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Authors

Ho, Geoffrey
Ho C.
Shih, Margaret
Walters, Daniel J.
[et al.](#)

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By

Geoffrey C. Ho, Margaret Shih, Daniel J. Walters
University of California, Los Angeles

Todd L. Pittinsky
State University of New York at Stony Brook

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INSTITUTE FOR RESEARCH
ON LABOR AND EMPLOYMENT
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The Stigma of Unemployment:
When joblessness leads to being jobless.

Geoffrey C. Ho¹, Margaret Shih, Daniel J. Walters

University of California, Los Angeles

Todd L. Pittinsky

State University of New York at Stony Brook

¹ Correspondence should be address to Geoffrey C. Ho. UCLA Anderson School of Management, 110 Westwood Plaza, Collins Center A-416, Los Angeles, CA 90095-1481, e-mail: gho@anderson.ucla.edu

Abstract

In two studies, we find that unemployment stigma exists, occurs instantaneously, is difficult to alleviate, and leads to hiring biases against the unemployed. This stigma-based account of the unemployed stands in contrast to economic theories purporting that individuals rationally base their judgments on the skill deterioration the unemployed should experience. Study 1 provides evidence that unemployment stigma exists and can lead to a hiring bias against the unemployed. Furthermore, unemployment rationales indicating whether unemployment was controllable (i.e. Voluntarily Left) or uncontrollable (i.e., Laid-off), a causal dimension that has been found to mitigate negative responses toward stigma in past research did not alleviate unemployment stigma. This may have been the case because of perceivers' fundamental tendency to overemphasize internal/dispositional explanations for target outcomes. Study 2 supports this reasoning as we found that providing a rationale indicating causal externality (i.e., Employer Bankruptcy), to correct for this attribution bias, alleviated unemployment stigma.

Keywords:

Stigma, Social Cognition, Unemployment, Attributions

“The people who have been laid off and cannot find work are generally people with poor work habits and poor personalities.” – Ben Stein (2010)

There have been a growing number of reports regarding hiring bias against the unemployed (Semuels, 2011; Ydstie, 2010) with some employers even explicitly refusing to consider unemployed job applicants (Bassett, 2011a). This phenomenon has become serious enough that it has caught the attention of the U.S. Equal Employment Opportunity Commission (EEOC, 2011). As illustrated in the quote above, we believe this reported discrimination could be occurring because of a psychological stigma against the unemployed.

While the unemployed have been identified as a possibly psychologically stigmatized social group (Goffman, 1963), psychologists have not empirically examined whether stigma against the unemployed exists. Instead, psychological research has focused on understanding the psychological experiences of the unemployed (see McKee-Ryan, et al., 2005) such as depression (Feather & Davenport, 1981) and life satisfaction (Lucas, Clark, Georgellis, & Diener, 2004). Our research seeks to examine how and when *perceivers* may psychologically stigmatize the unemployed as opposed to examining how *targets* experience being unemployed.

Economists, focusing on “rational actor” explanations, provide some insights regarding how perceivers may view the unemployed. Specifically, based on the well-established finding that unemployment duration is directly related to decreased likelihood of securing employment (e.g., Lockwood, 1991; Vishwanath, 1989), it has been theorized that employers may perceive greater length of unemployment as a signal of increasing skill decay (e.g., Kübler & Weizsäcker, 2003) and increasing probability that the worker has undesirable characteristics (e.g., Oberholzer-Gee, 2008). These explanations predict that employers may be making calculated

decisions regarding unemployment duration in assessing applicant hirability. However, we believe that a psychological stigma against the unemployed may systematically lower chances of the unemployed attaining employment, regardless of unemployment duration or applicant skill.

In a pilot study, we found preliminary evidence that unemployment stigma exists against the unemployed. We asked participants to review both an employed and an unemployed resume¹ and found that individuals rated the unemployed candidates less favourably than the employed candidates on both perceived competence and warmth, dimensions that are theorized to be central and universal in social judgment (Fiske, Cuddy, & Glick, 2007). Thus we found some evidence that the status of unemployment leads to unemployment stigma, regardless of qualifications² and at the minimum duration of unemployment³.

The two studies in this paper follow up on the results from the pilot study. We examine more closely the nature of unemployment stigma and determine if it can result in hiring biases against the unemployed. Furthermore, we hope to elucidate the conditions under which unemployment stigma and hiring biases might be alleviated. Due to the fact that there exist many different causal factors for unemployment onset (e.g., left job voluntarily, laid-off, terminated, employer bankruptcy, etc.), we used different reasons for unemployment in order to accomplish this.

