Global Mobility and Bias in the Workplace

Astrid Podsiadlowski
Wirtschaftsuniversitaet, Wien, Austria

Colleen Ward
Victoria University, Wellington, New Zealand

Running head: Global Mobility and Bias in the Workplace
There are currently 191 million people worldwide who live outside their countries of origin (OECD, 2007). A wide range of “push” and “pull” factors affect the choice to move and resettle in a new country; however, economic aspirations are the major motivation for international mobility (Carr, Chapter 7 this volume). Striving for financial security and a better quality of life may underpin global mobility, but new settlers are more often unemployed or underemployed than their native-born peers, and in many cases never attain parity in labor market outcomes (UNDP, 2009).

These inequalities arise from a range of sources; however, bias has been identified as a key underlying factor (UNDP, 2009, p. 51). This chapter discusses bias in the workplace, commencing with evidence of inequality and outlining the areas in which bias may operate. It then goes on to describe the socio-psychological processes underlying bias and concludes with practical recommendations for counteracting bias in the workplace.

Global Mobility and Inequality

Inequalities in the Labor Market

Although most Western countries formulate new settlement policies with the objective of attracting and retaining skilled labor, it is often the case that new settlers’ skills are under-utilized and that their labor market participation compares unfavorably with native-borns. For example, the 2006 unemployment rate for Austrian citizens constituted 8.2%, but was 13.4% for foreign-born residents (Statistik Austria, 2007). The highest unemployment rates were found in new settlers from Turkey (16.7%), followed by those from Poland (15.7%). New settlers from the former Yugoslavia – who altogether comprise the largest group – had a significantly lower rate of unemployment (9.3%; Statistik Austria, 2007). In the Netherlands, a country with a relatively diverse population, the 2004 unemployment rates amongst non-Western persons of foreign heritage (16%) were three times higher than for those of the native Dutch (Choenni, 2006, based on Statistics Netherlands).

International data suggest that ethnic background has a bearing on employment, even in those countries that are high in cultural and linguistic diversity. Research on visible minorities in Canada shows that Chinese do best within the Canadian society, whereas Indo-Pakistanis do worst with regard to income and labor market participation (Hum & Simpson, 1999). However, even within the same ethnic group, “immigrant” status has been shown to play a significant role in labor market outcomes. In New Zealand, for example, overseas-born Chinese have a median income of $7,900 compared to $20,200 for New Zealand-born Chinese (Statistics New Zealand, 2002a, b). Language proficiency and shared history also have an impact on employment outcomes. Chinese new settlers in New Zealand who originate from former British colonies that use English as an official language (e.g., Singapore, Hong Kong) show better labor market outcomes and trends in occupational distributions than those from the People’s Republic of China (Statistics New Zealand, 2002a).
Case Study 1: Labor Market Participation in New Zealand

New Zealand is a country of four million people where approximately one in five people is overseas-born. New settlers are primarily recruited on the basis of skills, education and language proficiency. Although overseas-born residents on average hold higher educational qualifications than native-borns, they are more likely to be unemployed (9% compared to 7.1%). There are also large variations in unemployment rates based on region of origin. Those from the United Kingdom and Ireland (4.2%) and from Northwest Europe (5.1%) have the lowest rates of unemployment, followed by those from the Americas (7.4%) and sub-Saharan Africa (7.9%). New settlers from North Africa and the Middle East (23.8%) have the highest unemployment rates. Residents from Asia (Northeast, 16.5%; South and Central, 13.9%; Southeast, 11%) and the Pacific Islands (13.5%) occupy an intermediate position (Statistics New Zealand, 2002a). Under-employment is also a significant issue in New Zealand. Recent findings from the Department of Labour’s Longitudinal Immigration Survey indicated that over a quarter of new settlers were working at a lower skill level after their arrival in New Zealand (Masgoret et al., 2009).

Inequalities in Organizations

Organizational research also shows that nationality and ethnic background are salient categories that underpin social inequalities in the workplace (Baron & Pfeffer, 1994; Riordan et al., 2005; Carr, Chapter 7 this volume). Research further suggests that these inequalities are widely recognized and acknowledged by new settlers who report that discrimination is most commonly experienced in work-related areas (New Zealand Immigration Service, 2004). Horizontal segregation in organizations plays a role in perpetuating inequalities, as members of ethnic minority groups are more likely to be found in jobs (e.g., production) that are associated with lower pay (Carr, Chapter 7 this volume). Indeed, there is evidence that an increasing proportion of ethnic minorities in an occupation leads to salary decrements for all people working in this occupation (Kalleberg & van Buren, 1996). Furthermore, as members of ethnic minorities are unevenly distributed across the organizational hierarchy, vertical segregation is also apparent. In particular, there is a disproportionately low number of ethnic minorities in top management positions (Morrison & von Glinow, 1990; Reskin et al., 1999). Not only are ethnic minorities denied equal access to societal and organizational rewards, research from the Netherlands (de Vries, 1997) and New Zealand (Diego & Fischer, 2007; Diego & Podsadlowski, 2006) shows that they also face greater problems of everyday discrimination in the workplace (Deitch et al., 2003).

