born into) and achieved identities (i.e. identities that one can acquire) (Patterson, Sochting, and Marcia, 1992; Waterman, 1982). Scholars also identify whether or not identity statuses are reversible (Ebaugh, 1988; Howard, 2008). Research examining self-identification processes among those who exit a socially devalued group suggest that it is difficult to discard stigmas, even after exiting membership in stigmatized groups (Howard 2008; Granberg 2011). Once stigmatized, individuals find it difficult to dis-identify from the stigma successfully, and those labeled into a stigmatized group face greater obstacles. Thus, the stigmas continue to affect stigmatized targets long after they have discarded their stigmatized identities.

While psychologists who study stigma acknowledge that membership in certain categories can be temporary, relatively little is known about the effects of stigma in a devalued identity category such as unemployment that is both achievable and reversible. If stigmatization is severe, then even the formerly unemployed will carry a stigma independent of their current membership in the category of the employed.

When making decisions under conditions of uncertainty, such as hiring an individual whose performance cannot be known a priori, theories rooted in likely productivity differentials

between the employed and unemployed workers could explain why someone is less likely to be hired. After a period on the job, however, productivity becomes observable, and the former employment status of an individual at the time of their job application indicates only that a person was formerly a member of a potentially stigmatized group. Under the theory that employment discrimination is rooted in productivity differentials, an employed and an unemployed worker once on the job who perform equally well should be judged in a similar fashion.

The theory of attribute substitution suggests, however, that, even in the presence of available information regarding a characteristic, decision-makers substitute stereotypes regarding prototypical group members (Kahneman, and Frederick, 2002). Essentially, decision-makers do not use the relevant information regarding productivity, and are likely to continue to stigmatize even a formerly unemployed person once they are back on the job. These arguments from the stigma and decision-making literatures suggest the following hypothesis:

Hypothesis 3: The formerly unemployed are penalized more than the continuously employed once they are on the job, controlling for on the job performance.

### **Nearly Instantaneous: Penalties for Unemployed Workers Begin Soon After Job Loss**

Many studies of the negative effects of long-term unemployment on job seekers' chances of employment discuss a "scar effect," with later papers in the economic literature adopting the term "stigmatization" (Schweitzer, and Smith, 1974; Heckman, and Borjas, 1980; Vishwanath, 1989; Olberholzer-Gee, 2008). The meaning of the term in much of the economic literature, however, is distinct from stigma's meaning in the psychological literature. Neoclassical economic theory sees individual job seekers' preferences for work and leisure shifting due to unemployment rates as well as longer periods of unemployment, with workers tending to

withdraw due to discouragement in the labor market (Schweitzer, and Smith, 1974). Statistical discrimination may exist in the present period due to unemployment in the past period, i.e. stigmatization in the economic literature is duration or state dependent (Heckman, and Borjas, 1980; Pissarides, 1992). Contemporary work on economic stigmatization has continued to emphasize the duration dependence of this phenomena (Vishwanath, 1989; Olberholzer-Gee, 2008; Kroft, Lange, and Notowidigido, 2013; Nunley et al., 2016).

Psychological stigmatization, in contrast, does not require long-term unemployment status. Rather, psychological stigmatization can occur in any circumstance when a person belongs to a stigmatized social category. Several studies find no employment gap effect or a small positive effect for short durations of unemployment (Bertrand, and Mullainathan, 2004; Kroft, Lange, and Notowidigido, 2013). Research in the stigma literature suggests that individuals who belong to stigmatized groups experience an array of negative judgments with consequences such as loss in status and individual and structural discrimination consequences (Link and Phelan, 2001). Among theories in the economic literature on discrimination, those that describe tastes and preferences as a motivation for discrimination against certain groups of workers best fit our conception of stigma (Becker 1957). Past economic research on discrimination, however, has referred to the possibility that psychological models of categorization and automatic biases included in the literature on stigmatization could be responsible for racial discrimination against African Americans, and “could do a better job” explaining findings of discrimination than either statistical discrimination models or taste-based models common in economics (Bertrand and Mullainathan 2003). These arguments suggest the following hypothesis:

Hypothesis 4: Unemployed workers are penalized nearly instantaneously upon becoming unemployed.

### **Studies 1 and 2 – Attributions for Unemployment**

Study 1 and 2 examine psychological mechanisms and biases that lead to discrimination against unemployed workers through the attributions of organizational gatekeepers. In these two studies, we examine whether presenting the unemployment status as controllable/uncontrollable and internal/external alters perceptions of unemployed workers in contrast to the employed. Unemployment is a status that may be forced on individuals and thus uncontrollable (e.g. a company can go out of business) or chosen and thus controllable (e.g. voluntarily left the firm). Similarly, it can be internally caused (e.g. quit) or externally caused (e.g. laid-off).

#### **Study 1 – Attributions for Layoffs and Voluntary Quits**

In this study, we manipulate the causal reason why targets are unemployed, and attempt to identify how participants make attributions about the reasons for unemployment status.

Participants were asked to evaluate either a resume that belonged to an employed individual, an unemployed individual who was laid-off, or an unemployed individual who left voluntarily.

**Methods:** *Participants:* Eighty-three participants (78.31% female; age:  $M=22.26$ ,  $SD=5.51$ ) from a large West Coast University in the U.S. participated in the study.

*Procedures:* The study was administered online. Participants were asked to imagine they were a marketing executive looking to hire a marketing manager and was provided a resume to review.

*Hiring:* After giving informed consent, participants were randomly assigned to 3 conditions (Employed, Unemployed-Uncontrollable (Laid Off), and Unemployed-Controllable (Left Voluntarily)). Applicant employment status was manipulated via employment dates on the resume and with a profile above the resume stating the applicant name and employment status

(“Employed” or “Unemployed”). Study 1 was run in the first week of August 2010 and the last date of employment on the unemployed resume was July 2010. An unemployment reason was also provided on the profile below the employment status if the applicant was unemployed (“Laid-Off” in Unemployed-Uncontrollable or “Left Voluntarily” in Unemployed-Controllable).

