Hiring a gay man, taking a risk? A lab experiment on employment discrimination and risk-aversion

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Abstract:

We investigate risk-aversion as a driver of labour market discrimination against homosexual men. We show that more hiring discrimination by more risk-averse employers is consistent with taste-based and statistical discrimination. To test this hypothesis we conduct a scenario experiment in which experimental employers take a fictitious hiring decision concerning a heterosexual or homosexual male job candidate. In addition, participants are surveyed on their risk-aversion and other characteristics which might correlate with this risk-aversion. Analysis of the (post-)experimental data confirms our hypothesis. The likelihood of a beneficial hiring decision for homosexual male candidates decreases by 31.7% when employers are a standard deviation more risk-averse.

Keywords:

Hiring discrimination; employment; statistical discrimination; sexual orientation; homosexuality; scenario experiment; risk-aversion.

Running header:

Employment Discrimination and Risk-aversion.

Employing comprehensive field experiments, during the past decade, scholars have shown that discrimination is still a barrier for (openly) gay job-candidates in the labour market. The most convincing evidence in this respect has been provided by so-called correspondence experiments. Within these experiments, fictitious job applications, only differing in a randomly revealed engagement in pro-gay organisations, are sent to real job openings. By monitoring the subsequent call-back from employers, unequal treatment based on this signal of a gay sexual orientation is identified and can be given a causal interpretation (Baert, 2017; Neumark, in press; Pager, 2007; Riach & Rich, 2002). Between 2005 and 2012, correspondence experiments to measure hiring discrimination against gay men were conducted in five different countries. The level of discrimination appeared to differ substantially by country. Fictitious gay job candidates received 12% less positive call-back than equal applicants revealing no such engagement in Sweden in 2011–2012 (Ahmed, Andersson & Hammarstedt, 2013), 30% less positive call-back in Italy in 2012 (Patacchini, Ragusa & Zenou, 2015), 37% less positive call-back in the United States in 2005 (Tilcsik, 2011), 65% less positive call-back in Greece in 2006–2007 (Drydakis, 2009) and 73% less positive call-back in Cyprus (Drydakis, 2014).[1] This unequal treatment is not only unacceptable from an ethical perspective,[2] but also has important economic consequences (Baert, 2014; Figueroa & Zoccola, 2016; Göçmen & Yilmaz, 2017; Yoder & Mattheis, 2016).

Identifying discrimination is one thing, tackling it is another. To combat labour market discrimination against sexual minorities effectively, one needs to understand its driving factors. In other words, to design adequate policy actions, targeted to the right employers in the right way, one has to gain insights into which employers discriminate against gay men and why these employers discriminate against them. One key factor by which discrimination might be heterogeneous, is employers' risk-aversion. In this study, we are the first to investigate the link between hiring discrimination against gay men and this risk-aversion.

First, based on the leading theoretical models for labour market discrimination, we predict higher levels of discrimination in respect of risk-averse employers. Subsequently, employing a scenario experiment conducted in Belgium, we test this prediction in an empirical way.

Theoretical Predictions

In spite of the development of alternative approaches to theorising labour market discrimination,[3] the leading economic theories in this respect, especially in the case of sexual orientation discrimination, are still Becker's (1957) model of taste-based discrimination and Arrow's (1973) model of statistical discrimination (Baert, 2014; Guryan & Charles, 2013). In this section, we show that both theories support a positive relation between labour market discrimination – in general and in particular against gay job candidates – and risk-aversion of employers.