Bias in the Workplace

In the previous section we have established that inequalities linked to ethnicity and “immigrant” status exist in the workplace and the labor market. Although these inequalities may be underpinned by broad socio-political, economic and structural factors and affected by aspects of the human, cultural and social capital new settlers bring to the labor market, here we argue that systematic bias on individual, organizational and societal levels plays a fundamental role in creating and maintaining the inequalities (see also, Hernández-Plaza et al, this volume; Maynard et al, this volume). Those issues are discussed in the context of organizational career development (Inkson & Thorn, this volume), which includes both finding and maintaining employment (Carr et al, 2005). Accordingly, bias is examined in the recruitment and selection process as well as in connection with performance evaluation (Carr, Chapter 7 this volume; Maynard et al, this volume).

Employment Bias

Bias in Pre-screening Applicants
Employment bias takes place when job-irrelevant factors or characteristics influence an employment decision. This type of bias initially occurs in the pre-screening process of job applications as both ethnicity and “immigrant” status are known to affect the likelihood of obtaining employment over and above qualifications and work experience (e.g., Bertrand & Mullainathan, 2003). New Zealand studies illustrate these trends. Ward and Masgoret’s (2007) naturalistic field experiment with New Zealand recruitment agencies showed that Chinese new settler candidates were significantly less likely to be contacted for further information and significantly more likely to have contact terminated by the recruitment agencies than native-born candidates of European descent, despite having equivalent educational and occupational experience and the same standard of written English. Further studies have demonstrated that both “immigrant” status and country-of-origin influence probable selection, with native-borns and those new settlers originating from Australia, Great Britain and South Africa preferred to new settlers from China and India (Coates & Carr, 2005; Wilson et al., 2005). In addition, simulated short-listing experiments with practising managers found that Asian candidates increased the likelihood of being short-listed by anglicizing their names (Wilson et al., 2005). The practice of skills “discounting”, that is, the biased devaluation of the qualifications and experiences of foreign employees even if the quality of their skills is equivalent or better, can partially account for these findings; however, the evidence strongly supports the contention that pre-screening applicants on the basis of employment résumés is also significantly affected by ethnic biases (Esses et al., 2006; UNDP, 2009).

Bias in the Choice of Recruitment Methods

A range of recruitment methods is available for the selection process, each with varying levels of inclusiveness and effectiveness. International research has shown that employee referrals are more likely to generate job offers than advertising (Rafaeli et al., 2005) and that they are more likely to result in interviews and job offers than other methods of referrals, even after controlling for pre-hire differences (Fernandez & Weinberg, 1997). However, the use of referrals, in-house recruiting, personal contacts, and word-of-mouth and existing databases tend to lessen the opportunities of new settlers who are not part of those networks and not already known to the business community. Even advertising, as one of the most frequently used tools, can rely upon various channels (e.g., internet, paper, in-house) which new settlers may find relatively inaccessible.

The Longitudinal Immigrant Survey in New Zealand has shown that skilled new settlers are initially more likely to secure employment by responding to advertisements (34%) and making a direct approach to an employer (25%) than through friends and relatives (14%; Masgoret et al., 2009). Approaches to recruitment agents (14%), who can function as gatekeepers or promoters depending on their bias in pre-selecting potential applicants, also generate new settler employment. Contemporary research on recruitment best practices tells us that the characteristics of the sought-after employee should determine the recruitment methods than native-born candidates of European descent, despite having equivalent educational and occupational experience and the same standard of written English. Further studies have demonstrated that both “immigrant” status and country-of-origin influence probable selection, with native-borns and those new settlers originating from Australia, Great Britain and South Africa preferred to new settlers from China and India (Coates & Carr, 2005; Wilson et al., 2005). In addition, simulated short-listing experiments with practising managers found that Asian candidates increased the likelihood of being short-listed by anglicizing their names (Wilson et al., 2005). The practice of skills “discounting”, that is, the biased devaluation of the qualifications and experiences of foreign employees even if the quality of their skills is equivalent or better, can partially account for these findings; however, the evidence strongly supports the contention that pre-screening applicants on the basis of employment résumés is also significantly affected by ethnic biases (Esses et al., 2006; UNDP, 2009).

