

The Hiring of Trainees: Institutional Discrimination Based on Nationality in Swiss Enterprises

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Abstract

Vocational training in small and medium sized enterprises is fundamental to avoid youth unemployment and precarious careers in Switzerland. Immigrant students face substantial problems to access apprenticeship places. Also officially claimed their failure cannot be statistically explained by linguistic or school deficits. An interview-based investigation in 65 Swiss SME rather shows that firms take for granted to get into organisational troubles hiring immigrant students. Institutional Discrimination seems an appropriate concept to understand the exclusion of the latter.

Keywords: Vocational training; hiring of trainees; ethnicity; small and medium-sized enterprises; institutional discrimination.

1 Introduction

This paper conceptualizes the selection of trainees in Swiss firms. So far, this topic has received only very little *theoretical* attention in German-speaking countries where apprenticeships constitute an important part of the national vocational education and training system (VET). The focus will be on theoretical arguments to make sense of empirical data on trainee selection phenomena. The data and its methodological background have been published elsewhere (Imdorf, 2006, 2007). One of the empirical phenomena to be explained is the exclusion of specific immigrant youth – officially called “foreign youth” – from practical training. Taking over the perspective of organisational theory, the “discrimination of foreigners” can be understood as a process of organisational problem solving.

I will first give a short overview on the Swiss VET-System and the public discourse making sense of the failure of ‘foreign youth’ in accessing vocational education. I will then present a theoretical framework to better understand trainee selection mechanisms and its discriminatory effects. Accordingly and in contrast to the public discourse, the paper ends with an alternative interpretation of foreign youth’s exclusion from vocational training.

2 Understanding School-to-work transition in Switzerland

2.1 *The exclusion of immigrant youth from vocational training*

After nine years of compulsory education, adolescents in Switzerland pass over to the upper secondary level. The latter is split up into general and vocational education (see *Figure 1*). The vocational education and training (VET) is primarily enhanced in private or public enterprises with tuition in vocational schools (called the dual or ‘German’ system). Thereby apprentices get predominantly (88%) trained in small and medium-sized enterprises (SME). SME are the backbone of both the Swiss national economy and the Swiss VET system. ‘Vocationalized’ professional education is associated with advantages for both firms and youth. While it is more in line with labour market needs and therefore promising professional integration it also nurtures hopes to enhance the integration of disadvantaged school leavers in a country’s VET system, lowering the danger of youth unemployment. This certainly comes true in the Swiss labour market being highly regulated by professional credentials (Imdorf, 2006).

Figure 1: Simplified view of the Swiss Education System

However the first step into the Swiss labour market does not happen at the end of vocational training but at the end of compulsory school, when school leavers are called on to apply for apprenticeship places. In a dual system, no school leaver can start an apprenticeship without being accepted by a training company and up to now there are no binding regulations in Switzerland how firms and its gatekeepers respectively have to behave in their selection activities.

Statistical figures show that immigrant youth are far more at risk of encountering problems in the school-to-work transition than are Swiss students. From 2000 to 2003 the youth unemployment rates were rising up to 5.0% and 7.0% respectively for 15-19 and 20-24 Swiss age-groups, but to 17.8% and 16.6% respectively for immigrant youth (Imdorf, 2006). Especially the situation of immigrant students from Serbia and Montenegro, Turkey, Sri Lanka and Macedonia, that is those of the latest immigration waves, has significantly become worse. Varying unemployment rates of different 15-19 age groups indicates varying statistical chances to access VET, especially the dual system. Yet not much research has been done on the *mechanisms* behind these effects.

The interpretation of transition problems at this stage is highly influenced by a powerful and individualistic public discourse on ‘foreign youth’ pointing on their linguistic, school and cultural ‘deficits and distances’. The discourse is present on all levels of different institutional players at the transitional stage and it serves as the main argument to justify

the growth of institutionalised interim solutions picking up school leavers who fail to access a certifying VET (Imdorf, 2005, 79f.). However the public discourse refers to a very special group of immigrant youth, namely to

“young foreigners who have come to Switzerland relatively recently (who) have a number of major handicaps, since migration interrupted their schooling, in addition to the problems caused by conflicts in their country of origin (most of the immigrants in recent years came from regions of the former Yugoslavia). Most of the time, they do not speak the language of instruction, or very little” (OECD, 1999, 34).

It's remarkable how such descriptions of 'Yugoslavian youth' having immigrated to Switzerland as a consequence of the Balkan Wars in the nineties still get assigned to immigrant youth ten years later. By contrast the average age of *first-generation* 9th-grade students in 2003 (not to mention the big majority of *second-* or *third* generation immigrant students) amounted to 5.3 years at the time of immigration. Thus on an average they have attended their school career entirely in Switzerland (OECD, 2006, 23).

2.2 *A theoretical framework to explain trainee selection mechanisms*

The worse school attainment of immigrant compared to local youth on the primary and lower secondary school level is not to put into question, but one has to query if and how it is relevant for trainee selection. Recent research provides evidence for pronounced inequalities between local and immigrant students at the transitional stage between school and VET even if school qualifications, language skills and socio-economic status are statistically controlled (Esser, 2006, 452ff.; Helland & Støren, 2006; Hupka, Sacchi, & Stalder, 2006; Imdorf, 2005; Ulrich, Eberhard, Granato, & Krewerth, 2006). How to explain these inequalities once the main arguments of human capital theory such as school attainment and language skills cannot be hold up anymore?