Upon reviewing the resumes, participants rated the job applicant on perceived competence and warmth. Perceived competence was measured by asking participants to indicate the extent to which the job candidates were competent, confident, capable, efficient, intelligent, and skillful on 7-point Likert scales (Fiske et al., 2002;  $\alpha=.90$ ). Perceived warmth was measured by asking participants to indicate the extent to which the job candidates were friendly, well-intentioned, trustworthy, warm, good-natured, and sincere on 7-point Likert scales (Fiske et al., 2002;  $\alpha=.93$ ). Participants rated the candidate’s perceived employability on a 7-point Likert scale that asked, “How likely are you to hire the applicant for the job?” (Rudman, and Glick, 1999).

**Results and Discussion:** *Competence, Warmth and Employability:* Means and standard deviations are reported in Table 2. An omnibus ANOVA analysis revealed a significant difference for competence ( $F(2, 78) = 5.32, p=.007, \eta_p^2=.120$ ), but no significant differences in warmth ( $F(2,77) = 2.12, p=.127, \eta_p^2=.052$ ) or employability ( $F(2,79) = 2.33, p=.104, \eta_p^2=.056$ ). Hypothesis 1 is thus partially supported for competence, but not for warmth. Planned linear contrasts revealed that evaluators in the Unemployed-Uncontrollable (laid-off) condition rated the candidate as less competent, ( $t=3.26, p=.002, r=.41$ ), than participants in the employed condition. Similarly, participants in the Unemployed-Controllable (voluntarily left) condition rated the candidate as less competent, ( $t=2.34, p=.023, r=.31$ ), than individuals in the employed condition. We did not find any significant differences in competence evaluations, ( $t=0.84,$

$p=.405$ ,  $r=.11$ ), between Unemployed-Uncontrollable (laid off) and Unemployed-Controllable (voluntarily left) conditions.

{{PLACE TABLE 2 ABOUT HERE}}

*Post-Hoc Analysis:* Hypothesis 2 suggests that an external and uncontrollable cause of unemployment onset should alleviate the stigma, in accordance with attribution theory. However, Study 1 found no significant difference between being laid off as opposed to quitting voluntarily, and being laid off did not decrease a target's warmth. Targets in both unemployed conditions were rated less competent than an employed candidate. In a post-test described further in Appendix 1, we asked experimental subjects to write the reason why they felt the job candidate was unemployed. We qualitatively coded the reasons given into five categories determined using Table 1: In addition to the three categories presented in Table 1 (internal controllable, internal uncontrollable, and external uncontrollable), we allowed coders to code for mixed motives (overlapping internal/external controllable/uncontrollable), and pleas of ignorance (when the experimental subjects wrote that not enough information given to speculate about the reason why the candidate was unemployed). Upon reading the responses and categorizing them with two independent coders ( $Kappa=.676$ ,  $SE=.053$ , indicating fair to good inter-rater reliability), we found that ten out of 29 participants perceived the laid off target as unemployed due to either a controllable or internal factor. Four subjects wrote that the motivation of the laid off person was low, while only one of the evaluators wrote that the person who voluntarily quit had low motivation. These post-tests suggest that Study 1 only partially altered the perception of the unemployed worker's reasons for leaving. While some experimental subjects interpret layoffs as being within an individual's control, others did not, and this perhaps explains why no significant effects on warmth were found. Layoffs were used by our subjects to infer that something internal

and controllable caused the onset of unemployment, rather than that an external and uncontrollable factor is the cause of unemployment; for example, it is possible that lazy people are laid off (Gibbons, and Katz, 1991).

*Discussion:* In Study 1, we found discrimination *occurs through attributions* because raters see unemployment onset due to voluntary quits and layoffs as within the control of the unemployed worker. Truly uncontrollable and external attributions, such as an unemployed individual whose employer has gone out of business, may elicit pity and help from perceivers (Weiner, 1985; Weiner, 1986). According to Hypothesis 2, stigma alleviation rests upon making clear that membership in a stigmatized social category such as unemployment is both uncontrollable and external. This suggests investigating whether a stronger prompting that the unemployment is externally caused (that unemployment is truly uncontrollable) could lead to stigma alleviation. In the presence of a more clearly uncontrollable and external situation, perceptual bias based upon dispositional/internal attributions for others' outcomes might be overcome. Study 2 was designed to test whether this was indeed the case.

### **Study 2 – Shifting the Causal Locus to External and Uncontrollable Unemployment**

Study 2 was designed to alter the causal locus (i.e., whether the cause of unemployment is internal or external to the unemployed individual), another important dimension of causal beliefs in attribution theory (Weiner, 1985), could eliminate unemployment stigma. Participants were asked to evaluate the same job applicant who was either employed, unemployed because he or she left his job voluntarily (i.e., internal causation / controllable), or unemployed because his or her employer went out of business (i.e., external causation / uncontrollable). When an unemployment cause is external to the unemployed individual, unemployment stigma may be alleviated because it corrects for the perceptual bias toward internal/dispositional attributions for

membership in the stigmatized group of unemployed workers. Therefore, we predict in line with Hypothesis 2 that the job candidate who is unemployed due to an employer going out of business will not be significantly stigmatized relative to an employed candidate or a job candidate who voluntarily leaves employment. We expect similar stigma and hiring bias patterns as in Study 1 with the unemployed-internal (voluntarily left) job candidate.

**Methods:** Participants in this study were presented with richer information about the job candidate – specifically, all participants viewed the same video from a job interview in which they could see the job candidate speaking and interacting with the interviewer, thus increasing the generalizability of the effect beyond resumes. We expect that even when they are presented with a person and do not need to do as much projecting about the individual’s characteristics, the stigma will still affect judgments.

*Participants:* One hundred and twelve participants (66.07% female; age:  $M=33.24$ ,  $SD=11.39$ ) were recruited from Amazon Mechanical Turk. We believe an online laboratory setting is appropriate for these studies, as we seek to understand whether decision-makers evaluating members of a potentially stigmatized group are capable of distinguishing relevant performance information and not acting based upon a stereotype. Harris (2011) explores whether Mechanical Turk can be a source for accurate and cost-effective resume screening. Mechanical Turk samples are significantly more diverse and representative of the general population than typical college samples (Buhrmester, Kwang, & Gosling, 2011). In a recent examination of the demographics of MTurkers, approximately 14% were unemployed (Levay, Freese, and Druckman, 2016). While MTurk samples are different from the population at large, when experimentally attempting to understand psychological mechanisms, MTurk has generally been found reliable and effective at

generating valid inference in experimental survey research studies (Goodman, Cryder, and Cheema 2013; Mullinix, Leeper, Freese and Druckman, 2015).