Bias in the Choice of Selection Methods

The prevalence of and preference for selection techniques vary across countries; consequently, the choice of selection tools may bias employment decisions, advantaging or disadvantaging new settlers dependent upon their previous exposure to the chosen methods. Although interviews, resumes and work samples are perceived favorably and widely used in the international arena, views about personality, ability and honesty tests and reliance on assessment centers are more variable across countries (Anderson et al., 2008; Steiner & Gilliland, 2001). Testing is highly likely to introduce selection bias as the cross-cultural validity of measures like personality or intelligence is subject to question, and assessment in the absence of culture-specific norms lessens the transferability and reliability of test results (Cheung & Cheung, 2003; Cole, 2004). Furthermore, the fundamental issue of test bias and equivalence, i.e., whether test scores from different populations can be interpreted in the same way, must be resolved before instruments can be used with confidence (van de Vijver & Tanzer, 2004). The choice of assessment techniques that are generally restricted to a limited range of countries also presents problems. Graphology is popular in France, though this is not the case in other Western industrialized nations (Ryan et al., 1999), and blood typing as an indicator of personality (Iwaki, 1997) has been used in Japan despite a paucity of empirical evidence to support its validity as a selection tool (Cramer & Imaike, 2002).

The differential validity of selection techniques may also adversely affect employment decisions involving an international workforce. A meta-analytic study by Schmidt and Hunter (1998), which assessed the relationship between various selection methods and criterion measures across cultures, found that work sample tests and structured employment interviews ($r^2$ = 0.51) performed the best, followed by peer ratings, job knowledge...
tests, job tryout procedures and integrity tests ($r's = 0.41$ to $0.49$) and then by unstructured employment interviews, assessment centers and biographical data ($r's = 0.35$ to $0.39$). Reference checks, job experience, training and experience, years of education, interests and graphology scored particularly low. In sum, selection techniques vary in their favorability, reliability and validity within and across cultures, and their choice and application bear the risk of selection bias. However, research on the direct relationship between the type of selection method and the demographics of selected applicants is relatively scarce.

**Bias in the Choice and Appraisal of Selection Criteria**

Barriers to new settler employment may also arise in the selection process when there are mismatches in the expectations about job-relevant characteristics between employers and their potential employees. For example, an employer may be seeking a highly motivated, enthusiastic employee with excellent interpersonal skills. An international applicant may possess these qualities, but fail to demonstrate them in an interview as technical expertise, organizational talent and leadership qualities may be seen as priorities from his or her cultural perspective. Even when there is cross-cultural consistency in the relative merit of the selection criteria, their behavioral indicators may vary across cultures. There are significant cross-cultural differences in verbal communication styles relating to emotional expression, consensus and conflict, directness, status and hierarchy, and the importance of context, each of which can easily lead to misinterpretations and misunderstandings (Gudykunst & Ting-Toomey, 1996). The same can be said about nonverbal communication styles, where research has shown that cultural differences can be a more powerful determinant of person perception than ethnicity (Dew & Ward, 1993).

The interpretation and evaluation of cultural differences may lead to biases in both negative and positive directions: differences may be perceived as a threat, diverse perspectives as an asset. Overall, however, there is ample evidence that interviewers tend to select candidates who are demographically similar to themselves (Goldberg, 2003; Purkiss et al., 2006). Consequently, although race, ethnicity and “immigrant” status are job-relevant factors, they appear to function as implicit selection criteria, disadvantaging some but not other globally mobile employees who are trying to gain entrance into labor markets occupied primarily by native-borns (UNDP, 2009).

**A Case Study of Employment Bias**

**Case Study 2: Recruiting and Selecting Employees in New Zealand**

As part of a research project on Facilitating New Settlers’ Entry and Integration into Workplace, 18 qualitative, in-depth interviews were conducted with employers, human resource managers and recruitment agents in New Zealand businesses (Podsiadlowski, 2006). The findings revealed that the most prevalent recruitment methods were advertising, networking and the use of recruitment agencies. Pre-screening was based on résumés, references and telephone checks. Face-to-face interviews were the most common selection method, and these were generally unstructured and conducted in an individual, as opposed to a group, context. Psychological tests were sometimes applied, mainly measuring cognitive abilities and personality. When asked about selection criteria, 85% of the participants’ statements referred to “organizational fit” with regard to soft skills (e.g., team fit, relational or networking skills) and personality. The “ideal employee” was most frequently described as having great interpersonal skills (34%), being highly motivated (21%) and very energetic (21%). Intuition was also said to be an important aspect of participants’ selection decisions. In a follow-up survey with 100 New Zealand employers, English language difficulties, lack of job experience, lack of New Zealand knowledge, new settlement difficulties, negative employers’ attitudes, communication difficulties and recognition of qualifications were identified as the main reasons (in that order) for not employing new settlers (Podsiadlowski, 2006).