To alternatively explain inequality in access to vocational training, theories of human resources can be countered by organisational theories. As such the concept of *Institutional Discrimination* developed by Gomolla and Radtke (2002) to conceptualise selections in schools takes into account *organisational* resources of decision-making. In this framework, organisational behaviour and decision-making follow the need of schools to endure over time. Facing new clientele (such as the rise of immigrant students) schools tend to perpetuate their own functioning without altering their strategies of education and instruction. To master the organisational challenge, they use discrimination to distribute their student memberships. Prior to any moral judgement discrimination is seen as an organisational resource to meet the demands of a meritocratic selection ideology in a context where only blurred information about students achievement is available. In this context discrimination enables organisational flexibility, reduction of complexity and delegation of potential organisational problems.

Shifting this perspective to training firms and making use of analogous organisational arguments provided by the behavioural theory of the firm (Cyert & March, 1992; March, 1994), by neo-institutionalist theory (Meyer & Rowan, 1977; Scott, 2001), system theory (Luhmann, 2000a), the social psychology of organizing (Weick, 1995a, 1995b) and by Tilly (1998), institutional discrimination in firms can be considered as a central mechanism behind the (re-)production of social inequality. The following theoretical model enables a heuristic understanding of personal selection in firms: Institutional discrimination is assumed if firms take decisions according to their own organisational logic. Seeking to match their interior distinctions with exterior categories of candidates, firms face severe problems in perceiving the candidate's resources. Thus distinctions between applicants based upon *ascribed* criteria having specific affective valence to the firm are required. But firms are constricted in making use of their own discriminatory resources: Their decision has to be legitimate and justifiable both within and outside of the firm's walls. Thereby the legitimate distribution of memberships comes along with unequal access to organisational resources for distinctive social groups of candidates and "foreign" youth in particular.

3 The elements of Institutional Discrimination

3.1 Organisational needs and constraints guide decision-making

A central motive of firms and its entrepreneurs is long-run survival (Cyert & March, 1992, 9). Offering vocational education can be seen as one strategy to do so. Wolter, Mühlemann and Schweri (2003) point out that Swiss firms try to enhance the cost-benefit ratio of an apprenticeship. Their study has shown that most apprentices offset the cost of their training during their apprenticeship on the basis of the productive contribution of the work they perform. Still the behavioural theory of the firms rejects the argument, that firm's primary function logic for survival would be profit maximization (Cyert & March, 1992, 9). Rather than to maximize their profits, they aim to *satisfice*¹ them (March, 1994, 18). Their logic of utility is not a continuous, but a two-valued one given by the categories of 'good enough' and 'not good enough'. Rather than to choices based on perfect knowledge firms have to search relevant information to take satisficing decisions (Cyert & March, 1992, 10).

Organisational problems to be resolved in order to hire a satisficing trainee are twofold. On the one hand, the selection procedures constitute a problem themselves. Mostly due to limited resources in time and know-how decision-makers are restricted by bounded resources to gather information on candidates. Firms have to search for and discriminate between candidates in cost-saving ways under conditions of insecurity and time tightness. On the other hand, anticipated organisational constraints affect the outcomes of decision-making processes facing future training relationships. As a

¹ *Satisficing* is a neologism constructed from *satisfying* and *sufficing*.

consequence of their own logic of achievement, firms claim other performance requirements than do (vocational) schools: Whereas schools rely on students who fulfil the conditions of a suited learner in a classroom, firms seek for apprentices promising most productivity and least operational problems during their training. Thereby, firms are looking for apprentices who seem to fit best in an existing organisational culture. They seek to predict the suitability – let's call it the “serviceability” – of a candidate with reference to their own organisational needs. Firms see themselves threatened by future apprentices who could – both real or imaginary – interfere with established and approved organisational processes of production and sale (resulting in anticipated profit setback).

As a consequence of such constraints, firms are not able to seek for the *best* amongst candidates, but they pragmatically choose an apprentice *satisficing* their basic needs. To better understand the exclusion of ‘foreign youth’ from practical training one has to ask how such organisational logics matter with respect to the construction of meaning in the search for information about candidates, thereby discriminating between local and immigrant youth.

3.2 *The endeavouring matching of interior and exterior categories*

The aim to match a specific job position with one out of multiple candidates under conditions of bounded local knowledge and time pressure constitutes the basic problem of any personnel selection. In classical theory of personnel selection, positive choice requires assumptions about the fit of organisational expectations, defined by (official) job positions, and the skills and attitudes of candidates (Luhmann, 2000a, 287). However this notion of positive personnel choice conventionally asserted by theoreticians does not cover the broader dimension of the matching process as will be shown later. Furthermore, trainee selection in Swiss firms faces an additional problem: The need to assess the employability of teenagers who have no work experience at all but a highly unpredictable future.

In general, decisions of recruitment face the problem to estimate the organisational serviceability of *unknown* candidates (Luhmann, 2000a, 290). Procedures to gather information such as personal data sheets, school certificates, internal or external tests, recommendations, short-term practical trainings or interviews are common devices to accomplish those estimations in the context of trainee selection. But in practice, the matching of job description and candidate appraisal comes across two major problems (Luhmann, 2000a, 292). First, organisational gatekeepers represent *decision premises*² themselves, and as such they participate in the definition of a *real*

² At the time when a gatekeeper himself was recruited by the organisation the latter made a “decision about decision premises for its future decisions” (Luhmann, 2000a, 222). Personnel decisions about the allocation of job positions are decisions about future decision premises within an organisation (Ibid., 288). Identities of gatekeepers, both in line and out of tune with organisational goals, constitute such premises. March (1994, 77f.) refers to identities as socially constructed ‘decision making units’. A framework considering human gatekeepers in Organisations as decision premises allows amongst others for a theoretical integration of emotions into organisational theory, a hitherto neglected issue by organisational sociology.