Taste-Based Discrimination

Taste-based discrimination blinds employers to the (true) monetary costs associated with engaging a minority worker. Following this theory, employers who discriminate will, due to the disutility they experience by interacting with such a minority worker, act as if the costs of hiring this worker exceed its actual costs. Becker's (1957) discrimination coefficient gives the mark-up on the costs of hiring a minority worker attributable to employers' prejudice. Analogously, prejudiced co-workers may act as if the wage they get from their employer is a fraction equal to their discrimination coefficient lower in case they have to interact with a minority worker. Finally, customers might act as if the price of the good they want to sell is a fraction equal to their discrimination coefficient higher in that case. Even when they are not prejudiced themselves, profit-maximising employers will take the prejudices of their employees and customers into account when deciding on whether or not to hire a minority worker. As a consequence, regardless of whether the source of the prejudice is the employer himself ("employer discrimination"), his employees ("employee discrimination") or his

customers ("customer discrimination"), taste-based unequal treatment will decrease hiring chances for the minority worker (Baert, 2014; Becker, 1957; Borjas, 2009; Drydakis, 2014).

Analogous to the general case, taste-based discrimination against gay men could be caused by employers', employees' and customers' general distaste for sexual minorities and their experienced disutility of interacting with gay men. This distaste might be related to the concepts of sexual stigma and prejudice (Drydakis, 2014; Herek, 2007). With respect to employee discrimination and customer discrimination, employers have to make their hiring decisions based on their *perception* of their employees' and customers' distaste for interacting with homosexual workers. As a consequence, hiring a homosexual job candidate is, in respect of these employers, a risk, i.e. a risk of troubles on the work floor and discomfort among their customers. As a result, risk-averse employers might be less willing to hire gay men.

Statistical Discrimination

Statistical discrimination occurs when, as a time-efficient and profit-maximising response to low information and uncertainty about the actual productivity of individual job candidates, employers take into account their perception about the relative productivity-related characteristics of minorities as a group (based on information that might be imperfect) to predict a particular minority applicant's productivity (Arrow, 1973; Baert, 2014; Charles & Guryan, 2008; Borjas 2009).[4]

Initially, scholars focussed on first-order statistical discrimination, i.e. unequal treatment based on (perceived) group differences in their average productivity-related characteristics. In this respect, the fact that gay men are (perceived as), on average, less masculine or, more concretely, less dominant, autonomous and assertive (Blashill & Powlishta, 2009; Chung & Harmon, 1994; Ellis & Ratnasingam, 2012; Haddock, Zanna & Esses, 1993; Jackson & Sullivan, 1989; Kite, 2011; Kite & Whitley, 1996; Kurdek, 2006), might be a source of (statistical) discrimination as dominance, autonomy and assertiveness are associated with

labour market success (Tokar & Jome, 1998; Weichselbaumer, 2003). In other words, *individual* homosexual men may be statistically discriminated based on the fact that the *group* of gay men is documented and perceived as being less masculine, an ideal to which employers adhere, at least for particular occupations (Berg & Lien, 2002; Blandford, 2003; Kite & Deaux, 1987; Madon, 1997).

More recent contributions, however, have focussed on second-order statistical discrimination, i.e. unequal treatment based on (perceived) group differences in *the variance* of their productivity-related characteristics (Dickinson & Oaxaca, 2009; Dickinson & Oaxaca, 2014; Klumpp & Su, 2013; Neumark, 2012). This perceived variance is usually assumed – and empirically found – to be higher among minority workers potentially due to the fact that (majority dominated) employers are less familiar with these workers (Baert, Cockx, Gheyle & Vandamme, 2015; Carlsson, Fumarco & Rooth, 2014; Dickinson & Oaxaca, 2014; Neumark, 2012). In other words, minority groups such as gay men may emit noisier signals (Patacchini et al., 2015). For risk-averse employers, however, a less-risky productivity distribution (i.e. a distribution with a lower variance) is preferred to a more risky distribution. As a consequence, risk-averse employers may hesitate to hire gay men based on their higher (perceived) productivity variance, even though their (perceived) average productivity may be identical to that of their heterosexual counterparts. So, also based on the theory of statistical discrimination, a positive relation between employers' risk-aversion and their discriminatory behaviour is expected.