How might these practices demonstrate recruitment and selection biases that disadvantage new settlers?

1. **Recruitment methods.** Under the right conditions advertising can be a fair and appropriate recruitment method; however, networking clearly disadvantages newcomers, and bias against new settlers by New Zealand recruitment agencies has been demonstrated in experimental field research.
2. **Pre-screening.** Short-listing and probable selection on the basis of résumés in New Zealand have been shown to be affected by ethnic background, “immigrant” status and country of origin.

3. **Selection methods.** Although psychological tests are used less frequently than other methods, the international literature clearly points to bias and limitations related to cross-cultural validity and the absence of culturally appropriate norms. Furthermore, unstructured interviews demonstrate low cross-cultural validity.

4. **Selection criteria.** The search for ideal qualities, including interpersonal skills and motivation, is complicated by cultural differences in expectations and communication styles in addition to employers’ willingness to rely upon intuition. Although we are unaware of research that deals with intuition and appraisal in organizational contexts, other areas of applied psychology have described intuition as the basis for evaluation as “famously prone to fallacies and bias” (Turtle & Want, 2008, p. 1255).

**Performance Bias**

Greenhaus and Parasuraman (1993) have argued that bias is a key determinant in the relatively slow career advancement of ethnic minorities, and that this is reflected in the performance evaluation process. They state two common forms of performance evaluation bias: Appraisal bias and attributional bias.

Appraisal bias occurs when the performance level of minority group members is evaluated more negatively than their actual performance warrants (Kraiger & Ford, 1985). It is also apparent when the performance assessment of employees who are the same in terms of race, ethnicity or “immigrant” status is based on objective criteria, whereas employees who are different are evaluated on subjective criteria (e.g., Cox & Nkomo, 1990). Given the challenges of achieving objective performance appraisals, this can be difficult to establish; however, a recent review by Robertson et al., (2008) confirmed the presence of rater bias in performance evaluations that disadvantaged workers from diverse minority groups. Attributional bias is more subtle and arises from supervisors’ causal explanations for an employee’s performance. For example, there is evidence that the positive performance of ethnic minority managers is less likely to be attributed to ability or effort and more likely to be attributed to help from others than the performance of “white” managers (Greenhaus & Parasuraman, 1993).

Both appraisal and attributional biases can affect promotion opportunities for new settlers and members of ethnic minorities. One way this is manifested is through differential determinants of promotion. Evidence of differential determinants has been provided by the Multi-City Survey of Urban Inequality, which was conducted in Boston, Atlanta and Los Angeles (Smith, 2005). After controlling for factors such as performance and commitment, the processes that led to promotion were found to differ for “white”, African-American, and Hispanic or Latino American men. Compared to “whites”, African-Americans were required to work for a longer period of time after leaving school, and Hispanic and Latino Americans had to demonstrate longer service to their current employer before gaining promotion.

**Socio-Psychological Processes Underlying Bias**

If we are able to identify *where* bias occurs, we can address concrete issues and organizational goals. If we are able to understand *why* bias takes place, we can counteract bias and increase the chances of equal labor market and organizational participation for diverse groups of people (UNDP, 2009).

**Categorization and Comparison**

Bias often arises because of the way we perceive and categorize people and the way we compare them to ourselves. Categorization is generally based on group membership, with ethnicity, nationality and “immigrant” status being particularly salient categories. The ways in which we process information about these categories is influenced by at least two major factors: 1) similarity, and 2) social identity (Tharenou, this volume).
Similarity and Dissimilarity on Individual, Organizational and Socio-cultural Levels

On an individual level, people like to interact with each other if they expect favorable results from those interactions. Positive expectations are based on perceived similarities in attitudes, values and behavior (Byrne, 1971), generally arising from easily recognizable attributes, including demographic characteristics. In short, the similarity-attraction paradigm tells us that we like people who are like us, including those who share the same ethnic, national and linguistic background (Berry, 2006; Fuertes et al., 2002).

