Your wingman could help land you a job:

How beauty composition of applicants affects the call-back probability

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Motivation

"That's not a knife. That's a knife." - Crocodile Dundee

- We aim to combine literature on beauty premium with literature on decoy effect
- Combining the randomised CV (Correspondence testing) approach with a lab experiment
- Exploiting the German practice to include a photo in the CV
- Main result: The probability to receive a call-back is higher when a person competes with less attractive candidates of the same gender

Literature on appearance and decoy effect

- The Economics of Discrimination [Becker, 1957]
 - Taste discrimination classified into employer, employee and customer
 - or Statistical discrimination
- Beauty premium [Hamermesh and Biddle, 1994] (see Hamermesh, 2010 for an extensive review)
- Transmission mechanisms of beauty premium (Lab: Mobius and Rosenblat, 2006)
- Correspondence testing
 - Ethnicity [Bertrand and Mullainathan, 2004, Carlsson and Rooth, 2007, Kaas and Manger, 2012]
 - Obesity [Rooth, 2010]
 - Beauty [Kraft, 2012]

Additionally, the Independence of Irrelevant Alternatives assumption might be violated because:

- People tend to make decisions based on comparisons
- "[We] not only tend to compare things with one another but also tend to focus on comparing things that are easily comparable and avoid comparing things that cannot be compared easily" [Ariely, 2008]
- Ariely(2008) also applies this concept to appearance and calls the less appealing person "wingman"

The Experiment

Experiment is conducted in a computer lab with z-Tree [Fischbacher, 2007].

- A pool of 29 photos
- Recruiting 120 university students in Hanover
- Asked to act as HR-staff and select applicants for an interview
 - Selecting 2 from 4 candidates for the interview in each position
 - 8 positions (10 in the last five sessions) classified into
 - High skilled
 - Low skilled
 - With customers contact
 - No customers contact
 - CVs are similar in every other aspect except for their photos and names (randomised)
- Part 1 (4 jobs, random draw of 16 photos for 16 CVs with random characteristics):
 - For each job the decision makers see a brief job description
 - Followed by 4 candidates (photo & characteristics)
 - Followed by the decision (first and second preference)
 - After the decision is made it cannot be reversed and the DMs move to the next job
- Break (another task for \approx 15 minutes)
- Part 2 (4-6 new jobs): new random draw of 16 photos, new random characteristics in a CV

Data

- From the experiment
 - Selected candidates for each position
 - Characteristics of the participants e.g. age, gender, parental education, Big Five
- Beauty variable
 - Rating by 40 individuals on 1-7 Likert scale
 - Constructing a composite standardized score for beauty of each photo
 - First, standardize all photos within each rater
 - Then take average for each photo across raters
- Wingman beauty is measured by an average beauty score of all other applicants with the same gender as applicant in the same job opening

Methodology

 Linear Probability Model to assess if beauty or ethnicity affect the chance of being selected for the interview:

$$y_{ij} = \beta_0 + X'_{ij}\beta + Z'_{ij}\gamma + B'_k\delta + BC_{ik}\theta + time_{ij} + D_i + \varepsilon_{ij}$$

- y_{ij} be dummies if CV i being chosen by participant j or not
- X_{ii} are vectors of the CV's characteristics
- \circ Z_{ij} are vectors of the participant's characteristics
- B'_k is a vector for our main explanatory variables (based on the photo k appeared with each CV): female dummy, beauty rating score and dummies for ethnicity and headscarf
- BC_{ik} vectors of interaction terms and beauty composition of the pool of applicants competing for the same job
- time_{ij} relative time each participant j used to look at the photo page of CV i
- D_i are dummies for the order of CV i in each job-position
- e_{it} are the error terms
- Clustering the standard errors by photo k and participant j

Main Results. The probability to be selected						
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	Beauty-rating (double std)	0.0615***	0.0590***	0.0632***	0.0398*	0.0782***
		(0.0146)	(0.0177)	(0.0223)	(0.0226)	(0.0175)
	Beauty-rating*samegender	-0.0385*	-0.0392	-0.0363	-0.0237	-0.0531**
		(0.0198)	(0.0275)	(0.0245)	(0.0238)	(0.0245)
	samegender	0.0151	0.0133	0.0160	-0.0091	0.0342
		(0.0183)	(0.0258)	(0.0206)	(0.0251)	(0.0240)
	female	-0.0499***	-0.0777***	-0.0226	-0.0487	-0.0455*
		(0.0167)	(0.0208)	(0.0320)	(0.0346)	(0.0245)
	Observations	4,384	2,188	2,196	2,176	2,208
	R^2	0.0900	0.1039	0.0995	0.0970	0.1209
	Characteristics	Categorical	Categorical	Categorical	Categorical	Categorical
	Type of Occupation	All	no contact	contact	low skill	high skill
	Decision-Maker	All	All	All	All	All
	Beauty-rating (double std)	0.0601***	0.0584***	0.0610***	0.0392*	0.0757***
		(0.0145)	(0.0179)	(0.0219)	(0.0223)	(0.0174)
	Wingman beauty	-0.0427*	-0.0195	-0.0692**	-0.0219	-0.0643**
		(0.0226)	(0.0237)	(0.0351)	(0.0251)	(0.0278)
	Beauty-rating*samegender	-0.0383*	-0.0391	-0.0355	-0.0239	-0.0519**
		(0.0197)	(0.0274)	(0.0241)	(0.0239)	(0.0242)
	samegender	0.0148	0.0130	0.0160	-0.0096	0.0345
		(0.0183)	(0.0259)	(0.0207)	(0.0250)	(0.0239)
	female	-0.0346*	-0.0709***	0.0028	-0.0408	-0.0228
		(0.0195)	(0.0225)	(0.0345)	(0.0358)	(0.0256)
	Observations	4,384	2,188	2,196	2,176	2,208
	R^2	0.0912	0.1041	0.1026	0.0973	0.1235
	Characteristics	Categorical	Categorical	Categorical	Categorical	Categorical
	Type of Occupation	All	no contact	contact	low skill	high skill
	Decision-Maker	All	All	All	All	All

Robust two-way clustered(by photo and participant) standard errors in parentheses.

Controls for position of the CV, time spend on that CV and ethnicity included.

Robustness

- The effect is more pronounced in high skilled and contact jobs
- It is robust to different specifications of beauty and Wingman beauty
- Male Decision Makers seem to largely drive the results, Wingman beauty is not significant for female recruiters.
- There seems to be no difference between the first choice and the second choice
- The results of Conditional Logit Model are qualitatively similar

Conclusion & Next Steps

- In most jobs, the prettier/smarter you are, the more likely you will be chosen for the interview
- Besides absolute beauty rating, also the relative beauty rating within the same gender matters.
- The effect adds up to the beauty rating and the gender coefficient
- Especially relevant for jobs, where male and female applicants are unevenly distributed
- Caution! External validity (outside of the university and the lab)
- Future works
 - More robustness checks?
- How to exclude random clicking behaviour?