Method

To test the relationship between hiring discrimination and risk-aversion empirically, we conducted a lab experiment. This experiment extends the scenario experiment Baert & De Pauw (2014) proposed to test the empirical importance of general attitudes underlying the aforementioned models of taste-based and statistical discrimination in explaining ethnic hiring

discrimination.

In the present section, we subsequently describe the conducted experiment and provide the reader with summary statistics of the resulting data.

Experiment

We recruited 222 participants from an undergraduate Economics class at Ghent University in Flanders, the northern, Dutch speaking region of Belgium, in September 2015.[5] As reflected in ILGA-Europe (2017), Belgium is characterised by a relatively tolerant public opinion towards sexual minorities. Nevertheless, the prevalence of homophobia in Belgian society is still substantial (Interfederaal Gelijkekansencentrum, 2009; Interfederaal Gelijkekansencentrum, 2010; Interfederaal Gelijkekansencentrum, 2016), with several cases of gay bashing reported in the recent past, so that it seems likely that gay men may experience (taste-based) discrimination.

These participants first received a booklet containing experimental instructions. At the beginning of this booklet, testers were introduced to their role as employer at a company selling building materials. This company was in search for a new counter assistant. The testers were informed that this counter assistant should be (i) customer-oriented, (ii) service-minded and (iii) commercially-oriented. In addition, the assistant was expected to be efficient and reliable in administrative tasks.

Subsequently, the participants were asked to screen the resume of a fictitious job candidate for this position as counter assistant. This resume revealed a male candidate from Ghent, the second-largest city of Flanders, with the right qualifications. More concretely, this candidate had left school in June 2008 holding a secondary education degree in accountancy and informatics. From the summer of 2008 onwards, he had worked as a commercial clerk at a (non-existing) firm. In addition, this candidate had the following characteristics: Belgian nationality, Dutch as mother tongue, very good English and French language skills, good

German language skills and extensive computer skills (office applications).

The only aspect in which the resumes the participants got differed (i.e. the experimental manipulation) was the name of the spouse of the candidate (mentioned in the resume's personalia section and preceded by "Married to"). Several real-life recruiters confirmed that including one's spouse's name in one's resume together with one's marital status is not uncommon in Belgium. Baert (2014) followed the same strategy to reveal sexual orientation in his field study on hiring discrimination against lesbian job candidates.

The names Jonas Van Damme (a typically male, Flemish name) and Julie Van Damme (a typically female, Flemish name) were alternately assigned to the resumes.[6] This approach contrasts with the aforementioned field studies on sexual orientation discrimination, in which gay candidates signalled their sexual orientation by disclosing an engagement in a pro-gay organisation. In line with Baert (2014), we believe that our approach has two advantages. Firstly, sexual orientation is signalled in a more direct way. Secondly, a negative impact of perceived activism signalled by an engagement in a pro-gay organisation is avoided.

Based on this information, the participants were asked to perform two tasks. Firstly, they had to fill out a manipulation check by analogy with the checks proposed by, e.g., Baert & De Pauw (2014), Campbell (2007) and Trevino & Victor (1992). In this check we tested their perception of the sexual orientation (and, to not give away the aim of the experiment, also the sex, residence and origin) of the applicant on a 7-point Likert scale. Secondly, in line with Baert & De Pauw (2014), Di Stasio (2014) and Van Hoye & Lievens (2013), the testers were asked to state their intention to hire, by scoring the statement "The probability with which I will hire this candidate is high" on a 7-point Likert scale.

Given the experimental setting, the statement presented and the Likert scale used, it is important to stress that we did not measure a real hiring decision. Instead, we measured the likelihood of hiring evaluated by the participants of the experiment in their role of employer.

However, the success of scenario experiments in the fields of sociology and psychology (Colquitt, 2008; Mook, 1983; Shadish, Cook & Campbell, 2002; Van Hoye & Lievens, 2003) is exactly related to the fact that self-reported measures on perceptions have been shown to correlate to a great extent with actual behaviour (De Dreu, Evers, Beersma, Kluwer & Nauta, 2001) and that differences in intentions clearly result in actual behavioural differences (Webb & Sheeran, 2006). We come back to this issue in the first research limitation mentioned in the Discussion section.