*Procedures:* The study was administered online. Participants followed the same procedures as in Study 1. However, instead of evaluating a resume, all participants evaluated the same 40-second video excerpt from a job interview and were assigned to one of three conditions (Employed, Unemployed-Internal, and Unemployed-External). The candidate was a white man in a suit sitting at a table discussing his prior experience managing interns. As in Study 1, preceding the interview excerpt, participants saw the name of the candidate (John Lee), the current employment status of the candidate, and the reason for unemployment (“Left voluntarily” or “Employer went out of business”) if the applicant was unemployed. Following the interview excerpt, participants completed the same perceived competence ( $\alpha=.93$ ) and warmth ( $\alpha=.90$ ) scales used in the prior studies and an employability item measured on a 7-point Likert scale asking participants “To what extent would you like to hire the job applicant?”

## **Results and Discussion**

Means and standard deviations are reported in Table 3. Omnibus ANOVA analyses revealed a  $p=.05$  difference for competence ( $F(2, 103) = 3.08, p = .050, \eta_p^2=.056$ ), a significant difference for warmth ( $F(2,102) = 3.77, p=.026, \eta_p^2=.069$ ) and  $p<.10$  differences in employability ( $F(2,103) = 2.48, p=.089, \eta_p^2=.046$ ). Planned linear contrasts revealed that individuals in the unemployed-internal condition (voluntarily left) judged the candidate to be significantly lower in competence, ( $t=2.24, p=.028, r=.065$ ), warmth, ( $t=2.17, p=.033, r= .062$ ), and  $p<.10$  for employability, ( $t=1.92, p=.058, r= .048$ ), as compared to the employed condition. In contrast, the unemployed-external candidate (employer going out of business) did not significantly differ from the employed candidate in perceptions of competence, ( $t=.14, p=.89, r<.001$ ), warmth,

( $t=.78$ ,  $p=.437$ ,  $r=.009$ ), and employability, ( $t=.33$ ,  $p=.740$ ,  $r=.002$ ). These results lend support to both Hypothesis 1 and 2, and suggest that unemployment stigma can be remediated when a reason indicating the causal externality of an individual's unemployed state is made salient.

{{PLACE TABLE 3 ABOUT HERE}}

*Post-Hoc Analysis:* We confirm that being unemployed due to the employer going out of business shifted attributions from internal and controllable to external and uncontrollable in our analysis of the qualitative coding. Coding the post-test comments reveals the external and uncontrollable attribution was made by 19 out of 29 respondents in the Laid Off condition, and 29 out of 31 respondents in the employer going out of business condition. A two-tailed Chi-Square test (Chi-Square = 7.36) reveals this to be a significant difference ( $p=.013$ ). This demonstrates that job candidates in the Laid Off condition in Study 1 were not evaluated uniformly as though their unemployment status was due to an uncontrollable external event. We believe this is why our results in Study 1 did not confirm our Hypothesis 2. Table 4 displays these results of our qualitative coding.

{{PLACE TABLE 4 ABOUT HERE}}

*Discussion:* In Studies 1 and 2, we sought to eliminate unemployment stigma by varying the information presented to evaluators about whether a person was laid off (uncontrollable), voluntarily (controllable) left a firm, or was unemployed due to the employer going out of business (uncontrollable). In Study 1, we found this manipulation had no significant effect on perceptions of employability, but did affect perceptions of competence such that those laid off and those who voluntarily quit are perceived as less competent than the employed. In Study 2, we again try to alter perception by more clearly specifying that the layoff was uncontrollable due to the employer going out of business. While the skill signal in such a situation is ambiguous, the

stigma literature provides a clear prediction that when a person is in a stigmatized group due to an uncontrollable event, they are less likely to be discriminated against. These two studies show that, consistent with theories of psychological stigma, unemployment discrimination *operates through attributions*.

### **Study 3 and 4 – Effects of Prior Unemployment Status With Observed Productivity**

In Study 3 and 4, we experimentally research whether, controlling for productivity, evaluators stigmatize a formerly unemployed individual even after that individual is no longer unemployed. In light of relevant performance information, and thus controlling for performance across the experimental conditions, these studies contrast post-hire evaluations of formerly unemployed workers with workers who had no unemployment stint prior to beginning work. Thus, they directly test Hypothesis 3.

### **Study 3 – Employability and Post-Hire Evaluation**

We test whether relevant productivity information is ignored by decision-makers who penalize the formerly unemployed due to a negative stereotype of a stigmatized social category.

**Methods:** We ask participants to evaluate the performance of an employee who they learn was either employed or unemployed at the time of hire. Although all participants will see the same performance review data, we predicted that evaluators would review the performance of a worker more negatively if they believe that the employee was unemployed at the time of hire than if the employee was employed, even though it is clear that the employee is no longer unemployed.

*Participants:* Ninety-three participants (62.22% male; age:  $M=33.58$ ,  $SD=11.92$ , 88.89% white) recruited from Mechanical Turk took part in the study in exchange for monetary compensation.

*Procedures:* The study was administered online. The participants were asked to follow the experience of John Lee (a name chosen to be racially ambiguous) in a company from his application for employment through to his first performance review.

*Hiring:* After giving informed consent via a web link, participants were asked to imagine their company was looking to hire a marketing manager and provided the resume of John Lee to review. Participants were randomly assigned to one of two conditions (“Employed” or “Unemployed”). In the employed condition, participants learned that the target was currently employed. In the unemployed condition, participants reviewed the same resume but learned that the target was currently unemployed. Applicant employment status was manipulated via employment dates on the resume and with a profile above the resume stating the applicant name and employment status (“Employed” or “Unemployed”). Other than the employment status manipulation, the resumes were identical in the two conditions. While real resumes are unlikely to indicate employment status, the identical appearance of the resumes in the study acts as a control for the artificiality, and the following study addresses possible priming effects in Study 3. Participants rated the candidate’s Employability on a 7-point Likert scale that asked, “To what extent would you like to hire the job applicant?” (Rudman, and Glick, 1999). As a manipulation check, participants were asked to indicate John’s employment status.