(in contrast to an *official*) job position. They have been selected with a pre-existing identity by the Organisation and they act both on individualised cognitions and emotions as such identities (March, 1994, 60). Second, a job position reflects the organisational complexity and therefore it consists of multidimensional requirements (amongst others the full range of required hard- and soft-skill, see Moss & Tilly, 2001). Correspondingly both job descriptions and formalised candidate appraisals do not result in definite, non-ambiguous decisions; rather they facilitate to mark out losers than to detect the winner. To appoint the winner, a scope of discretion persists. It's the principle of satisficing that enables to take decisions under such conditions. It makes it possible, that a candidate will satisfy a decision maker being good enough to do the job without being brilliant on each required skill dimension (March, 1994, 19).

Whereas a *real* job position is a question of *well-known* interior distinctions of the firm, the perception of *unknown* candidates is highly depending on exterior categories³ to facilitate organisational assumptions about them. Official definitions of interior job and membership requirements respectively (job definitions) as well as the established techniques for competence measurement are insufficient to merge interior and exterior categories in the course of *realistic* matching processes. On the one hand, affective-cognitive agency incorporated in gatekeepers is to be considered to understand the outcome or effects of personnel selection. On the other hand, the observation and interpretation of exterior categories offered by an organisation's environment has to be considered.

If personnel selection would be structured by a pure version of rational choice, it would imply a model of reality, which is not suitable to understand the empirical phenomena of trainee selection:

“Consider the problem of assigning people to jobs in an organization. If it were to satisfy the expectations of pure rationality, this decision would start by specifying an array of tasks to be performed and characterizing each by the skills and knowledge required to perform them, taking into account the effects of their interrelationships. The decision maker would consider all possible individuals, characterized by relevant attributes (their skills, attitudes, and price). Finally the decision maker would consider each possible assignment of individuals to tasks, evaluating each possible array of assignments with respect to the preferences of the organisation” (March, 1994, 4).

As March (Ibid., 5) points out, “virtually no one believes that anything approximating such a procedure is observed” in any organization when it comes to job assignment. Rather gatekeepers take risky decisions under conditions of uncertainty, bounded rationality and unresolved conflicts between multiple organisational interests resulting in imperfect environmental matching (Cyert & March, 1992, 214f.). Organisations have to cope with information constraints by simplifying complexity. Their

³ I refer to Tilly's (1998, 75) argument of durable inequalities resulting out of a recurrent matching of interior and exterior categories. Interior categories belong to an organisation's internally visible structure, and they bound the organisation itself, separating members from non-members. In contrast, exterior categories “do not originate in a given organisation, but they often install systematic differences in activities, rewards, power, and prospects within that organization; they come from outside”.

decisions follow rules-of-thumb being framed by beliefs that define the problem to be addressed, the information being collected, and the dimensions being evaluated (March, 1994, 13f.). The resulting solutions are satisficing and they follow the logic of appropriateness rather than one of consequence (Cyert & March, 1992, 230). As we will draft below the matching of internal and external distinctions is facilitated by affective decision-making of the gatekeepers in the interest of the firm.

Excursus: Matching categories in training firms

In the context of trainee selection in a dual VET-System where apprentices attend vocational school in addition to learning on the job, the matching process is even more complex. In allocating its apprenticeships autonomously, the training firm simultaneously assigns a future trainee to a vocational school. The apprenticeship contract is placed between the firm and the trainees (and their parents respectively), but the contract has to be cancelled once a trainee fails at vocational school. For the firm this implies the lost of investments in the apprenticeship. Consequently a training firm is only interested in hiring an apprentice who fulfils the *minimal* requirements of vocational school. Unequal decision making competences of firms and schools assumed to initiate an apprenticeship, the (well-known) conflict between different organisational needs of firms and vocational schools respectively is resolved in favour of the firm. Called upon to resolve the problem of a *double matching*, it is assumed that training firms tend to satisfice their own organisational needs much more than those of vocational schools.

If we sum up the previous ideas, the matching between interior and exterior categories becomes an endeavouring task for training firms. The concept of Institutional Discrimination argues that, to resolve such systematic matching problems, gatekeepers in training firms require distinctions between applicants that are based upon ascribed criteria. In this sense, discrimination acts as an organisational resource for solving decision problems.

3.3 Legitimacy and justification in personnel selection

But firms are not entirely free to make use of their discriminatory resource. They have to apply it in a socially accepted way. Discrimination must *make sense*, both within and outside of the firm. To survive in their social environment, organisations require more than material, technical and human resources. They also depend on social acceptability and credibility. This leads to the important issue of justification and sense-making in the context of personnel selection. We claim that not the decision itself but its justification has to be rational with respect to public acceptance, both within and outside the firm.

Thereby one can question the public of relevance for SME. Who are the people whom SME have to explain themselves? Small businesses are rather inconspicuous and less interesting than are big enterprises (Pichler, Pleitner, & Schmidt, 2000). Still they are not hidden. Outside the firm customers and business partners account for the public. At the same time firms have to explain themselves towards their own employees to assure their cooperation and motivation as Boltanski and Chiapello (2005) have argued. Thus the relevant public exists both within and outside the walls of small firms. It puts both internal and external constraints on decision-making processes in the context of trainee selection.