Extended to an organizational context, Schneider’s (1987) model of attraction-selection-attrition cites similarity as a key predictor of entrance to, advancement in and departure from organizations (also, Carr, Chapter 7 this volume). Research has shown that relational demography, particularly ethnic and national similarity, lies at the root of selection and performance biases, as candidates and employees who are more similar to evaluators receive more positive appraisals (Goldberg, 2003; Purkiss et al., 2006; Tsui & O’Reilly, 1989). The significance of similarity has also been highlighted by conceptions of job and organizational fit (see also Case Study 2) where the perceived match between candidates’ attributes and employment criteria is important in determining selection. The lack-of-fit model has been applied to structural manifestations of discrimination through race-and ethnicity-typed occupations and explains differences in selection probability and salary as a function of the match between candidate ethnicity and the ethnic distribution of an occupation or organization (Stewart & Perlow, 2001).

Finally, the importance of similarity has been considered at the societal level in the discussion of “cultural distance” (Carr, Chapter 1 this volume; Furnham, this volume). International research has clearly shown that host nationals have more positive perceptions of those new settlers who are ethnically, culturally and linguistically similar to themselves (Berry, 2006; Coates & Carr, 2005; Ward & Masgoret, 2008). Host nationals are also more likely to recommend restricting new settlement for those who are dissimilar (Ho et al., 1994), which helps to understand why it is more difficult for some groups of people to find and maintain meaningful employment than others (see also Case Study 1).

Social Identity, Categorization and Comparison

Theories of Social Identity (SIT) (Tajfel & Turner, 1986) and Self Categorization (SCT) (Turner et al., 1987) explain social behavior as a function of one’s own group membership(s) and the basic psychological needs of social identities (e.g., belongingness and positive distinctiveness) that are shared with a group of other people belonging to the same social category (Tharenou, this volume). “Surface-level traits” such as ethnicity are among the most useful attributes for categorizing oneself and others, as they are more or less visible and, hence, available, particularly when information about others’ deep-level traits is unknown (Harrison et al., 1998). Categorization as an automatic cognitive mechanism leads to comparison, and the outcomes of these comparisons are colored by the motivation to cast our in-group in a favorable light. Indeed, it has been suggested that intergroup bias is an inevitable outcome of social identification and leads to implicit intergroup rivalries, out-group derogation, negative stereotypes, group-serving biases, distrust of out-group members and discriminatory behavior (Brewer, 1979; Greenwald et al., 2002).

There is ample evidence from national surveys that both ethnic and national out-groups, including new settlers, are evaluated less positively than in-groups (Berry, 2006; Ward & Masgoret, 2008). As seen in the previous sections, these in-group favoring appraisals are often carried into the workplace. Thus, SIT and SCT offer one explanation of the process by which similarity becomes a meaningful organizational construct and can function as the basis for bias and discrimination. SIT also addresses the role of stereotyping and attributions in biased evaluations.

Stereotypes and Attributions

Stereotypes involve widespread consensual beliefs about people in social categories. Out-group members are generally seen as more homogeneous and viewed less favorably than in-group members, but there can be exceptions to these trends. First-generation new settlers in the United States are stereotyped as less competent than their native-born peers, as are South Americans, Latinos, Africans, Middle Easterners and Eastern Europeans; however, East Asians (Koreans, Chinese, and Japanese) are perceived as more competent (Lee & Fiske, 2006). Ethnic and national stereotyping is likely to provide a partial explanation for bias in the selection and performance evaluations of new settlers.

Stereotypes are closely linked to causal attributions. Research has consistently shown that people interpret the behavior of others on the basis of in-group and out-group categories. More specifically, there is a strong
tendency to attribute the positive behaviors of in-group members to internal factors, such as ability, and negative behaviors to external factors, such as bad luck. The reverse is true for out-group members, which might explain why competent performances by minority group managers are less likely to be seen as an outcome of ability and effort. The absence of a “level playing field” in the workplace is reflected in the wider society where research has consistently demonstrated attributional biases on the basis of ethnicity (e.g., Fletcher & Ward, 1988).

Inter-group Conflict, Competition and Threat

Bias, prejudice and discrimination are also known to arise as outcomes of realistic conflict and competition over valuable resources (Levine & Campbell, 1972). How does this occur? Both limited employment opportunities and scant access to economic benefits in organizations increase competition for selection and promotion. Resource scarcity, particularly when combined with zero-sum beliefs (the idea that more resources for other groups mean less opportunities for my group), encourages responses to gain the competitive edge. Biased judgments, self- and group-serving attributions and prejudiced attitudes can block organizational entry and advancement for out-groups. More overtly discriminatory behavior, such as intentionally restricting access to the labor market or introducing barriers to pay parity (Carr, Chapter 7 this volume), likewise serve to reduce or eliminate competition (Esses et al., 2001).