*Midpoint evaluation (6 months):* After rating the resume, participants were then told that the candidate had been hired and were provided with the target’s first performance review report that took place 6 months after hire. The performance review included positive and negative comments about the target’s performance along 4 dimensions: Quality of work, Job knowledge, Initiative, Leadership Potential. Participants were then asked to rate the target’s competence and warmth. Competence was measured by asking participants to indicate the extent to which the

employee was competent, confident, capable, efficient, intelligent, and skillful on 7-point Likert scales,  $\alpha=.73$  (Fiske et al., 2002). Warmth was measured by indicating the extent to which the employee was friendly, well-intentioned, trustworthy, warm, good-natured, and sincere,  $\alpha=.90$  (Fiske et al., 2002).

**Results:** Three participants provided incorrect answers to the manipulation check questions and therefore were dropped from the analyses. Thus, ninety participants were used in the analysis.

*Resume Evaluation:* Participants rated the applicant as significantly less employable in the unemployed ( $M=4.22$ ,  $SD=1.55$ ), than in the employed condition ( $M=4.96$ ,  $SD=1.26$ ),  $t(88) = 2.462$ ,  $p = .008$ .

*Performance Evaluation: Competence and Warmth:* A  $p < .10$  difference was found in participant ratings of John's competence in the unemployed condition ( $M=5.05$ ,  $SD=.71$ ) compared to in the employed condition ( $M=5.29$ ,  $SD=.72$ ),  $t(88) = 1.571$ ,  $p = .059$ ,  $\eta_p^2 = .027$ . The unemployed condition was rated less warm, but the difference on ratings of warmth in the unemployed ( $M=4.81$ ,  $SD=.93$ ) compared to the employed condition ( $M=4.96$ ,  $SD=.74$ ),  $t(88) = 0.857$ ,  $p = .394$ ,  $\eta_p^2 = .008$ , were not statistically significant.

*Discussion:* Study 3 found evidence that raters evaluate an employee as less competent on a performance review when told that the employee was unemployed at the time of hire after receiving performance review data six months after starting a job. This supports Hypothesis 3, which suggests that raters penalize the previously unemployed in performance evaluations even when controlling for performance, and extends evidence of discrimination in decision-making against unemployed workers to a context where skill or performance is controlled, and where the unemployment status would seem to be irrelevant. Instead, it appears that raters substitute the heuristic or stereotype about unemployed workers for the actual performance data.

*Limitations:* Because we asked participants to evaluate the performance review after evaluating the hiring measures in Study 3, it is possible that differences observed in the performance evaluation could be due to a desire for cognitive consistency in the hiring measures. Further, the resume evaluation may prime the concept of unemployment. In Study 4, we address this possibility by asking participants to evaluate only a performance review without evaluating a resume beforehand, and extend the outcomes considered to include compensation, and contemplate and rule out an alternative hypothesis for our findings.

#### **Study 4 – Priming Effects, Cognitive Consistency, and Salary Increase**

Study 4 addresses several limitations of the prior study, and an additional test of Hypothesis 3.

**Methods:** Study 4 removes the resume stating that John Lee was unemployed to eliminate the possibility that a desire for cognitive consistency drives performance evaluations, does not ask evaluators to judge the employability of John, and increases the time that John Lee was employed in the current role from 6 months to 1 year. One possibility for finding that informing evaluators of earlier unemployment status creates negative performance assessments is that evaluators have negative implicit associations between the concept of unemployment and skill evaluations. In other words, it is possible that lower ratings for the formerly unemployed are due to a priming effect between the resume evaluation and the post-hire performance evaluation. If perceptions of skill are associated with unemployment, and unemployment is made especially salient, then it is possible that participants believe they are making skill judgments, as opposed to actually stigmatizing the worker (i.e. judging the performance, competence, and warmth of the person based on membership in a stigmatized group at the time of hire). To account for the possibility of a priming effect (i.e., the negative evaluation is simply due to negative associations

with unemployment being activated rather than stigmatization of the target), we include a prime manipulation in which the concept of unemployment is made salient but is not linked to the employee's employment status at the time of hire. Thus, we reduce the possibility that our findings are priming effects by adding a separate unemployment prime condition.

*Participants:* Two hundred and twelve currently employed participants recruited from Amazon Mechanical Turk took part in the study in exchange for monetary compensation.

*Design:* The study design was a 2 (employment status at time of hire: Employed vs. Unemployed) x 2 (prime: Prime vs. No Prime). Participants in the Employed condition learned that John was employed at the time of hire, while participants in the Unemployed condition learned that John was unemployed at the time of hire. Participants were also randomly assigned to one of two priming conditions. We included the prime conditions to rule out the alternative explanation that the effects are simply a result of priming – the activation of concepts. In the Prime condition, participants were asked to indicate if they might be interested in participating in a separate study on unemployment at the beginning of the experiment, thus informing them that the central idea of the study was to research unemployment. This manipulation allowed us to increase the activation of the concept of unemployment without associating it with any particular job candidate. Participants in the No Prime condition were not given this additional exposure to the concept of unemployment and were not told the central purpose of the study.

*Procedures:* The study was administered online using procedures similar to those in Study 3. Participants were given the consent form, and either exposed or not exposed to the unemployment prime. They learned that John was either employed or unemployed at the time of hire, and were then asked to evaluate the performance review for John who had been employed

for one year. They were asked to report John's employment status at the time of hire as a manipulation check.

*Competence, Warmth, and Salary Increase:* After reading the performance review, participants rated John's competence and warmth. Competence was measured by asking participants to indicate the extent to which the employee was competent, confident, capable, efficient, intelligent, and skillful on 7-point Likert scales,  $\alpha=.80$  (Fiske et al., 2002). Warmth was measured by indicating the extent to which the employee was friendly, well-intentioned, trustworthy, warm, good-natured, and sincere,  $\alpha=.89$  (Fiske et al., 2002). They were then asked to report how much of a salary increase John deserved. With regard to salary increase, participants were given seven options to choose from that increased in \$2000 increments (i.e. 0, \$2000, up to \$12000+).

**Results:** One participant provided incorrect answers to the manipulation check question and was dropped from the analyses leaving 211 participants.