The concept of legitimacy is widely used to refer to the requirement of justification (Scott, 2001, 57f.). As Suchman (1995, 574) states “legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed systems of norms, values, beliefs, and definitions”. Legitimacy is a symbolic value displayed by organisations to justify itself towards outsiders (Scott, 2001, 58).

3.3.1 Justification of personnel selection by procedures

Scholars of the “new institutionalism” have argued that legitimacy is produced by externally fixed and rationalized *procedures*. Procedures such as search and decision routines function as carriers of knowledge and experience and they structure attention and the relevant information to take decisions (Cyert & March, 1992, 224). According to Meyer and Rowan (1977, 345) organisations must incorporate institutionalised structures to assure legitimacy. The latter ensures support, strengthens stability by reducing turbulences and enables the survival of any organisation. It also increases the commitment of internal participants and external constituents (Ibid., 349). “Employees, applicants, managers, and governments agencies are predisposed to trust the hiring practices of organizations that follow legitimated procedures (...) and they are more willing to participate in or fund such organizations” (Ibid.). The three benefits of legitimate procedures are legitimacy, stability and resource inflow (Ibid., 353). Technical procedures of personnel selection become taken-for-granted means to accomplish organizational ends. “Their use displays responsibility and avoids claims of negligence” (Meyer & Rowan, 1977, 344).

In the case of personnel selection personnel departments use approved and rationalized procedures that are implemented by certified personnel professionals (Meyer & Rowan, 1977, 344). However gatekeepers in SME are often laymen with regard to personnel recruitment and selection, particularly if the enterprise doesn’t dispose of an intermediate management level. Thus they are not skilled how to select apprentices professionally and their procedures repeatedly follow rules of thumbs. Whereas big enterprises manage to establish legitimacy by professional tools, procedures of laymen used by SME do not suffice.

3.3.2 Justification by cultural categories

If no legitimate procedures are available, SME depend at least on legitimate *categories* to justify their decisions. Thereby they emphasise their proclaimed official interior categories. But as shown above the internal distinctions are more comprehensive than those officially claimed and the matching of interior and exterior distinctions has to be done within a scope of discretion. Accordingly *exterior* categories must be exploited so that personnel decisions are rather approved than disapproved in public (Luhmann, 2000a, 296).

To clarify different symbolic resources used by firms to justify their categories Scott’s (2001, 47ff.) typology of institutions is helpful. Institutions are “multifaceted, durable social structures, made up of

symbolic elements, social activities, and material resources” (Ibid., 49). They are relatively resistant to change and they give solidity to social life. Institutions provide guidelines for action but they also constrain them (Ibid., 50). The three main ‘pillars’ of institutional structures consist of regulative, normative and cultural-cognitive elements. They form a continuum moving from the legally enforced to the taken for granted and from the conscious to the unconscious (Ibid., 51). In the context of deregulated trainee selection, regulative institutions such as laws and regulations are practically absent. Much more relevant are the normative and the cultural-cognitive pillars of institutions.

Normative institutions comprise what is traditionally specified as values, norms and roles (Scott, 2001, 57ff.). The justification of personnel decisions by criteria of the official job description or by procedures testing achievement refers to the pillar of normative justifications. But once selection procedures have become partly illegitimate, and once a rudimentary job description gives rise to scopes of discretion, cultural-cognitive institutions seem to be especially accurate to legitimate decisions. “A cultural-cognitive view stresses the legitimacy that comes from adopting a common frame of reference or definition of the situation (...). The cultural-cognitive mode is the ‘deepest’ level because it rests on preconscious, taken-for-granted understandings” (Scott, 2001, 61). In taking and justifying decisions meaning is established. Meaning, common scripts and beliefs are indicators for this frame of reference (Ibid., 58).

3.3.3 Enabling sense-making and justification by emotions

Decision makers have to resolve ambiguities they face in their organisational environment. Uncertainties are reduced through the accumulation and retrieval of meaningful information (March, 1994, 207f.). But once such information is not available decision-makers have to refer to emotional signals, that is impressions or anticipations without secure base of knowledge. Examples are confidence, mistrust, sympathy and antipathy, liking and disliking. Such sentiments can vary from low to high intensity and they help constructing stories that strongly limit what people consider possible alternatives to current practices and relations (Tilly, 1998, 102f.).

Shared beliefs embedded in expectations are a key resource to guide interpretations. They limit organizational alternatives that decision makers consider, fear, or desire⁴. Expectations themselves build on anticipatory

⁴ To believe is to notice selectively and to initiate actions capable of lending substance to the belief (Weick, 1995b, 133-145). People are indeed more likely to confirm existing information than to acquire or notice disconfirming one. They rather seem to seek social validity than certainty of knowledge (March, 1994, 38ff.). Following Weick (1995b, 148) *self-fulfilling prophecy* is a fundamental belief-driven act of sense-making, especially if decision makers are motivated by needs of stability and predictability rather than by accuracy concerns. Under organisational conditions of time pressure and information deficits sense-making rather tends to be schema driven than evidence driven. “Most people in organisations spend most of their time trying to make sense under conditions where self-fulfilling prophecies should flourish. And self-fulfilling prophecies flourish, because they are one of the few sense-making processes that work” (Ibid., 153). Referring to ascribed

sentiments like confidence, mistrust or fear (Pixley, 2002). Referring to Luhmann (2000b), such sentiments are very effective forms to reduce the complexity of a future world and to resolve ambiguities used by decision makers. Confidence is required to absorb insecurity once reliable information is missing. In organisations, the mechanisms of confidence and mistrust are depersonalised. A gatekeeper who trusts in somebody or something rather does it in the risk of his firm than in his own risk (Ibid., 58, 124).

