

US firms a role model for fair hiring standards, study says

July 7 2008

U.S. companies are helping spread fair hiring practices across the world as they set up shop in developing nations, according to a new study of gender and age discrimination co-written by a University of Illinois labor expert.

American-based firms tend to follow U.S. hiring laws, even when they do business in countries with no anti-discrimination standards on the books, based on findings that will appear in the *Journal of International Business Studies*.

"American companies are very much emulated these days by companies all over the world," said John Lawler, a professor in the U. of I. Institute of Labor and Industrial Relations. "So I think to the extent they do these sorts of things, they create a very positive model that's going to have an impact internationally."

The study examined recruitment ads published by multinational corporations seeking management and professional workers in Taiwan and Thailand from 1993 to 1999, when neither country had laws against gender and age discrimination.

Gender and age discrimination in the ads generally reflected the hiring practices of the corporations' home countries, not the laws and cultures of the two Asian nations, according to the study, co-written by business professors Cindy Wu of Baylor University and Xiang Yi of Western Illinois University.

Only about 10 percent of ads placed by U.S.-based companies contained gender discrimination, compared with 24 percent for European-based firms and 47 percent for Asian corporations, most headquartered in Japan, Lawler said.

Age discrimination was more prevalent, he said, appearing in 12 percent of hiring ads published by American-based companies, 30 percent by European-based corporations and more than 50 percent by Asian firms.

Lawler says the findings indicate that companies typically follow their home-country hiring standards when they do business on foreign soil.

U.S. firms are particularly sensitive to gender bias, he says, operating under laws that have banned sex-based discrimination since the Civil Rights Act was passed nearly 50 years ago. Laws in Europe and Asia are generally not as stringent or strictly enforced, he said.

Likewise, the findings mirror comparatively lower legal standards for age discrimination, both in the U.S. and around the world, Lawler said.

He says lower discrimination rates for American-based companies could also stem in part from the media glare in the U.S.

"I think they worry about the potential for negative publicity," he said. "If discrimination overseas comes to light, their behavior internationally can cause a backlash at home."

Even though companies apparently try to do business abroad as they would at home, he says local managers who run the overseas operations sometimes sidetrack their efforts.

"Multinational corporations have ways they would like to see things done, but often times it's less than seamless to export those practices,"

Lawler said. "Local people who were bred in the local culture may accept them, but with modification, or accept them, but never fully implement them."

Lawler says he expected U.S. companies would fare better than their European and Asian counterparts, but was surprised by the scope of their edge.

"I think it speaks well of American companies in their international operations," he said. "They can be seen as a model, and that can have an impact on host nations as they become more economically developed."

Source: University of Illinois at Urbana-Champaign

Citation: US firms a role model for fair hiring standards, study says (2008, July 7) retrieved 26 April 2024 from <https://phys.org/news/2008-07-firms-role-fair-hiring-standards.html>

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