Study 1

Study 1's purpose was to build on the pilot study in determining whether unemployment stigma exists and if it leads to hiring biases against the unemployed. Furthermore, we assessed whether providing information regarding the *causal controllability* of unemployment-onset might attenuate unemployment stigma. Past research has found that a stigma, when perceived as onset-uncontrollable, elicits relatively positive responses compared to when the same stigma is

perceived as onset-controllable (e.g., Schwarzer & Weiner, 1991). For instance, an AIDS patient who contracted the disease through a blood transfusion (i.e., stigma was onset-uncontrollable) would elicit more positive responses than an AIDS patient who contracted the disease through promiscuous sex (i.e., stigma was onset-controllable; Weiner, Perry & Magnusson, 1988).

Participants were asked to evaluate either a resume that belonged to an employed individual, an unemployed individual who was laid-off (i.e., onset-uncontrollable) or an unemployed individual who left voluntarily (i.e., onset-controllable). Being unemployed because of lay-off can be considered relatively onset-uncontrollable because employers generally initiate lay-offs as opposed to employees initiating their own lay-offs. Thus, a laid-off unemployed individual may elicit pity and help from perceivers (Weiner, 1985; 1986) in the form of stigma alleviation because the unemployed individual did not choose their unemployed state. Therefore, we predict that the unemployed-uncontrollable candidate will not be significantly stigmatized relative to the employed candidate. On the other hand, we expect the unemployed-controllable candidate to face unemployment stigma as would be congruent with previous research finding that the stigmatized who are perceived as choosing their condition elicit relatively negative reactions and tend to be punished (Weiner, 1988).

Methods

Eighty-three participants (78.31% female; age: $M=22.26$, $SD=5.51$) from a large West Coast university in the U.S. were asked to imagine they were a marketing firm executive looking to hire a marketing manager and provided a resume to review. Participants were randomly assigned to 3 conditions (Employed, Unemployed-Controllable, and Unemployed-Uncontrollable). Applicant employment status was manipulated via employment dates on the resume⁴ and with a profile above the resume stating the applicant name and employment status

(“Employed” or “Unemployed”). An unemployment reason was also provided on the profile below the employment status if the applicant was unemployed (“Laid-Off” in the unemployed-uncontrollable condition or “Left Voluntarily” in the unemployed-controllable condition).

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 also rated the candidate’s perceived hirability on a 7-point Likert scale that asked, “How likely are you to hire the applicant for the job?” (Rudman & Glick, 1999)⁵.

Results & Discussion

Planned linear contrasts (See Table 1) revealed that participants in the unemployed-uncontrollable condition rated the candidate as less competent, $t(78)=3.18, p=.002, r=.34$; less warm, $t(77)=2.00, p=.05, r=.22$; and less hireable, $t(79)=1.96, p=.05, r=.22$, than participants in the employed condition. Similarly, participants in the unemployed-controllable condition rated the candidate as less competent, $t(78)=2.29, p=.03, r=.25$, and marginally less hireable, $t(79)=1.69, p=.09, r=.19$, but not less warm, $t(79)=1.46, p=.15, r=.16$, than individuals in the employed condition.

Statistical mediation analysis (Baron & Kenny, 1986; see Figure 1) was used to determine whether hiring biases occurred as a result of unemployment stigma (i.e., decreased competence judgments). Dummy variables (unemployed-uncontrollable and unemployed-controllable) comparing the unemployed conditions against the employed condition were created

for regression analyses. Both dummy variables (used as independent variables) significantly negatively predicted Perceived Competence (regression 1) as well as Hirability (regression 2) at statistically significant levels. To test the final component of the mediation model, we regressed Hirability on the two dummy variables, and Perceived Competence. As shown in Figure 1, Perceived Competence significantly predicted Hirability while the two dummy variables were nonsignificant. Sobel tests confirmed that Perceived Competence significantly mediated the effects of the dummy variables Unemployed-Controllable, $z=-2.05$, $p=.04$, and Unemployed-Uncontrollable, $z=-2.62$, $p=.008$, on Hirability.

These results suggest that unemployment discrimination occurs as a result of unemployment stigma. Thus this study provides evidence that the mere status of unemployment can systematically lower the chances of unemployed individuals attaining employment because of unemployment stigma. Furthermore, results from this study suggest that stigma exists regardless of whether the reason for unemployment-onset is uncontrollable or controllable which is surprising given past findings in the stigma literature.

An explanation for this counterintuitive finding can be found in social cognition research demonstrating that when individuals perceive others' outcomes, they tend to overemphasize dispositional/internal explanations and underemphasize situational/external explanations (Ross, 1977; Jones & Nisbett, 1971; Lerner, 1977). For instance, when an drivers are cut-off in traffic, research suggests that they will be more likely to blame the offending drivers' character or ability as opposed to searching for situational causes (e.g., avoiding pothole).