CiOMPI (2004, 42) claims, that confidence is just a special case of all affects or emotions, whose most important social function is indeed to reduce complexity. The Swiss psychiatrist (CiOMPI, 2003, 2004) offers a promising comprehensive meta-theory of interaction between emotion and cognition based on both evolutionary biology and systems theory. He claims that feeling and thinking are inseparably intertwined and affects are the motor behind the reduction of social complexity⁵. They act as bio-energetic forces behind mental and social processes of all sorts. Thereby unconscious affects are operating in culture-specific value-systems, prejudices, and stereotypes, thus in everyday thinking and behaviour.

In CiOMPI's framework of affect-logic⁶, culture can be understood as a frame of reference building on cognitive distinctions with a specific emotional valence. Thereby social organisations like firms constitute affective-cognitive subcultures. They generate their own affect-logic (e.g. their own affectively evaluated values, norms and beliefs) to assure their continuance. In the process of trainee selection, the matching of internal categories of the trainee position with external distinctions of candidates follows a firm-specific affect-logic.

In an institutionalist, cultural-cognitive view encouraging cognitive consistency by adopting an identity to a specific situation enables legitimacy (Scott, 2001, 61). But referring to CiOMPI's theory of affect-logic, legitimacy not only comes from cognitive, but from *affective-cognitive*

exterior categories of candidates (to ethnical ascriptions amongst others) can be seen as a form of self-fulfilling prophecy.

⁵ Whereas CiOMPI's notion of affect refers to emotional phenomena in general, he understands cognition "as the capacity of perceiving and further processing sensory differences" (CiOMPI, 2003, 183). Cognitions – or distinctions – are continuously associated with affects, for example as harmless/dangerous, interesting/uninteresting, or pleasurable/unpleasurable, and with the corresponding tendencies for action (CiOMPI, 2004, 30). Affects have so called operator-effects on cognitions as they deeply influence what is perceived and experienced: they focus the attention on specific cognitive contents and exclude others; they store and mobilise cognitive elements with similar emotional "colour" into greater cognitive entities, thus leading to global affect-dependent judgements such as "a friendly country" or "a nice man" (Ibid., 185). Thereby the evolutionary task of affects "is the context-specific focusing of emotional energy on survival-relevant cognitions" (Ibid.). Whereas intensely conscious feelings and thoughts are reserved for exceptional situations that need high-energy processing, everyday thought and behaviour function more economically on semi-automated, low-conscious, and low-emotion levels" (CiOMPI, 2003, 186).

⁶ Affect-logic, the name of CiOMPI's theory, refers to cognitive elements that are systematically linked with similar affective connotations into a greater cognitive entity, generating an affect-dominated type of thinking (CiOMPI, 2003, 185f.).

consistency between distinctions, as rationality and emotions are interactively connected (Turner & Stets, 2005, 22).

In the conceptual framework under consideration stereotypes and prejudices rather serve as affective-cognitive justifications than as the causes of organisational discrimination. The causes of discrimination are rooted in the interior distinctions of an organisation which cannot be matched easily with exterior categories. Thus to reduce its discriminatory potential, an organisation has to change its internal structure (for instance schools can abandon internal differentiations of more or less ‘talented’ pupils).

3.3.4 Costs of justification and theoretical prediction

Organisations can match interior and exterior categories in many ways making the prediction of outcomes a challenge. I claim that the organisational necessity of ex-post justification enables theoretical prediction. SME structure their selection decisions by making use of those affective-cognitive distinctions that are known as legitimate in their environment. Thereby the matching of interior and exterior categories has to allow for a cost-efficient justification as much as possible. “Matching such an interior boundary with an exterior categorical pair such as white/black or citizen/foreigner imports already established understandings, practices and relations that lower the cost of maintaining the boundary” (Tilly, 1998, 76). Tilly (1998, 192) argues that already established social arrangements have enduring advantages because alternatives entail the costs of movement away from the present situation. Thus selection procedures and categories drawing on legitimate external social distinctions allow for a cost-efficient solution of the justification problem. They assure organisational legitimacy and stability. *Figure 2* summarizes the outlined theoretical arguments to conceptualise the relevant mechanisms of trainee selection in Swiss SME.

Figure 2: Conceptualisation of an ordinary trainee-selection process

SME use their scope of discretion – that is: their resource of institutional discrimination – to select apprentices in such a way that public protest is not foreseeable. The need for affective-cognitive legitimacy makes selections especially predictable in situations, where individual resource theories lose their explanatory power – that is in situations perceived as ‘discrimination’. Which groups of candidates are negatively and positively affected thereof is a question of locally and historically available resources of justification (Gomolla & Radtke, 2002, 264). Meaning is contested and the contest occurs within a historical path of beliefs and interpretations (March, 1994, 211).

4 Empirical plausibility of institutional discrimination in training firms

Results of an ongoing research project on trainee selection in Swiss SME⁷ show empirical plausibility for the outlined concept of institutional discrimination with regard to the distribution of apprenticeships. First, the methodological approach to examine discrimination will be shortly introduced.

4.1 Methodological approach to reconstruct justifications

In the above conceptualisation of trainee selection we claim that gatekeepers anticipate the justificatory potential of selection criteria in the process of decision-making and that they act accordingly. Hence selection-relevant meaning can be reconstructed out of retrospective justifications. Based on transliterated texts resulting from semi-structured interviews with gatekeepers in 65 enterprises, institutional discrimination in SME has been investigated. Argumentation analysis (Toulmin 1958) was used to reconstruct the organisational logics of selection in the firms under investigation.