Post-Experimental Survey

Immediately after making their fictitious hiring decision, participants had to complete a post-experimental survey. Firstly, we gathered information concerning their level of risk-aversion. Secondly, we surveyed the participants on characteristics that could correlate both with this risk-aversion and with their distaste for gay job candidates: their social desirability bias,[7] their social background and their political ideology.

Firstly, concerning our measure of risk-aversion, two subscales of three items each from the Domain-Specific Risk-Taking Scale (Blais & Weber, 2006) were selected and combined. As reviewed on dospert.org, the (subscales of the) Domain-Specific Risk-Taking Scale has been used and validated in a wide range of research themes and settings (e.g., research on differences in risk-taking among specific groups and neuroscientific and genetic research). We chose for the subscales measuring "social risk preferences" and "financial risk preferences" as we considered these particular subscales to be the most relevant in the context of labour market behaviour. Within these subscales, respondents are asked to indicate the likelihood with which they would engage in activities such as "Speaking your mind about an unpopular issue in a meeting at work" and "Investing 5% of your annual income in a very speculative stock." All scale items were scored on a 7-point Likert scale. Afterwards, the reversed item scores were averaged yielding a global score for risk-aversion between 1 and 7.

Secondly, the social desirability bias of the participants was measured by means of the short form of the Marlowe–Crowne social desirability scale developed by Reynolds (1982), one of the most used instruments for measuring social desirability (Sârbescu, Costea & Rusu, 2012). As reviewed by Beretvas, Meyer & Leite (2002), the validity of this scale has been demonstrated to be high by many studies. It comprises 13 items that express a behaviour that is culturally sanctioned or approved (e.g., "No matter who I'm talking to, I'm always a good listener") and participants have to indicate whether these statements apply to them or not. This yields a score of social desirable answering between 0 and 13.

Thirdly, the participants' social background was captured by means of five items: their gender (female or male), their age, their nationality (Belgian or non-Belgian), the highest education degree of their mother (lower than secondary education, secondary education, tertiary education outside college or tertiary education at college) and the highest education degree of their father (same categories as those with respect to their father).

Finally, their political ideology was measured using the short version of the right-wing authoritarianism scale as derived from Altemeyer (1998) and validated by Zakrisson (2005). This scale comprises 15 statements that measure participants' degree of willingness to conform to established and legitimate authorities. An example of such a statement is: "Our country desperately needs a mighty leader who will do what has to be done to destroy the radical new ways and sinfulness that are ruining us." All scale items had to be scored on a 7-point Likert scale yielding, by averaging all item scores, a global score for right-wing authoritarianism between 1 and 7.

Data Description

Table 1 describes the data gathered during the experiment and post-experimental survey described in the former two subsections. In this table, we compare the average values for the manipulation check, the fictitious hiring decision and the participant characteristics between

the two subsamples of participants classified by the sexual orientation of their assigned job candidate.

<Table 1 about here.>

Panel A shows that our experimental manipulation worked. Obviously, there is a highly-significant difference in perception of the job candidates the two subsamples got as being heterosexual. The average score for the item "The candidate has a heterosexual orientation" was 6.200 (1.477) among the participants who evaluated a candidate with a female (male) spouse. A t-test assessing whether the difference between these two values is significantly different from 0, yields a t-value of 26.194 ($p = 0.000$).

Next, Panel B shows that, on average, the likelihood of hiring did not vary by the sexual orientation of the applicants ($p = 0.592$). This overall finding is consistent both with the aforementioned tolerant public opinion towards sexual minorities in Belgium and the finding of no hiring discrimination against lesbian workers in Baert (2014) mentioned in footnote 1.[8]

Finally, Panel C shows that the randomisation of sexual orientation over the testers worked. Both groups of testers are very similar in terms of risk-aversion, social desirability bias, gender, age, nationality, parental education level and right-wing authoritarianism. Concerning the internal consistency of the used scales, Cronbach's alpha-coefficient is 0.593 for the risk-aversion scale (0.611 for the subscale measuring social risk preferences and 0.601 for the subscale measuring financial risk preferences), 0.657 for the social desirability bias scale and 0.603 for the right-wing authoritarianism scale.