It is possible that individuals perceiving the unemployed are also overemphasizing dispositional/internal factors and underemphasizing external factors that could have caused unemployment. For instance, while an individual who is laid-off does not control

unemployment-onset, the cause of unemployment could still be attributed to the individual's abilities (as it can be inferred that only incompetent people are laid off; e.g., Gibbons & Katz, 1991). Thus, the cause of unemployment can be uncontrollable, but internally caused in the case of lay-offs. Furthermore, in the case of the unemployed individual who voluntarily left their job, perceivers may also be making internal attributions about the individual's motivation, effort, or values because they chose to leave their job. In fact, previous research in attribution theory 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, 1988).

This line of reasoning suggest that providing a rationale for unemployment indicating that the cause of unemployment was *causally external* to the individual could lead to stigma alleviation because the perceptual bias toward dispositional/internal attributions for others' outcomes could be corrected for. Study 2 was designed to test whether this was indeed the case.

Study 2

Study 2 was designed to determine if causal locus (i.e., whether the cause of unemployment is internal or external to the unemployed individual), another important dimensions 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 left his job voluntarily (i.e., internal causation), or unemployed because his employer went out of business (i.e., external causation). We expect similar stigma and hiring bias patterns as in Study 1 with the unemployed-internal job candidate. However, we propose that 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 others' outcomes.

In addition, participants in this study were presented with richer information about the job candidate – specifically, a clip from a job interview where participants could see the job candidate speaking and interacting with the interviewer.

Method

One hundred and twelve participants (66.07% female; age: $M=33.24$, $SD=11.39$) were recruited from Amazon Mechanical Turk, a sample that is significantly more diverse and representative of the general population than typical college samples (Buhrmester, Kwang, & Gosling, 2011). Participants followed the same procedures as in Study 1. However, instead of evaluating a resume, participants evaluated a 40-second video excerpt from a job interview and were assigned to one of three conditions (Employed, Unemployed-Internal, and Unemployed-External). As in Study 1, preceding the interview excerpt, participants saw the name of the candidate, 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 first two studies and a hirability item measured on a 7-point Likert scale asking participants “To what extent would you like to hire the job applicant?”

Results & Discussion

Planned linear contrasts (See Table 2) revealed that individuals in the unemployed-internal condition judged the candidate to be lower in competence, $t(109)=2.15$, $p=.03$, $r=.20$, warmth, $t(108)=2.04$, $p=.04$, $r=.19$, and hirability, $t(109)=1.79$, $p=.08$, $r=.17$, as compared to the employed condition. In contrast, the unemployed-external candidate did not significantly differ

from the employed candidate in perceptions of competence, $t(109)=.01$, $p=.99$, $r<.001$, warmth, $t(108)=-.71$, $p=.48$, $r=.07$, and hirability, $t(109)=-.17$, $p=.87$, $r=.02$.

These results suggest that unemployment stigma and discrimination may be alleviated when a reason indicating the causal externality of an individual's unemployed state is made salient. Furthermore, we found that the voluntarily unemployed individual was viewed as less warm than the employed individual, which taken together with the results in Study 1, suggests that voluntarily unemployed individuals are indeed stigmatized on the dimension of warmth in addition to competence.

General Discussion

In two studies, we demonstrate that unemployment stigma exists, independent of individual qualifications and duration of unemployment. Building on a pilot study that demonstrated the existence of unemployment stigma, Study 1 provides evidence that this unemployment stigma leads to hiring biases against the unemployed. That is, we found that the mere status of unemployment, at the minimum level of unemployment duration, led to hiring biases against the unemployed because of unemployment stigma. These findings stand in contrast to economic theories stating that individuals rationally base their judgments of the unemployed based on the skill deterioration of the unemployed. These findings also elucidate an understudied area in psychology: how and when *perceivers* may stigmatize the unemployed, as compared with past research examining how *targets* experience being unemployed.

In addition to finding unemployment stigma and demonstrating that it can lead to hiring biases against the unemployed, we also found that providing reasons suggesting differential causal controllability of unemployment onset (i.e., Laid-off vs. Left job) did not alleviate unemployment stigma as might have been predicted in previous psychological research (Weiner

et al., 1988). Results from Study 2 suggest that stigma alleviation may not have occurred because of the general bias individuals possess toward dispositional/internal attributions for others' outcomes (e.g., laid-off=low ability; left job=low motivation). Specifically, in Study 2 we find that correcting for this bias by providing a reason emphasizing external causation of unemployment (i.e., employer bankruptcy) was successful in alleviating both unemployment stigma and hiring biases.

