

"Do immigrants hire immigrants?"

Authors: Olof Åslund, Lena Hensvik and Oskar Nordström Skans

Abstract In this paper we investigate a possible explanation for the substantial ethnical segregation between Swedish workplaces which has been documented in recent studies. More specifically we investigate the role of manager ethnicity. Using a population wide linked employeremployee dataset covering the entire economy during 1997 to 2005 we estimate how manager characteristics, most notably ethnicity and immigration status, affect the probability that immigrants are being hired. The data allows us to use establishment fixed effects and hence the effects are identified through changes in who is a manager within the same establishment which makes a causal interpretation of the estimates more likely. Preliminary results for the public sector do indeed show that immigrant managers are much more likely to hire immigrants than native managers are, even within the same workplace. Work in progress, involve estimating whether ethnic similarity between the manager and an employee i) increases wage growth of the employee, ii) increases the probability of a promotion for the employee, iii) affects the quit-rate of the employee or iii) increases the probability that the employee follows the manager to a new site if the manager leaves.