In short and as shown in *Figure 3*, the pattern of an argument starts with an observation or *data*, the ground one needs to support the original assertion. The latter is called the *claim* or the conclusion of the argument. Argumentation analysis now works out the explicit or implicit (tacit) knowledge one needs to appropriately step from the data to the claim. This knowledge, the so-called *warrant*, consists of different kind of propositions, like rules or general principles acting as an authorizing bridge between data and claim. In short, the warrant explains why the data supports the claim, that is, it *justifies* the drawing of selection-relevant conclusions from the data. Whereas the data is appealed to explicitly, warrants often remain implicit. In this figure, the data: we had two Yugoslavs, namely a Muslim and a Croat” (“Croat” thereby stands for non-Muslim, but a Christian) supports the claim, that one of them doesn’t fit in the team and has to be excluded. Thus the warrant: “Persons of different faith don’t fit in the same work team” justifies as a belief the organisational exclusion of one of the two.

Figure 3: Structure of an argumentation

But if the acceptance of the warrant cannot be assumed because it is not broadly accepted, it has to be defended by reasons that support it, the so-called *backing*. Toulmin (1958) mentions taxonomies, laws or statistics as backing resources. He highlights the variability and contextuality of the backing, thus leaving open a window for other sort of information. Even if

⁷ The project is titled “The selection of trainees in small and medium-sized enterprises: Integration and exclusion at the transitional stage between school and vocational training”. It was subsidized by the Swiss National Science Foundation within the National Research Programme “Social Integration and Social Exclusion” (contract no. 405140-69088; see <http://www.nfp51.ch>).

argumentation analysis is considered as a cognitive approach to text interpretation, it allows for affective phenomena: one can interpret emotions mentioned or shown by interviewees as backing the justification of their argument.

If we consider the presented example of a backing (see *figure 3*), the statement “it’s gut feeling” can be qualified as a descriptive (in contrast to an expressive) emotion phrase or word (Kövecses, 2003, 2-6). It’s neither a literal nor a figurative (metaphor, metonymy) description of an emotion, but it refers to the affective valence of the warrant (in this example, it’s a negative valence). It’s just a statement that feelings have played a role. It indicates, that the warrant is of affective meaning to the gatekeeper. The absence of alternative backings suggests, that no other objective knowledge is available to convince the receiver of the message. These facts point to the affective-cognitive significance of the warrant as a resource for organisational justification.

4.2 How ‘foreigners’ could trouble the everyday life of training firms

The results show a variety of organisational constraints leading to the exclusion of immigrant applicants beyond their vocational competences. Beside arguments related to the school and language achievement of candidates as well as to their family background, characteristics of the firm were used to justify the exclusion of specific immigrant youth from vocational training. Such arguments refer to specific practical constraints of training SME, their organisational preferences, beliefs, anxieties and experiences. The most common of these arguments is the preference of locals, with ‘locals’ being equivalent to Swiss ‘or the like’ (they can also include Italians or Germans) but always excluding ‘foreign youth’ from former Yugoslavia or Turkey. Gatekeepers often support this argument emotionally or they claim the privilege of locals to be ‘natural’, or they refer on the Swiss (family) tradition of the firm. A range of arguments focuses on the composition and mixture of the working team. ‘Foreign’ students are not seen to fit in an existing team or Gatekeepers anticipate conflicts between their employee, workplace bullying or ethnic gathering. With regard to the firms’ customers the strongest argument was not customers’ ethnic preference of employee, but avoiding some disagreeable clientele of specific ethnic groups by hiring members of them. Finally the strong need of training firms to hire apprentices with local domiciles (amongst others to avoid them showing up too late at work because of delayed traffic) becomes a further disadvantage for immigrant candidates. Disproportionately excluded from local job offers, they are particularly forced to apply for distant apprenticeships. This short draft of (both real and imaginary) organisational constraints refers to the *real* job position and description rather than to the *official* one.

Family- and culture-related arguments (based on culturalistic assumptions about ethnic milieus) are also used to justify the exclusion of ‘foreigners’. On the one hand, gender-culture related assumptions are used for sense-making: ‘Foreign’ families are asserted to build on patriarchal structures hindering in particular the professional flexibility of young

females. Culturally determined macho-like behaviour (proudness, violence) on the other hand is ascribed to young male immigrants and valued as problematic with regard to female supervisors or co-workers. A lack of wrong family support in a firm's interest is seen as problematic with regard to a successful completion of vocational training. Finally, some immigrant backgrounds (first of all the one of Muslims) are equated with an alien mentality or improper faith not being compatible with the firm's own culture. Thus family- and culture-related arguments are also linked with potential troubles within the firm.

Table 1 shows the three types of arguments used by training firms to justify the exclusion of 'foreign' youth from practical training.

Table 1: Typology of arguments used to justify the exclusion of 'foreigners'

5 Interpretations and concluding remarks

Whereas arguments of school- and language deficits primarily refer to anticipated troubles at vocational school, organisational and culturalistic arguments refer to troubles at the firm. Both result in the rejection of candidates perceived as 'foreigners'. The logic of trouble-avoidance allows for making sense of their exclusion within the firm. With reference to the organisational goals mentioned by Cyert and March (1992, 46ff.), the anticipated troubles put into questions the organisational goals of production and sale. Training firms seek for apprentices who do not put at risk the organisational production and selling of goods and services. As selection decisions only have to *satisfice* one has not to clarify the real risk of troubles. Imaginary assumptions about potential organisational troubles do the job to reduce ambiguity.

