

Hiring Discrimination: Is the Search for Profit the Main Culprit?

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Abstract: This paper shows that the callback rate to job applications in the French private sector is one third lower for low skilled individuals of North-African origin than for low skilled individuals of French origin, while it is identical in the public sector. We ran a survey showing that recruiters display similar strong negative discriminatory beliefs towards North-African in both sectors. We present a model which shows that differences in profitability requirements can explain differences in callback rates between public and private sectors while recruiters have identical discriminatory beliefs in both sectors. This interpretation is corroborated by our survey which shows that recruiters do not have the same requirements about the productivity and the work attitudes of employees in the public and in the private sector.