*Competence and Warmth:* A 2x2 ANOVA revealed a main effect of employment condition on perceptions of competence. Participants rated John as significantly less competent in the Unemployed condition ( $M=3.85$ ,  $SD=.66$ ) than in the Employed condition ( $M=4.04$ ,  $SD=.64$ ),  $F(1, 207)=4.72$ ,  $p=.031$ ,  $\eta_p^2=.022$ . There was neither a main effect for prime,  $F(1, 207)=.437$ ,  $p=.509$ ,  $\eta_p^2=.002$ , or an interaction effect,  $F(1, 207)=.288$ ,  $p=.592$ ,  $\eta_p^2=.001$ . Again, we found no significant effects on participants' ratings of warmth reported for John in the Unemployed, ( $M=3.72$ ,  $SD=.84$ ), contrasted to the Employed condition, ( $M=3.82$ ,  $SD=.91$ ),  $F(1, 207)=.890$ ,  $p=.347$ ,  $\eta_p^2=.004$ , and we found no prime,  $F(1, 207)=.855$ ,  $p=.356$ ,  $\eta_p^2=.004$ , or interaction effects  $F(1, 207)=.868$ ,  $p=.353$ ,  $\eta_p^2=.004$ .

*Salary Increase:* A 2x2 ANOVA on salary increase revealed a main effect of employment condition  $F(1, 207)=3.821, p=.052, \eta_p^2=.018$ . We found no significant effect for the prime,  $F(1, 207)=.093, p=.761, \eta_p^2=.000$  or an interaction,  $F(1, 207)=.031, p=.861, \eta_p^2=.000$ . Participants awarded John a significantly higher salary increase ( $t=2.03, p=.022$ ) in the Employed condition ( $M=2.26, SD=1.31$ ) than in the Unemployed condition ( $M=1.94, SD=.91$ ).

*Discussion:* Studies 3 and 4 suggests that unemployment stigma *is unjustifiable* under beliefs about productivity alone, and provide partial support for Hypothesis 1, and direct support for Hypothesis 3. Controlling for a performance evaluation presented six months or one year after starting a job, having once been unemployed leads to lower performance ratings compared to those who joined the workforce fully employed, and it leads evaluators to recommend smaller salary increases. These findings suggest that even temporary membership in unemployed status can lead evaluators to punish workers in situations where such membership is completely irrelevant. Because stigma is a stable dislike for members of an out-group, these findings, which show that unrelated judgments about performance are affected by past temporary unemployment status, further support theories of stigmatization.

The results of this study replicated the finding in Study 3 that a formerly unemployed person is rated as less competent, while holding performance constant. Further, this study found that such an effect occurs even in the absence of being given a resume or being asked whether to hire the person, and even if the person was unemployed a year prior to the performance review. Moreover, we found that the participants would award a higher salary increase when told that the employee was employed at the time of hire compared to an employee who was unemployed.

We also found no evidence that priming participants by telling them that the purpose of the study was to learn about unemployment had an effect. However, our priming manipulation

was quite explicit. Perhaps, future studies could examine more traditional subliminal priming manipulations and could provide more insights into these results. Because additional priming of the unemployment concept had no effect, the results in Study 3 and Study 4 likely stemmed from participants stigmatizing the performance review target, rather than participants simply reacting to the activation of the general concept of unemployment as triggered by the prime.

### **Study 5 – Instantaneous Discrimination Against Unemployed Workers**

Study 5 is an audit study run in a real labor market to test Hypothesis 4: whether discrimination against unemployed workers is *nearly instantaneous*, thus illustrating that psychological stigmatization exists, even when skill loss as an explanation can be ruled out.

**Methods:** In this study, we sent in 252 applications for open accounting positions from October 2012 to February 2013. We submitted the same resume to all openings with the only difference being the candidate's gender (male or female) and employment status (employed or unemployed). In the unemployed condition, employers received a resume that showed the employment period for the most recently held position ending one month prior to applying for the position. All other information was the same.

*Design:* The study employs a 2 (candidate gender: male vs. female) x 2 (employment status: Employed vs. Unemployed) factorial design. Companies were randomly assigned to one of these conditions. Companies assigned to the male condition received a resume from "Michael Lee," while companies assigned to the female candidate condition received the same resume except that the candidate's name was "Michelle Lee." The surname of "Lee" was chosen because it is a racially ambiguous surname, as Asian, African-American, and European individuals can have this surname. Companies assigned to the Employed condition received a resume hiring date "to present" for the most recently held position, while companies assigned to the Unemployed

condition received the resume that showed the employment period for the most recently held position ending one month prior to applying for the position.

*Materials:* 252 resumes of job applicants were sent to companies (233 in the state of California and 19 outside the state of California). We chose to apply for accounting jobs because in the list of top 50 occupations requiring a 4-year college degree, the US Department of Labor listed Accountants and Auditors as the occupation with the third largest number of job openings after General/ Operations Managers and Elementary School Teachers.

*Procedure:* Research assistants searched for and applied to all available openings (excluding jobs posted by employment agencies) from November 2012 to April 2013. Four keywords, “Accountant”, “Audit Senior”, “Assurance Senior”, and “Accounting Manager” were used to search for all available positions. Applications were sent to open positions in the categories of general, specialized, and corporate accounting and bookkeeping that required a Certified Public Accountant (CPA) qualification. The positions had titles such as, “Senior Accountant”, “Cost Accountant,” “Accounting Manager,” “Audit Senior,” “CPA,” and “Financial Analyst.”

Each company randomly received one fictitious resume, depicting one of the four conditions –employed man, unemployed man, employed woman, unemployed woman. Other than gender and employment status, the qualifications and all other information on the resume was identical. Because we wanted responses from companies, we created a moderately overqualified applicant. The resumes depicted an applicant with an MBA from a leading West Coast University with a specialization in accounting. Manager positions generally require 5-7 years of experience with number of years in the industry as one of the most restrictive factors. Thus, our candidate had 7 years of experience working in the accounting industry and was also

CPA certified in the state of California. Callbacks and email invitations for an interview from companies were recorded.

**Results and Discussion:** Four applications were removed from the sample due to problems in the application process. This left us with 248 applicants.

*Resume Evaluation:* A cross tabulation showed that 24 of the 129 employed candidates (18.6%) were contacted while 11 of 119 unemployed candidates (9.2%) were contacted. A proportional significance test for the null hypothesis that the callback rates are equal across employment status reveals this 9.4 percent difference in callbacks to be significant ( $p= 0.034$ ).