Some of the company-related arguments such as the preference for local (Swiss) apprentices are hard to justify openly as the firm's behaviour is at risk to be disapproved by public (customers, employees, business partners). Therefore the exclusion of immigrant groups has to be justified with alternative arguments reducing the costs of justification. Outside of the firm assertions in terms of language and school deficits do best, as they are both in line with scientific research and the powerful normative ideology of merit and achievement, especially in the field of education and work.

Within the firm, affective-cognitive justifications touching a candidate's cultural background suffice to hide illegitimate organisational interests behind a selection decision although such culturalistic arguments often miss the support of serious scientific verification. Still the statements of sentiments in the interview data express a moral contest for the legitimate view of the social world and the analysis of such feelings enables access to everyday morale (Neckel, 2006, 133). An emotional backing qualifies a justification to be affective-cognitive as an essential form of knowledge to enable decision-making. Research on professionalized personnel selection shows that emotions are indeed indispensable to match job positions with candidates (Moss & Tilly 2001, Voswinkel, 2007).

The *real* internal job distinctions remarkably correlate both with group-specific profit expectations *and* individual achievement ascriptions that *both* turn out to be negative for candidates named ‘foreigners’. Achievement-related ascriptions and profit-related ascriptions beyond individual productivity (in the sense of human capital theory) turn out to be confounded. As a consequence SME are not constrained to reveal their interest motives. The powerful argument of school- and language-deficits of ‘foreigners’ seems to enable a cheaper justification for the exclusion of the latter.

The logic of competences is not irrelevant at all in the context of trainee selection. But it fails in explaining the organisational exclusion of young candidates called ‘foreigners’. Rather training firms expect particular organisational troubles during vocational training. They fear disturbances of production and selling processes of their goods caused beyond individual productivity. Thereby organisational sentiments serve to reduce ambiguity and they allow for justification. They appear as an organisation-specific resource located in the bodies of gatekeepers deciding about the allocation of organisational membership. Everything threatening the organisational survival on the market, even only imaginary, is countered by reactions of refusal at an early stage. Accordingly the exclusion of ‘foreigners’ goes along with an organisational uneasiness that their education could pose a risk to the survival of the firm.

The results show that previous inequality research has ignored significant organisational rationalities of selection in the educational field and in the labour market by settling for a narrowed notion of individual productivity. There are manifold productivity-related reasons why firms deny membership to ‘foreign youth’ – far beyond human resources and far beyond discriminatory ‘tastes’. A significant portion of durable inequalities at work doesn’t seem to result from self-conscious discrimination of employers but from efforts to solve organisational problems by the incorporation, often unintentional, of exterior categories into the structure and logics of labour market organisations (Tilly, 1998, 107f.).

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Figure 1: Simplified view of the Swiss Education System