Data Analysis

In this section, we present a regression analysis aimed to test our hypothesis of more unfavourable treatment of gay job candidates when employers are more risk-averse. More concretely, we conduct probit regressions. The dependent variable of these regressions is an indicator of an intention to hire score that is 6 or 7 (and, thereby, higher than the average

values presented in Panel B of Table 1).[9] Logit regressions on the same dependent variable yield the same conclusions. The same is true for ordered logit regressions and linear regressions (with heteroscedastic-consistent standard errors) using the experimental employers' intention to hire as scored on a 7-point Likert scale (and, thereby, going from 1 to 7) as a dependent variable.[10] The results for these regression models are available on request.

Table 2 displays our regression results presented as marginal effects. In regression model (1) to (5), we regress the aforementioned binary dependent variable on a gradually expanding set of variables. These variables are included as such and in interaction with the gay sexual orientation of the job candidate the participants had to screen. For reasons of regression results comparability, all variables except for the one indicating gay sexual orientation are normalised (the binary variables) or standardised (the continuous (scale) variables).

<Table 2 about here.>

In model (1), we regress the intention to hire on a dummy indicating gay sexual orientation only. We find that the probability of a high rating with respect to the likelihood of getting hired is 6.3 percentage points higher for gay candidates. However, in line with the empirical pattern in Panel B of Table 1, we find that this marginal effect is not significantly different from 0 ($p = 0.347$).

Next, in model (2), we add two variables: the scale indicating the risk-aversion of the experimental employer and this scale interacted with the gay sexual orientation of the fictitious job candidate, i.e. the variable of main interest. The marginal effect for this interaction variable -0.147, thus indicating that the probability of receiving a high rating is 14.7 percentage points lower for gay candidates in case employers are one standard deviation more risk-averse. This marginal effect is significantly different from 0 at the 5% significance level ($p = 0.039$). Thereby, model (2) confirms our research hypothesis.

In addition, the marginal effect for the risk-aversion scale without interaction with the gay

sexual orientation of the job candidate is 0.151, which is significantly different from 0 at the 1% significance level (*p = 0.007*). This means that the overall probability of a high likelihood of getting hired is 15.1 percentage points higher in case employers are one standard deviation more risk-averse,[11] ceteris paribus.

Finally, in models (3) to (5) we include additional variables (as such and in interaction with the gay sexual orientation of the job candidate) that might correlate with the risk-aversion of our experimental employers. As these variables might evenly correlate with their fictitious hiring decisions, not including these variables in model (2) might have resulted in biased estimates for this model. In model (3) we include the social desirability bias scale; in model (4) indicators for employers of male gender and employers with at least one parent with a tertiary education degree (obtained outside or at college) are added;[12] and in model (5) the right-wing authoritarianism scale is included.

Interestingly, the inclusion of these additional variables does even increase the magnitude of the marginal effect of main interest. Model (5) indicates that, after including all these additional variables, the relative chance on a beneficial (fictitious) hiring outcome is 16.3 percentage points lower for gay candidates in case employers are one standard deviation more risk-averse (*p = 0.028*). Compared to an average probability to get a high intention to hire score of 51.4% for gay candidates, this implies a decrease in this probability by 31.7% when employers are a standard deviation more risk-averse.[13]

In addition, we find, in line with our a priori expectations given the aforementioned cultural approved tolerance towards sexual minorities in Belgium, that participants with a higher tendency of socially desirable answering provide gay candidates with more beneficial hiring scores (*p = 0.057*). In other words, the difference in chance on a high intention to hire score between homosexual and heterosexual male candidates was more in favour of homosexual candidates when participants had a higher tendency of socially desirable

answering. This finding underlines that the adoption of a variable capturing socially desirable answering is relevant in future experiments on discrimination (against gay men).

