Utrecht University
School of Economics

Universiteit Utrecht

Discussion by Adriaan Kalwij
of
"The impact of employer's characteristics on the willingness to hire older workers: Evidence from a stated preferences experiment"

Raymond Montizaan and Didier Fouarge (MU/ROA)

Brief Summary

- A vignette study to analyse employer's willingness to hire older workers

- Survey: about 2500 employers

- Random assignment of attributes (age, skills, etc.) to (fictitious) applicants.

- Aim: to identify the underlying reasons why employers discriminate against older job applicants. (that they do, has by and large been established[?])

- The interesting part is the inclusion of characteristics of the HR-officer. A very nice idea and I will not comment much on that.

Comment /question 1

The survey response rate is about 1100/2500=44%

- Any concerns about this?

- Did you compare the characteristics of firms between the non-respondents (HR-officers) and respondents?

Comment/question 2

The discussion on some of the assumptions needed to interpret the estimated effects as causal effects can be improved.

I suppose one needs:

1. Different HR-officers have to interpret the same vignette in the same way (conditional on their observed characteristics, I suppose). Given the vignette describes a job rather vague as "the most common job in your organization", one wonders if the results still hold when a specific job would have been described. See also comment 7.

2. Respondents are assumed to take the same decisions in the real world. Knowing the interview is not for real, and the vignettes are not very specific/ no details, and a HR-officer has think fast, no discussion with colleagues about an applicant etc..=> a bit of a polarizing effect, perhaps? (see comment 5)

Comment/question 3

- I find the job description very vague (but it might be the standard in the literature, of course): "the most common job in your organization"

- The HR-officer has to choose between two applicants. What if he or she is indifferent? Is it then really true the chances are 50-50? Or will the "fast thinker" start using a bit of real life information concerning young and old applicants?

Comment/question 4

- 4 ages (35, 45, 55, 60)
- 3 levels of experience (none, 5, >10)
- Training (no need, a little, a lot)

I suppose one can estimate a hiring equation using all possible situations (4x3x3)?

One could test for the nested/simplified specification used in table 2, and subsequently extend a resulting model with characteristics of the HR-officer.

Comment/question 5

The vignette consists of a comparison of two applicants. All else equal, it is young vs old applicants.

You want the HR-officer to "think fast", and in split second make a decision with the only input being the age difference. The HR-officer might unconsciously use the information that, suppose, in real life a young applicant is on average a better candidate than an old candidate (for various reasons), while in the experiment they are equal by construction. Levitt (2004) story, I suppose. In the real world one would have more information and age discrimination might be smaller.

Hence, can I state that you probably overestimate age discrimation (against older workers)?

Comment/question 6

Clustering (when calculating standard errors) is on the individual level.

Who is the individual, the applicant or the HR-officer?

Minor issue:

Footnote 4 talks about retirement scenarios. Did I miss something?

Comment/question 7

A vignette consists of a comparison of two applicants.

It appears that they are considered as two separate applicants. (when looking at "n" in the tables)

How could the estimation procedure take the feature of having pairs into account? Can the differences in characteristics be used? This would also eliminate HR-officer fixed effects (including which job vacancy he or she has in mind).

Suggestion: probit (0=candidate 1; 1=candidate 2) with (x1-x2) as explanatory variables.

Interactions dx with the characteristics of the HR-officer are possible.