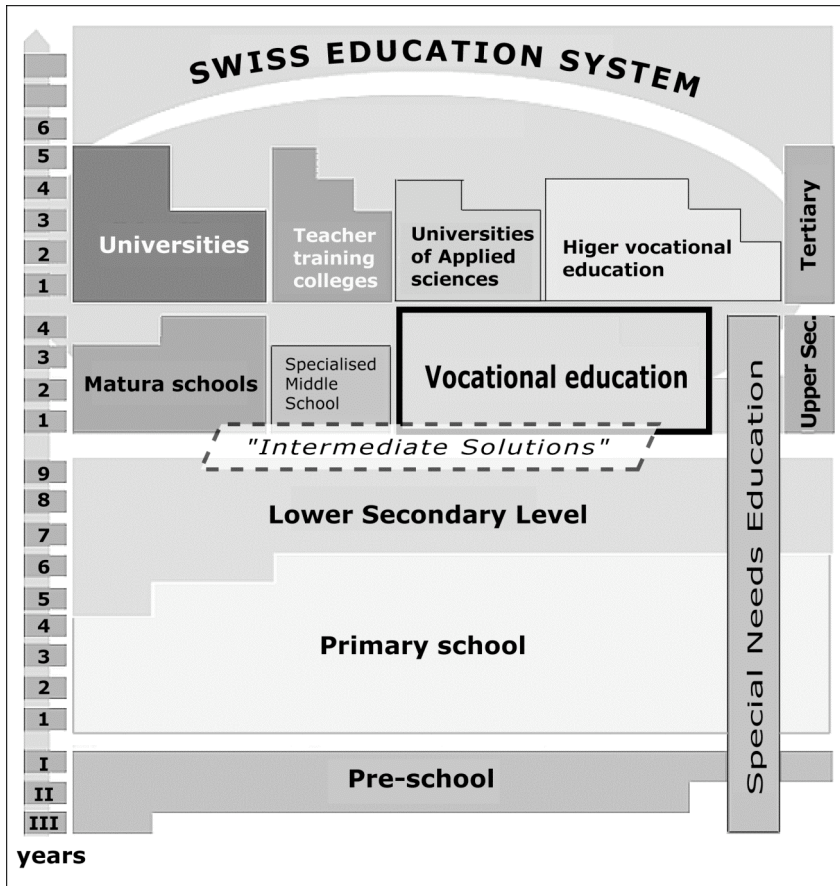


Figure 2: Conceptualisation of an ordinary trainee-selection process

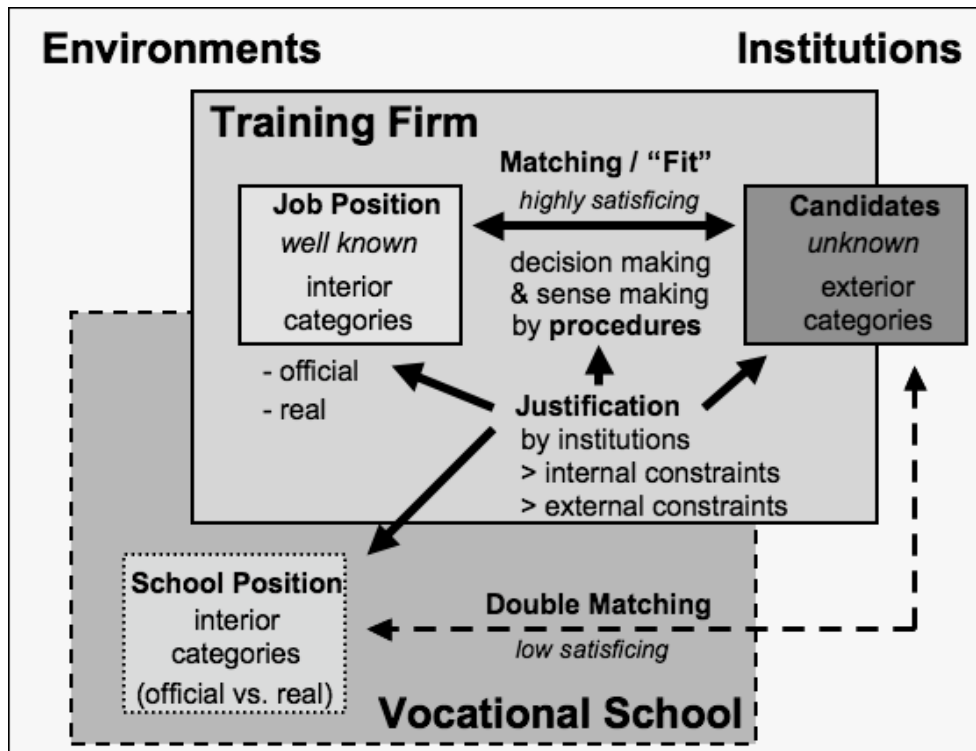


Figure 3: Structure of Argumentation referring to Toulmin (1958)

Structure of Argumentation

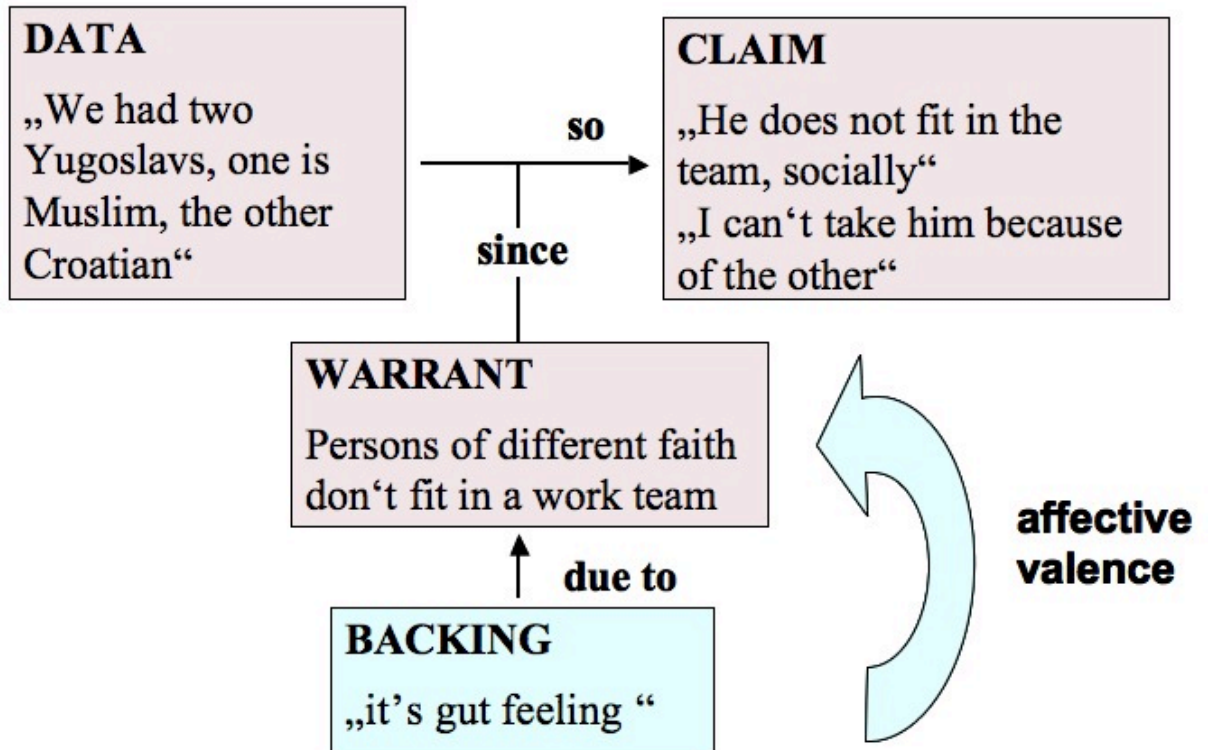


Table 1: Typology of arguments used to justify the exclusion of ‘foreigners’

Reference of argument	Data (real & imaginary)	Conclusion	Justification resource
Student-related	Low school achievement & language deficits	troubles at vocational school	Normative (norm of achievement)
Company-related	Organisational misfit, irrespective of individual skills	troubles at the firm	<i>not used for public justification</i>
Family- & culture-related	Missing support, traditional gender-relations	troubles at the firm	cultural-cognitive