Discussion

Summary

Large-scale field studies have shown that, in various OECD countries, gay job candidates receive less positive call-back than their heterosexual counterparts. To combat this labour market discrimination against sexual minorities, one needs to understand its driving factors. In this study, we investigated the relation between discrimination against gay men by employers and these employers' level of risk-aversion. First, we showed that more hiring discrimination in respect of employers who are more risk-averse, is consistent with the seminal discrimination theories of Becker (1957) and Arrow (1973). Then, to test this theoretical expectation empirically, we conducted a scenario experiment in which participants, in their role of employer, had to take a (fictitious) hiring decision concerning a job candidate whose sexual orientation was indicated by revealing the name of his spouse in his resume. In addition, we surveyed the participants on their risk-aversion, using two validated (sub)scales, and other characteristics which might be correlated with their risk-aversion: their socially desirable behaviour, their social background and their political ideology. A regression analysis based on these (post-)experimental data confirmed our research hypothesis. The probability of a high rating for gay candidates decreased by 31.7% when employers were a standard deviation more risk-averse. In addition, from a methodological point of view, we underlined the importance of controlling for socially desirable behaviour in discrimination experiments.

Contributions to Scholarship

This study contributes to several literatures. Firstly, it complements the mentioned field experiments on hiring discrimination against gay men in Europe and North-America. While

these field experiments show, in a compelling way, that discrimination is still a struggle for gay men in the labour market, they do not provide evidence on the empirical importance of the potential mechanisms underlying unequal treatment that we reviewed in the Theoretical Predictions section. Actually, the only study we are aware of that focusses on these mechanisms is Drydakis (2014), who tests the empirical importance of key attitudes underlying the models of taste-based and statistical discrimination in the context of sexual orientation discrimination. The present study adds to the literature on sexual minorities in the workplace that discrimination against them is (partly) driven by risk avoiding behaviour by employers. This finding calls for adequate policy action to which we come back below. Secondly, we contribute to the recent (but still scarce) empirical research on the mechanisms underlying employment discrimination in general (see, e.g., Baert & De Pauw, 2014; Nunley, Pugh, Romero & Seals, 2015; Zussman, 2013). Thirdly, while some recent contributions have studied risk-aversion *at the employee side* as an explanation for (gender) inequality in the labour market (see, e.g., Hartford & Spearman, 2014), we are not aware of studies, other than the present one, directly testing the effect of risk-aversion *at the employer side* as an explanation for inequality in the labour market. Finally, as mentioned above, risk-aversion is in particular related to second-order statistical discrimination, i.e. unequal treatment based on the (perceived) higher variance of the productivity distribution of minority groups. As a result, our study can also be seen as a contribution to the booming literature on this second-order statistical discrimination (Dickinson & Oaxaca, 2014; Klumpp & Su, 2013; Neumark, 2012).

Applied Implications

Our research shows that unfavourable hiring outcomes of gay job candidates can be tackled by lowering the perceived risk related to hiring these candidates. Therefore, policy makers might consider awareness campaigns that highlight success stories of (openly)

homosexual males in the workplace. Because prejudices are formed at an early age, it might be a good idea to integrate such campaigns into education. In addition, from an individual job candidate's perspective, our results teach us that gay men have every interest in providing employers with as much information as possible to dispel any uncertainty about their productivity (and, ipso facto, any perceived risk related to hiring them). They could, in this respect, consider including extended motivation letters and reference letters in their job applications revealing their professional ambition.