Our results suggest that the unemployed may have a legitimate concern about bias against them because unemployment stigma *exists*, occurs *instantaneously* (i.e., the moment an individual is unemployed), is *unjustifiable* (i.e., without regard to qualifications), *difficult to alleviate* (i.e., causal controllability of unemployment-onset did not affect stigma), and has *negative consequences* (i.e., leads to hiring biases against the unemployed). Furthermore, while some employers vehemently deny discriminating against the unemployed (Bassett, 2011b), our results suggest it may continue to happen and that employers may be unwittingly harming their competitiveness by eliminating completely qualified unemployed applicants for vacant positions. Thus, unemployment stigma may ironically harm not only the targets of unemployment stigma, but the perceivers of unemployment stigma as well.

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Footnotes

¹ The resumes' employment status, and order of presentation were counterbalanced.

² A pretest found that the resumes were equivalent in qualifications.

³ The Pilot Study was run in the first week of June 2010 and the last date of employment on the unemployed resume was May 2010.

⁴ Study 1 was run in the first week of August 2010 and the last date of employment on the unemployed resume was July 2010.

⁵ At the end of Studies 1 and 2 participants were asked to speculate on reasons the candidate was unemployed as manipulation checks. Three coders blind to study conditions coded participant responses for causal controllability (Study 1) and locus (Study 2). In Study 1, participants provided significantly less controllable reasons in the unemployed-uncontrollable relative to the unemployed-controllable condition. In Study 2, participants provided significantly more internal reasons in the unemployed-internal relative to the unemployed-external condition.

Table 1.

Study 1 Mean Judgments in Experimental Conditions

	Study 2 Conditions		
	Employed	Unemployed- Uncontrollable	Unemployed- Controllable
Perceived Competence	5.41 (.72)	4.71 (.84)	4.90 (.84)
Perceived Warmth	4.64 (.84)	4.15 (.74)	4.28 (1.05)
Hirability	4.60 (1.19)	3.83 (1.49)	3.93 (1.58)

Table 2.

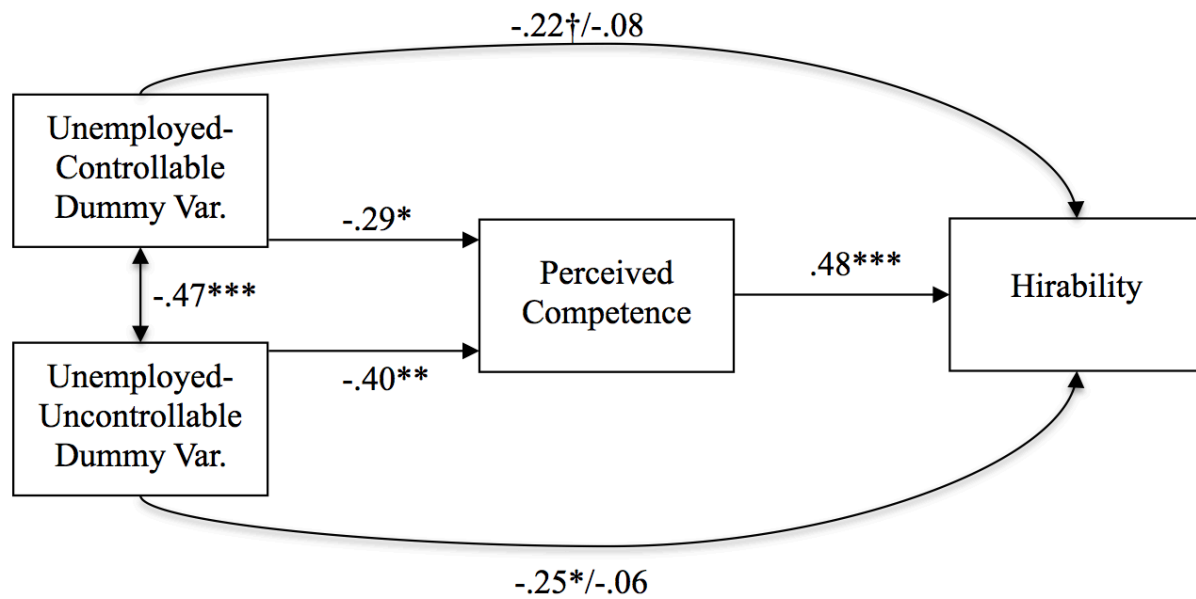
Study 2 Mean Judgments in Experimental Conditions

	Study 2 Condition		
	Employed	Unemployed- Internal	Unemployed- External
Perceived Competence	5.30 (.98)	4.79 (1.05)	5.30 (1.05)
Perceived Warmth	5.30 (.78)	4.86 (.95)	5.45 (1.08)
Hirability	4.75 (1.41)	4.17 (1.30)	4.81 (1.55)

Figure 1.

Study 2 Perceived Competence mediating the effects of the Unemployed-Controllable Dummy Variable and the Unemployed-Uncontrollable Dummy Variable on Hirability.

† $p < .10$. * $p < .05$. ** $p < .01$. *** $p < .001$.



AUTHOR NOTES

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