Research findings are clear: competition for economic resources is linked to anti-“migrant’’ attitudes and behaviors (UNDP, 2009, p. 51). Gallup polls in the United States have shown that the most negative attitudes toward new settlers occur during periods of recession (Esses et al., 2002). Israeli data indicate that labor market competition from foreign workers underpins widespread endorsement of economic discrimination (Semyonov et al., 2002). More broadly, Quillian’s (1995) analysis of the Eurobarometer public opinion survey data from 12 European countries found that poor economic conditions coupled with large new settler numbers predicted negative attitudes towards new settlers. There is also evidence from the United States and Canada that national unemployment rates are associated with a preference for decreasing new settlement (Espenshade & Hempstead, 1996; Palmer, 1996).

Perceived threat has also been used to interpret findings on bias and discrimination. Integrated Threat Theory posits that there are four fundamental threats that lead to unfavorable attitudes toward new settlers: realistic threat, symbolic threat, intergroup anxiety and negative stereotypes (Stephan et al., 1998). Realistic threats refer to tangible threats arising as a result of scarce resources, while symbolic threats concern differences in norms, beliefs and values that constitute a threat to the in-group’s worldview. Negative stereotypes provide an overarching schema for threatening expectations about out-group members, and intergroup anxiety arises from the threat of being rejected, embarrassed, ridiculed or exploited in intergroup interactions. There is persuasive evidence from survey research in Spain, Israel, New Zealand and the United States that each of these four threats predicts negative attitudes toward new settlers (Stephan et al., 1998; Ward & Masgoret, 2006).

The Influence of Personal Factors

Individual differences often underpin bias and discrimination. Right-wing authoritarianism and low self-esteem have been implicated in prejudice and shown to predict racism and xenophobia, including anti-new settler sentiments (Duriez & Soenens, 2006; Leong, 2008). Personal values are also related to attitudes toward new settlers; those who strongly value security and achievement tend to have more negative attitudes toward new settlers while those who value stimulation view new settlers more positively (Leong, 2008). It is important to recognize the influence of both personality and values on attitudes toward new settlers because negative and prejudicial attitudes are known to affect employment decisions (Brief et al., 2000; Stewart & Perlow, 2001) and performance assessments adversely (Tomkiewicz et al., 1998).

Personal beliefs and ideologies are also important. Social Dominance Orientation (SDO), the belief that group hierarchies are desirable and competition is inevitable, leads to negative attitudes towards new settlers in society (Esses et al., 2001; Ward & Masgoret, 2006). In the organizational context, SDO has been found to be at the root of bias and discrimination in selection processes, with those higher in SDO less likely to choose candidates from minority backgrounds (Umphress et al., 2008). In opposition to SDO is a multicultural ideology, the “general and fundamental view that cultural diversity is good for a society and for its individual members and that diversity should be shared and accommodated in an equitable way” (Berry, 2006, p. 728; and Berry, this volume). Multicultural ideologies promote greater acceptance of new settlers and diminish the willingness to exclude them on the basis of their numbers or countries of origin (Berry, 2006; Ward & Masgoret, 2008).
**The Influence of Situational Factors**

**Intercultural Contact**

Amongst the most important situational predictors of anti-new settler bias are the amount and quality of contact between new settlers and their native-born peers. Although there are occasional examples of greater contact leading to more negative intergroup perceptions (e.g., Stroebel 1988; Maynard et al, this volume), Pettigrew and Tropp’s (2006) meta-analysis found that contact per se has beneficial effects in reducing prejudice, that the link from contact to attitudes was stronger than from attitudes to contact, and that contact in work and other organizational settings produces the strongest effects. The positive consequences of inter-group contact are also enhanced under optimal conditions; that is, equal status, voluntary, pleasant, intimate and cooperative encounters. However, in light of vertical segregation in organizations, equal status contact between majority and minority groups is difficult to achieve (Maynard et al, this volume).

Contact can lead to prejudice reduction in a variety of ways. Italian research has shown that contact decreases intergroup anxiety and leads to more positive attitudes toward new settlers (Voci & Hewstone, 2003). Contact has also been demonstrated to reduce cultural stereotyping of Asian new settlers in New Zealand (Singer, 1998). Finally, contact can lead to reductions in both perceived threat and zero-sum beliefs, which in turn predict more positive attitudes toward new settlers and, subsequently, stronger endorsement of new settlement policies pertaining to the source and number of new settlers (Ward & Masgoret, 2008). Such changes in attitudes, perceptions and beliefs should at least indirectly decrease the likelihood of bias in the workplace.