To examine these results more closely, we ran a logistic regression controlling for a number of covariates, including the gender of the applicant, minimum years of experience requested in the ad, education requested in the ad, in-state / out-of-state location expected for the position, and job title through indicator variables that distinguish between jobs with “Auditor,” “Accountant,” “CPA,” and “Analyst.” The logistic regression model uses call backs as a dependent variable and omits 7 observations where there are cells with insufficient information. The logistic results show that the employed are 2.24 times more likely to be contacted than the unemployed candidate in the model including no covariates, and 2.36 times more likely to be contacted than the unemployed candidate while controlling for all covariates (See Table 5). The difference between the employed and unemployed is significant across all models. While some studies find that in certain fields, there may be gender differences in hiring preferences (e.g. Williams, and Ceci, 2015), we found no statistically significant effects for gender.

{{ PLACE TABLE 5 ABOUT HERE }}

*Discussion:* Study 5 shows that unemployed candidates experience significantly lower callback rates in a real labor market, even in the case of a worker who is unemployed for only one month

with identical qualifications as an employed candidate. This finding is consistent with Hypothesis 4. Although limited to the sample, it provides evidence contrary to the loss of skills hypothesis, as one month shows that stigmatization is *nearly instantaneous*, and is a short time in which skills can deteriorate. While the setting of accounting is highly professionalized, and the finding of instantaneous effects of unemployment may not generalize across all professions or samples, the study does show that in this particular setting, long-term unemployment is not a prerequisite for discrimination against unemployed candidates. As described in much of the literature, unemployment discrimination is duration dependent. While we do not dispute that unemployment stigma may worsen over time, the evidence in this study suggests that the loss of skills hypothesis alone is suggested to be inadequate to explain unemployment discrimination.

#### **Meta-Analysis of Warmth and Competence**

Across studies 1-4, raters were given very little information or basis upon which to evaluate the warmth of the candidate. Still, studies 1-4 reported consistent negative evaluations of the warmth of unemployed job candidates, although the effects were not statistically significant in Studies 1, 3, and Four. Study 2, which involved a video of the candidate, found evidence of a statistically significant and negative effect of unemployment upon warmth. In order to concretely test our first hypothesis regarding negative judgments of warmth and competence of unemployed workers, we combine data from studies 1-4 in a meta-analysis, and proceed to analyze standardized measures of warmth and competence.

**Results:** An omnibus ANOVA finds statistically significant effects of unemployment condition on warmth ( $F(4,485) = 22.50, p < .000, \eta^2 = .16$ ). In a linear contrast, unemployed candidates (excluding the going out of business condition) ( $n=242, M = -.18, SD = .06$ ) are perceived as less warm ( $t = 2.33, p = .02$ ) than employed candidates ( $n=212, M = .03, SD = .07$ ). We find unemployed

workers are viewed as less competent in an omnibus ANOVA ( $F(4,488) = 12.62, p < .000, \eta^2 = .10$ ) in all conditions. In a linear contrast, unemployed workers ( $n=243, M = -.22, SD = .06$ ) are significantly less competent ( $t=4.2, p = .00$ ), than employed ( $n=214, M = .16, SD = .07$ ).

Additional covariates are added to examine each condition in a regression analysis that controls for the study, the age, race, gender, and unemployment status of participants. Figure 1 presents the regression coefficients and confidence intervals pertaining to the effect of unemployment status on standardized perceptions of warmth (left panel) and competence (right panel) under the different conditions across four studies. This suggests a similar effect of unemployment status on judgments of the warmth and competence of unemployed workers.

{{ INSERT FIGURE 1 ABOUT HERE }}

### **Discussion of Results**

We report the results of five studies that examine the psychological process by which unemployed workers are stigmatized, contributing to firms' decisions not to hire from their ranks. By altering conditions that led to unemployment status, controlling for productivity, and conducting a correspondence study, we present evidence that the social psychological theory of stigma is an important mechanism that contributes to the challenges that unemployed workers face. We find evidence that bias against unemployed workers exists beyond interpretations that rely upon productivity assumptions alone, and is consistent with psychological stigmatization.

In Studies 1 and 2, we find support for the hypothesis that unemployed workers are stigmatized, as prior predictions from the stigma literature were replicated in this context. We vary reasons for the onset of unemployment to indicate a controllable or uncontrollable onset of unemployment, experimentally reducing negative perceptions against unemployed workers and thereby finding mechanisms for discrimination which *operate through attributions*. In qualitative

analyses carried out across Studies 1 and 2, we find evidence which suggests that the bias fits prior predictions from attribution theory with respect to stigmas. We qualitatively code and analyze post-test comments in Studies 1 and 2 and find that the laid off are often seen as unemployed due to internal and controllable factors such as laziness / lack of effort on the part of unemployed workers. In contrast, in Study 2, by making the job candidate appear to be unemployed due to the employer going out of business (a cause out of the individual's control), evaluators more frequently judge that the cause of unemployment is uncontrollable and external, which is predicted to alleviate stigma, and does so in our study.

In Studies 3 and 4, we experimentally show that the stigma of unemployment is *unjustifiable* on the grounds of productivity alone, and continues to affect perceptions of an individual's performance even after that individual is no longer unemployed and employment status is irrelevant. Study 5 finds that discrimination against unemployed workers is *nearly instantaneous*, and reports results a correspondence study in which we submit applications for open positions. We combine results from Studies 1-4 into a meta-analysis that tests the effect of unemployment status on perceivers' judgments of the warmth and competence of unemployed workers. We find significant negative effects of unemployment on not only the competence, but also the warmth of unemployed workers. These studies suggest that above and beyond hypotheses related to the unemployment penalty on skill evaluations (signaling, loss of skill, and ranking), there is an element of stigma against unemployed workers that harms their job search efforts and lingers with them once they are on the job.