Limitations and Future Research Directions

Our empirical research is limited by its laboratory setting. As a consequence, we do not measure actual hiring behaviour but a likelihood of hiring (or a perception of hirability) evaluated by the participants of the experiment. However, as mentioned above, the success of scenario studies in fields such as sociology and psychology is related to the fact that self-report measures on perceptions have been shown to correlate highly with actual behaviour and that changes in intentions clearly result in actual behavioural changes. Moreover, a scenario experiment addresses some limitations of other experimental approaches, which have been criticised for making too much abstraction of real life situations, thereby raising questions about the external validity or generalisability of their findings. This is the case as the use of a scenario allows to describe the context in which participants define their intentions more realistic while establishing valid causal relationships (Baert & De Pauw, 2014; Colquitt, 2008; De Dreu et al., 2001; Mook, 1983; Shadish et al., 2002; Van Hoye & Lievens, 2003; Webb & Sheeran, 2006).

Another limitation is related to the fact we engaged students (and not real recruiters) as experimental employers. However, Hosoda, Stone-Romero & Coats (2003) and Falk, Meier & Zehnder (2013) show that, in general and in particular with respect to screening job candidates, students' ratings are practically identical to those of professional recruiters.

Moreover, student participants are less likely to respond in a socially desirable manner (probably because they are less worried about the reputation of the profession of recruiter). Lastly, students at an undergraduate Economics class could be thought of as tomorrow's employers.

As a last limitation, we have to acknowledge that Cronbach's alpha-coefficient for the risk-aversion scale we use is rather low. However, as mentioned when introducing them, the (sub)scales we employ are of the most used and validated instruments for measuring risk-aversion in the academic literature. Nevertheless, the construction of better scales capturing potential mechanisms underlying employment discrimination, including key attitudes underlying the models of taste-based and statistical discrimination, is necessary towards the further elucidation of these mechanisms. As aforementioned, gaining a better insight in these mechanisms is a condition sine qua non to design adequate anti-discrimination policies.

JEL Classifications: C91, J15, J71

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ENDNOTES

[1] In addition, lower levels of hiring discrimination against lesbian job candidates were found in Cyprus and Greece (Drydakis, 2011; Drydakis, 2014). In Sweden and Belgium, revealing a lesbian sexual orientation did, overall, not affect employment opportunities (Ahmed et al., 2013; Baert, 2014). In the latter country, for women at their fertile ages even a positive effect of revealing a lesbian sexual orientation was found.

[2] Discrimination based on sexual orientation is forbidden within the European Union (Jourová, 2015). In the United States, this discrimination is outlawed in about half of the states (Baert, 2017).

[3] Interesting alternatives for the models of taste-based and statistical discrimination are the models of implicit discrimination (Altonji & Blank, 1999), lexicographic search by employers (Bertrand & Mullainathan, 2004) and noncompeting groups (Darity & Mason, 1998).

[4] Examples of determinants of productivity at the individual level are intrinsic work motivation and general ability (Baert, Rotsaert, Verhaest & Omey, 2016; Drydakis, 2014).

[5] We discuss the limitations related to this subject selection in the Discussion section.

[6] Same-sex marriage was legalised in Belgium in 2003.

[7] It is implicitly assumed that, at least in Belgium, discrimination against gay men is seen as non-normative.

[8] We are not aware of any field experiment measuring hiring discrimination against homosexual men in Belgium.

[9] The intention to hire score, as rated on a 7-point Likert scale, was '1' in 1 case, '2' in 1 case, '3' in 6 cases, '4' in 39 cases, '5' in 68 cases, '6' in 67 cases and '7' in 40 cases. As a consequence, our indicator of an intention to hire score that is 6 or 7 distinguishes two subsamples by intention to hire that are comparable in size.

[10] We did not opt for a linear model in our benchmark approach because of the asymmetric distribution of our dependent variable, as described in the previous footnote (Bollen & Barb, 1981; Johnson & Creech, 1983; Rhemtulla, Brosseau-Liard & Savalei, 2012).

[11] A standard deviation corresponds to a 0.806 difference on the 7-point Likert risk-aversion scale.