Apart from the potentially positive effects of inter-cultural contact on interpersonal relationships, structural aspects within occupations and organizations need to be considered as they lay the ground for the specific dynamics of interpersonal and intergroup contact in the workplace setting. Structurally speaking, members of a minority group are more likely to interact with members of the majority group than vice versa. While this may positively impact the perspectives of minority group members, the prejudices, negative stereotypes and discriminatory behavior displayed by the majority group are likely to remain unchanged (Blau, 1977). Consequently, interpersonal interactions may lead to positive personal experiences, while at the same time structural manifestations of inequalities within organizations prevail and continue to be reinforced (UNDP, 2009, p. 5).

**Workforce Demographics and Group Composition**

It becomes clear that the quantity and quality of intercultural contact are influenced by structural manifestations expressed in work force demographics and composition. Questions of group size, minority and majority positions and potential token status all influence inter-group behavior and moderate the influence of contact on the reduction of prejudice and discrimination.

“Fault lines” have been used as a metaphor to interpret the increase in bias and conflicts that arises in conjunction with shifting proportions of organizational groups that are differentiated on the basis of ethnicity, nationality or “immigrant” status (Lau & Murnighan 2005; Lemieux & Pratto, 2003). Fault lines within a work group or a workforce are more likely to develop when little variation exists within a social category. For example, fault lines should form more easily in bi-national than multi-national work groups, as there is little variation in nationality. They are even more likely if they coincide with sector or department divisions. In contrast, positive cognitive and affective consequences are more probable in highly heterogeneous teams (Earley & Mosakowski, 2000; Podsiadlowski, 2002a), when the multiple perspectives within the group are appreciated and mutual learning is possible, particularly if co-operation is long-term.

Overall, the dynamics of workforce demographics and group composition differ according to how many people belong to the same cultural group and how many cultural groups are represented within the organization. A higher and quickly increasing representation of people of one cultural background within a formerly homogeneous workforce will increase the likelihood of intergroup competition, perceived threat and fault lines, whereas a highly heterogeneous workforce with representatives of different nationalities will pose the challenges of coordination and logistics, but make unbiased cooperation more probable. Additionally, if there are only very few members of a minority group (e.g., due to nationality and/or “immigrant” status), they may face the negative effects of “token” status (Kanter, 1977). “Tokens” are more visible and more likely to be treated as repre-
sentative of social groups, leading to greater polarization between majority and minority group members, exaggerated differences between groups and reinforced boundaries (fault lines).

**Societal-level Attitudes and Perceptions of New Settlers**

Organizations are microcosms of the wider society and reflect the patterns of bias and discrimination found at the societal level. Recent data from the European Union showed that 62% of Europeans believe discrimination on the grounds of ethnic origin is widespread, but there are marked differences across countries (European Commission, 2008). At least 75% of nationals from the Netherlands, Greece, Italy, France, Sweden and Denmark agreed with this proposition, contrasted with 23% of Lithuanians, 27% of Latvians, 28% of Poles and 34% of Bulgarians. When taken into the workplace, 42% of Europeans believed that skin color or ethnic origin disadvantages job candidates, and managers were more likely to agree that these factors put candidates at a disadvantage than the average European. National ideologies (e.g., pluralism versus assimilation) and beliefs about state unity, new settlement rates, sources and policies, the extent of within-society cultural diversity, human rights legislation, media representations and national values have all been suggested to underpin societal attitudes toward new settlers (Bourhis et al., 1997; Leong & Ward, 2006; Vedder et al., 2006), and thus at least indirectly affect their positions in the workforce. However, recent international comparative data have demonstrated more direct links. Specifically, national policies on new settlement and diversity predict the extent to which organizations implement action programs for ethnic minorities (Podsiadlowski & Reichel, 2009).

**Counteracting Bias in the Workplace**

With increasing global mobility the imperative to develop strategies to counteract employment bias and discrimination has grown even stronger. Most noteworthy is the pressing economic need to ensure that receiving countries and organizations benefit from the skills and talents that new settlers bring. Mobility is a factor contributing not only to the economic growth in receiving societies but also to the development of sending states (Nyberg-Sorensen et al., 2002). There are additional concerns for the social inequalities that result from bias and discrimination, as these present impediments to new settler integration and undermine national cohesion in culturally plural societies (Ward, 2009). The effects of bias are also detrimental on the individual level where perceived discrimination and new settler unemployment have been linked to physical and mental health problems (Akhavan et al., 2004; Jasinskaja-Lahti et al., 2007; Hernández-Plaza et al., this volume), fragmented transnational families (Aye & Guerin, 2001) and negative work-related outcomes including lower organizational commitment and job satisfaction (Ensher et al., 2001; Florkowski & Fogel, 1999).