### **Conclusion**

In addition to casting doubt upon the productivity-based narrative, the pattern in our studies aligns with social psychological hypotheses of out-group discrimination and *operates*

*through attributions.* For organizations and individuals who are unemployed, there is some hope and benefit in recognizing that stigma, and not productivity rooted differences, are implicated in discrimination against unemployed workers. Stigma theory, and evidence in this paper, suggests that the best way to alleviate discrimination against unemployed workers is to underscore that unemployment status is not within the control of an unemployed individual. Emphasizing macroeconomic causes of unemployment in the narrative surrounding unemployed workers would be a very important first step, as would steps to achieve full employment. For firms that screen job candidates, discarding the resumes of unemployed workers may restrict access to highly productive workers. Firms might institute screening procedures that blind interviewers to unemployment status by masking precise dates and instead providing biodata on years of experience. Interviewers could be trained to proactively combat the implicit biases that operate against stigmatized groups, and for large firms with sophisticated analytics teams, rater bias corrections could be implemented post-hoc in the case of members of stigmatized groups.

There are several limitations of the present research. There is the possibility that the findings would not generalize outside of the samples used for study. The laboratory experiments may lack external validity. Our findings may be compatible with theories in the unemployment literature that emphasize judgments based upon competence or skills. Further, the effect size and importance of the psychological and social psychological factors addressed here is unexamined as compared to alternative causes.

However, the present research contributes to the literature on discrimination against unemployed workers and other stigmatized groups because it adds a perspective for understanding the phenomena absent in much of the literature, and grounds a specific and well-documented case of discrimination within a theoretical perspective on discrimination.

Stigmatization of unemployed workers may occur through a stigmatization of the less competent or productive worker. In a culture that highly values productive workers, those who are less productive are stigmatized once for being less productive, and stigmatized twice if they are discharged from the workforce. These findings contribute to an understudied area in psychology and the literature on unemployed workers: how and when *perceivers* may stigmatize unemployed workers, as compared with past research examining how *targets* experience being unemployed. Finally, because we shift attention toward an unintentional way in which unemployment discrimination operates, as opposed to the traditional emphasis on evaluation rooted in productivity distinction, we highlight that the conventional attribution is based upon intentional behavior by evaluators and firms (Malle 2006; Malle, Knobe, and Nelson, 2007).

One future area for research on the consequences of unemployment and the mechanisms through which unemployment stigma might operate would be to examine cross cultural variation as well as unemployment rate related variation. In countries such as Israel or in cultural settings where individual identities are less attached to work identity in contrast to the U.S., there might be a different finding with respect to unemployment stigma: it may not be stigmatized at all by employers, or it may vary with regard to the mechanisms through which any penalties attach themselves to individuals.

Our results suggest that unemployed workers may have a legitimate concern about bias against them because *unemployment stigma exists*, occurs *instantaneously* (i.e., within one month after an individual is unemployed), is *unjustifiable* (i.e., without regard to qualifications or performance), and *operates through attributions* (i.e., only by emphasizing external causal controllability was stigma reduced). Furthermore, it has *negative consequences* (i.e., leads to hiring biases against unemployed workers as well as negative judgments of warmth, competence,

performance review and salary adjustments). While some employers vehemently deny discriminating against unemployed workers, our results suggest it may continue to happen unintentionally, and that employers may be unwittingly harm their competitiveness by eliminating qualified unemployed applicants for vacant positions. Thus, unemployment stigma may harm not only the targets of unemployment stigma, but because it operates silently in the background, the perceivers of unemployment stigma as well.

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**Tables and Figures**

**Table 1- Studies 1 and 2– Examining Attributions for Unemployment**

	Internal	External
Controllable / Intentional	<b>Internal and Controllable</b> Motivation (low effort) Perception (unhappy at work) Quit / Seeking a better job	
Uncontrollable / Unintentional	<b>Internal and Uncontrollable</b> Health or Sickness Abilities or Skills (Laid Off)	<b>External and Uncontrollable</b> Economy Company Strategy

Additional attributions in qualitative data include “Please of Ignorance” (not enough information) and “Mixed Motives” (combination of more than one category). A Qualitative Data Appendix is available from the authors with additional details.

**Table 2** - *Study 1 - Mean Judgments in Experimental Conditions*

Study 1 Conditions			
	Employed (n=25)	Unemployed - Uncontrollable (Laid Off) (n=29)	Unemployed- Controllable (Voluntarily Left) (n=27)
Perceived	5.41 (.72)	4.71 (.84)	4.90 (.84)
Competence			
Perceived Warmth	4.64 (.84)	4.15 (.74)	4.28 (1.05)
Employability	4.60 (1.19)	3.83 (1.49)	3.93 (1.58)

Standard deviations are in parentheses.

**Table 3-** *Study 2 - Mean Judgments in Experimental Conditions*

	Study 2 Conditions		
	Employed (n=40)	Unemployed- Company Going Out of Business (n=31)	Unemployed- Voluntarily Left (n=35)
Perceived	5.30 (.98)	5.34 (1.16)	4.78 (1.06)
Competence			
Perceived Warmth	5.30 (.78)	5.48 (1.13)	4.86 (.97)
Employability	4.75 (1.41)	4.87 (1.64)	4.14 (1.31)

Standard deviations are in parentheses.

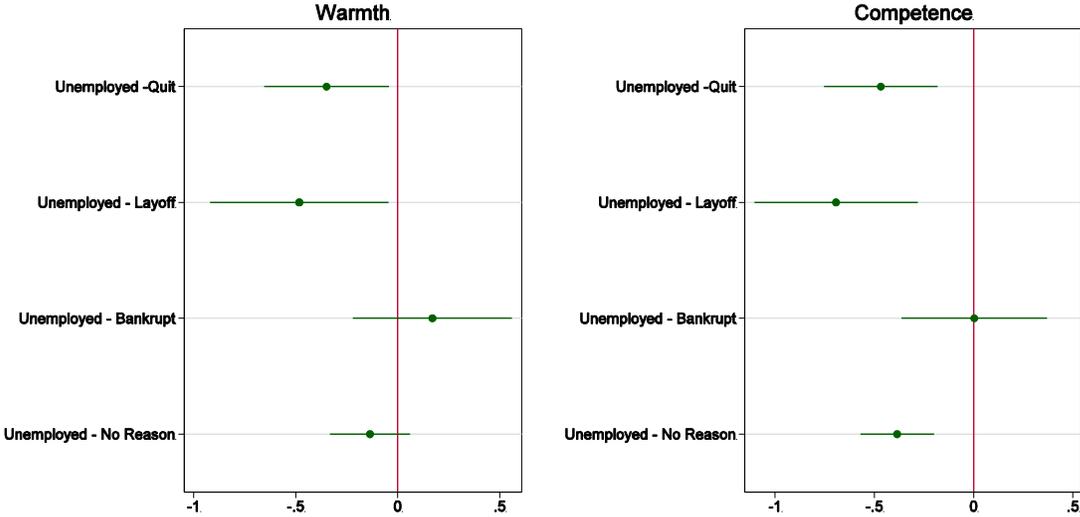
**Table 4-** *Studies 1 and 2 – Qualitative Coding of Attributions for Unemployment*