[12] The variables capturing the age and nationality of the candidates do not exhibit enough variation to be added to the regression model. In addition, the adoption of alternative proxies for the parental education level lead to the same conclusion.

[13] $0.317 =\sim 0.163/0.514$.

Table 1

Summary Statistics of the Experimental Data

	(1)	(2)	(3)
	Mean		Difference: (2) – (1)
	Heterosexual male applicant N = 111	Homosexual male applicant N = 111	
A. Manipulation check			
"The candidate has a heterosexual orientation."	6.200	1.477	-4.723*** [26.194]
B. Intention to hire			
"The probability with which I will hire this candidate is high."	5.360	5.441	0.081 [0.536]
C. Participant characteristics			
Risk-aversion scale	4.041	4.150	0.110 [1.016]
Social desirability bias scale	0.529	0.545	0.016 [0.563]
Male gender	0.261	0.243	-0.018 [0.308]
Age	18.694	18.289	-0.405 [1.186]
Foreign nationality	0.054	0.018	-0.036 [1.441]
Highest diploma mother			
Lower than secondary education	0.045	0.054	0.009 [0.308]
Secondary education	0.297	0.261	-0.036 [0.596]
Tertiary education: outside college	0.405	0.468	0.063 [0.945]
Tertiary education: college	0.252	0.216	-0.036 [0.632]
Highest diploma father			
Lower than secondary education	0.055	0.091	0.036 [1.036]
Secondary education	0.418	0.309	-0.109* [1.685]
Tertiary education: outside college	0.236	0.264	0.027 [0.465]

Tertiary education: college	0.291	0.336	0.045 [0.724]
Right-wing authoritarianism scale	3.386	3.421	0.026 [0.351]

Note. All statements and scale items were scored on a 7-point Likert scale. T-tests are performed to test whether the differences presented in column (3) are significantly different from 0. *** (**) ((*)) indicates significance at the 1% (5%) ((10%)) significance level. t-statistics are between brackets.

Table 2

The Intention to Hire by Gay Sexual Orientation of the Candidate and Risk-Aversion of the Employer: Probit Regression Estimates

	(1)	(2)	(3)	(4)	(5)
Gay applicant	0.063	0.054	0.052	0.051	0.047
	(0.067)	(0.068)	(0.068)	(0.069)	(0.069)
Gay applicant x Risk-aversion scale		-0.147**	-0.177**	-0.169**	-0.163**
(standardised)		(0.071)	(0.074)	(0.074)	(0.075)
Gay applicant x Social desirability bias			0.140**	0.137*	0.136*
scale (standardised)			(0.070)	(0.071)	(0.071)
Gay applicant x Male gender				0.009	0.022
(normalised)				(0.163)	(0.163)
Gay applicant x Parent with tertiary				0.028	0.004
education (normalised)				(0.167)	(0.169)
Gay applicant x Right-wing					-0.049
authoritarianism scale (standardised)					(0.071)
Risk-aversion scale (standardised)		0.151***	0.179***	0.172***	0.167***
		(0.056)	(0.059)	(0.060)	(0.060)
Social desirability bias scale			-0.080	-0.087*	-0.086*
(standardised)			(0.050)	(0.051)	(0.051)
Male gender (normalised)				-0.189	-0.201*
				(0.116)	(0.117)
Parent with tertiary education				-0.003	0.022
(normalised)				(0.110)	(0.114)
Right-wing authoritarianism scale					0.054
(standardised)					(0.053)
Observations	222	222	222	222	222

The presented statistics are marginal effects with standard errors between brackets. *** (**) ((*)) indicates significance at the 1% (5%) ((10%)) significance level. The dependent variable is 1 if the intention to hire

score is 6 or 7 and 0 otherwise. The independent variables Male gender and Parent with tertiary education are normalised by subtracting their mean value. The independent variables Risk-aversion scale, Social desirability bias scale and Right-wing authoritarianism scale are standardised by subtracting their mean value and dividing the result by these variables' standard deviation.