As the costs of employment bias are high, it is important that strategies be put in place to facilitate the integration of new settlers and counteract workplace discrimination (UNDP, 2009). Considering the relevance of perceived similarity and in- and out-group differentiation, bias may generally be overcome via: i) decategorization (viewing others as unique individuals through increased, interpersonal interactions leading to individuating information), ii) re-categorization (including everybody within a larger category by developing a common group identity (Gaertner & Dovidio, 2000)), and iii) mutual differentiation (valuing each other’s differences and reaping the advantages of diversity by setting strong, common goals that make complementary roles necessary (Otten & Matschke, 2006)). Generally speaking this means that: i) mutual contact and increasing familiarity should improve interpersonal and intergroup relations by reducing prejudice, stereotypic group images, misleading attributions and negative perceptions, ii) common goals and co-operative inter-dependence should provide a context for breaking down barriers to communication and exploiting the benefits of diverse skills and perspectives (Brewer, 1995; Maynard et al., this volume), and iii) supporting multi-cultural ideologies at the societal, organizational and individual levels (Berry, this volume). If it is possible to shift views about competition for limited resources to an understanding of the mutual benefits of cultural diversity – including enhancing a multi-lingual atmosphere, bringing international perspectives and experience, and providing cultural knowledge and new ideas that address the demands of an increasingly diverse business environment – perceptions of symbolic and realistic threat as well as inter-group anxiety should logically and psychologically decrease (Maynard et al., this volume).

Organizations should function as safeguards and specifically work on counteracting bias through decategorization, re-categorization and mutual differentiation via political and structural measures and by changes in human resource management and leadership practices. Positive interpersonal contact can be increased via orientation sessions for new and old employees, provision of culturally specific information, cultural awareness training and the support of multicultural teams to diminish the likelihood of prejudice, negative stereotypes and
group-serving attributions. Managers are key agents of change and should be trained to function as role models, particularly if they come from a new settler and minority ethnic background themselves. As managers are also primary decision-makers, it is important that they ensure structured processes of selection and performance appraisal and other culturally sensitive practices that suppress stereotypes and superfluous business justifications and reduce ethnic homogeneity. These strategies may include the introduction and supervision of advocacy groups and diversity task forces and the use of opinion surveys, all of which provide means of giving voice to different groups of people and allow them to raise concerns and make implicit knowledge explicit (Bhawuk et al., 2002; Podsadlowski, 2002b; UNDP, 2009).

Super-ordinate targets that encourage compliance and a strong organizational culture should help to diminish the risk of perceived threat and sub-group differentiation based on work-irrelevant categories like nationality and ethnicity (Maynard et al., this volume). In the case of mutual differentiation, diversity can be seen as an asset, reinforcing multicultural viewpoints and creating intercultural synergies. This would mean the active and official promotion of diversity goals, the reward of diversity-friendly behavior, the appreciation of diverse viewpoints, the monitoring of movements in and out of organizations and the integration of diversity issues into existing training programs.

As a diverse workforce with a balanced representation of members of different social groups is only possible in light of unbiased recruitment and selection, all instruments used for recruitment, selection, compensation and promotion need to be checked for cross-cultural applicability and validity in their development and implementation. Mixed assessment panels and multiple methods and ratings are advisable to take advantage of diverse perspectives and culturally sensitive knowledge (Carr, Chapter 7 this volume). This also avoids reliance on rating criteria that reinforce homogeneity and the ethnocentric interpretations of observable behavior.

In the end, counteracting bias in organizations not only leads to positive health and wellbeing for members of a diverse workforce, it also creates a less stressful workplace and a more positive, engaging and productive work environment for all employees (Ensher et al., 2001; Sanchez & Brock, 1996). Furthermore, under the appropriate conditions, organizations can reap benefits from a culturally diverse workforce, and societies can benefit from the skills and talents that new settlers bring in an era of global mobility. As summarized by Chemers (2007, p. 663):

Fair and effective practice in pursuit of organizational diversity is more than a moral demand. It is a matter of organizational success and national survival. No organization or nation can be successful within the context of global competitiveness if it limits its pool of leadership talent… Organizational justice is a boon which manifests in more talented and more motivated employees which, in turn, influences all the bottom lines.

Acknowledgements

We would like to thank our anonymous reviewers for their insightful comments and valuable feedback.
References


Abbreviations

OECD Organization for Economic Co-operation and Development
SIT Theories of Social Identity
SCT Self Categorization
SDO Social Dominance Orientation