	External and Uncontrollable	Internal and Controllable	Mixed Motive	Pleas Of Ignorance	Total
Study 1 – Laid Off	19	4	5	1	29
Study 1 – Voluntarily Quit	-	17	5	5	27
Study 2 – Employer Going Out of Business	29	2	-	-	31
Study 2 – Voluntarily Quit	1	18	14	2	35
	53	43	24	9	129

**Table 5** - Study 5 - Logistic Regression of Response Rates

	(1)	(2)	(3)	(4)	(5)
Contact					
Employed	2.2442** (0.8731)	2.2449** (0.8734)	2.3097** (0.9055)	2.3217** (0.9115)	2.3617** (0.9473)
Male		1.0370 (0.3819)	1.0757 (0.4001)	1.0525 (0.3926)	0.9986 (0.3860)
Years of Experience			1.0352 (0.1249)	1.0277 (0.1249)	1.0754 (0.1354)
No BA			2.3626 (1.6913)	2.2156 (1.5894)	2.0110 (1.5025)
In State				2.8863 (3.0461)	2.1805 (2.3224)
Accountant					0.2981 (0.2331)
Audit					1.1514 (1.0971)
N	248	248	242	241	232
Chi-Squared	4.585	4.595	6.159	7.379	12.87
p	.03225	.1005	.1876	.1939	.07532
Exponentiated coefficients					

Figure 1 - Perceptions of Standardized Warmth and Competence



**Appendix 1: Coding Reasons for Unemployment**

As part of a post-test, Studies 1 and 2 asked respondents to describe in writing why they thought the job candidate was unemployed. Coding of these attributions was done by two research assistants employed by the first author in the following fashion. At an initial meeting, a number of the attributions given were read out loud and the group discussed possible classification schemes. The group initially agreed upon a dichotomous “Controllable” (low motivation, voluntarily quitting, and other controllable factors) and “Uncontrollable” (ability, economic conditions, and other uncontrollable factors) coding scheme based upon theories of stigmatization. Research assistants independently coded the responses while blind to the experimental conditions of the respondents and the full design of the study, and in a follow-up meeting discussed discrepancies.

The coders felt that some of the responses were ambiguous. For example, “He was stupid,” could indicate a lack of ability, which is uncontrollable, or a controllable act of stupidity. “Either lazy or company went out of business,” spans the internal controllable attribution of low motivation as well as the external uncontrollable situation of a corporate downturn.

It was decided to add a “Mixed Motive” category to allow for a conservative judgment of cases where the respondent had multiple reasons for why they felt the person was unemployed. Instead of weighing such statements, they were bucketed in their own Mixed Motive category. It was also decided to clearly separate Internal Uncontrollable (health or sickness; abilities and skills) from External Uncontrollable (economy and changes in company strategy). A category for Pleas of Ignorance was added to account for the respondents who said “I don’t know,” and “Not enough information.” The final coding scheme was agreed upon and research assistants again independently coded the responses while blind to the experimental conditions.

Attributions- 5 codes

	Internal	External
Controllable / Intentional	<b>Internal and Controllable</b> Motivation (low effort) Perception Seeking a better job (unhappy)	
Uncontrollable / Unintentional	<b>Internal and Uncontrollable</b> Health or Sickness Abilities or Skills	<b>External and Uncontrollable</b> Economy Company Strategy
	<b>Examples</b>	

Mixed Motive	"He was stupid"; "Either he was fired or quit"; "Either lazy or company went out of business"
Plea of Ignorance	"I don't know" "Not enough information"

Research assistants’ coding responses were returned as follows. 78.91% of observations agreed. The Kappa is .676 and the SE is .053, indicating a “good” strength of agreement between the two raters. It can be seen that no rater used the Internal Uncontrollable category in the second round of coding.

		Combined - Inter-Rater Reliability			
		Rater 2			
		EU	IC	MM	POI
Rater 1	External and Uncontrollable	46	4	1	0
	Internal and Controllable	2	42	5	0
	Mixed Motive	3	12	5	0
	Plea of Ignorance	0	0	0	8

The first author evaluated and resolved discrepancies. Disagreements where there was a plausible contention were coded “MM” for Mixed Motive. A frequent example was “Personal Reasons,” which was named four times, and is clearly internal. However, there is uncertainty about whether such “personal reasons” are uncontrollable or controllable, so was assigned to the Mixed Motive category. One issue was that “lack of sales,” was the reason given for why the company went out of business in Study 5, but the coders were blind to the experimental conditions of the study and thus unaware that “lack of sales” was clearly referring to this external situation of low corporate sales and not the internal situation that an individual employee had lackluster sales. Seven such responses were coded EU. One disputed response was coded IC because it stated that the reason the person was out of the job was that it was “not right fit for him,” which involves worker perceptions of job fit. A single-word response “good” was coded as a Plea of Ignorance.

Combined - Final Coding		
External and Uncontrollable	53	" +7"
Internal and Controllable	43	" +1"
Mixed Motive	24	" +19"
Plea of Ignorance	9	" +1"

Table 4 in our study shows the final results of coding. We examine the different attributions between the Laid Off condition in Study 1 and the Employer Going Out of Business

condition in Study 2. Coders were also asked to specifically flag “low motivation / effort,” and indicated in four of the cases in the Laid Off condition in Study 4 that the job candidate had low motivation (“Lack of self-motivation,” “he wasn’t proactive,” “laziness? His resume isn’t that polished,” and “passiveness” were the reasons given). In Study 2, one attribution in the Voluntarily Quit condition was flagged for low motivation (“He may have been too easy going and wasn't willing to do what it takes to get ahead.”) as was one in the Employer Going Out of Business condition (“Hired people like him who do not seem to have what it takes. Not a go-getter, not proactive, not confident”).