

Misperceived discrimination and task performance

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Extended abstract

There is a long-standing concern that if a discriminated group reduces effort in response to expected discrimination, these expectations reinforce negative stereotypes about productivity of the group and perpetuate inequality. So far, this concern has been empirically tested by studying correlations between beliefs about discrimination against one's own group and job-related attitudes or behavior. The literature has found that individuals who perceive higher discrimination are less satisfied with their job, less committed to the organization, more likely to be absent at work, and more intended to leave the firm (e.g. Ensher, Grant-Vallone, & Donaldson, 2001; Jones, Ni, & Wilson, 2009; Foley, Kidder, & Powell, 2002). In these studies, beliefs about discrimination are usually non-incentivized and behavior is often self-reported.

Despite the abundance of correlational research, the causal evidence is lacking on how expectation of facing discriminatory treatment by employers affects minorities' behavior. We attempt to fill this gap by conducting an online experiment in the US with a diverse sample of 2000 African Americans. We randomly assign our participants to two groups and elicit their prior beliefs about discrimination against African Americans in a previous survey. In the treatment group, subjects are subsequently informed about the actual frequency of discrimination against African Americans. The information-provision stage is omitted for the control group. To study the effects of revised expectations about discrimination against own racial group on effort, we present our participants with a Math task. We inform subjects that the overall task earnings will be divided between them and a White person by the impartial observer, another White respondent. The observer may know both individuals' races and task performances. As additional outcome variables, we (i) collect subjects' posterior beliefs about discrimination against own racial group, (ii) elicit their preference for a race-blind allocation of the Math task earnings and (iii) measure participants' willingness to exaggerate their own task performances.

We find that the vast majority of our participants (96.2%) initially overestimate discrimination against African Americans. Misperceptions prevail across all demographic groups and they are large in magnitude. A median subject believes that 35 percent of White respondents allocated at least the same amount to an African American person as to a White person. The actual percentage of such White respondents, based on the previous survey results, is 87 percent. Information provision causes significant and economically meaningful shifts in subjects' beliefs about discrimination against African Americans.

From an ex-ante perspective, it is unclear how changes in expected discrimination should affect minorities' effort. In principle, shifting downward minorities' beliefs about discrimination against them could motivate them to perform better, because now a fairer reward for their effort is expected. At the same time, minorities who receive favorable news about their possible discrimination may feel less in need of compensating their race disadvantage by impressing the impartial White observer with their hard work. Hence, their performance may decrease compared

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to the untreated subjects. Our findings corroborate the second prediction. Treated individuals attempt *fewer* Math problems; the information effects on task performance are negative but insignificant. Pre-specified heterogeneity analysis by gender reveals that negative information effects on effort are driven by males, who attempt and solve correctly significantly fewer Math problems compared to their untreated counterparts. The treatment does not seem to move other outcomes.

Overall, our findings do not support the common worry that minorities' inflated expectations about discrimination induce them to underperform. Nevertheless, these results should be seen only as the first step in exploring experimentally the important link between perceived discrimination and minorities' effort.

References

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