The Evaluation of Founder Failure and Success by Hiring Firms: A Field Experiment: Appendix

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Appendix A: Supporting Tables

Table A1: OLS Regressions of Receiving a Callback on Founder Experience

	Model 1A	Model 1B
Founder	-0.10***	-0.10***
	(0.02)	(0.02)
Female		0.00
		(0.02)
Firm Age		-0.00*
		(0.00)
Days Since Job Posted		-0.00
		(0.00)
Location: BOS		0.02
		(0.03)
Location: CHI		-0.07*
		(0.03)
Location: LA		-0.05
		(0.03)
Location: NYC		-0.05^{+}
		(0.03)
Location: SF		-0.01
		(0.03)
Constant	0.24***	0.27***
	(0.01)	(0.03)
R-Squared	0.016	0.027
Observations	2,400	2,369

Notes: $^{+}p < 0.10$, $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$. *Founder* is a dichotomous variable that takes the value of 1 if the applicant was a founder and pools together both founder conditions (failure and success). Model 1B includes industry fixed effects. Firm age could not be found for 31 firms; for these observations we treated as missing values. *Location: AUS* is the reference category for dummy variables indicating geographic location of the firms. Standard errors in parentheses.

Table A2: OLS Regressions of Receiving a Callback on Founder Experience: Failed Versus Successful Founders

	Model 2A	Model 2B
Founder Failure	-0.08***	-0.08***
	(0.02)	(0.02)
Founder Success	-0.13***	-0.13***
	(0.02)	(0.02)
Female		0.00
		(0.02)
Firm Age		-0.00*
		(0.00)
Days Since Job Posted		-0.00
		(0.00)
Location: BOS		0.02
		(0.03)
Location: CHI		-0.07*
		(0.03)
Location: LA		-0.05
		(0.03)
Location: NYC		-0.05^{+}
		(0.03)
Location: SF		-0.01
		(0.03)
Constant	0.24***	0.27***
	(0.01)	(0.03)
R-Squared	0.020	0.030
Observations	2,400	2,369

Notes: $^{+}p < 0.10$, $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$. *Founder Failure* is a dichotomous variable that takes the value of 1 if the applicant was a founder that failed, *Founder Success* is a dichotomous variable that takes the value 1 if the applicant was a founder that succeeded, and the reference category are applicants with no founder experience. Model 2B includes industry fixed effects. Firm age could not be found for 31 firms; for these observations we treated as missing values. *Location: AUS* is the reference category for dummy variables indicating geographic location of the firms. Standard errors in parentheses.

Table A3: OLS Regressions of Receiving a Callback on Founder Experience: Younger Versus Older Firms

	Model 3A	Model 3B
Founder Failure	-0.09***	-0.09***
	(0.02)	(0.02)
Founder Success	-0.16***	-0.16***
	(0.02)	(0.02)
Firm Age (less than 10)	0.02	0.03
	(0.03)	(0.03)
Founder Failure × Firm Age (less than 10)	0.03	0.03
	(0.04)	(0.04)
Founder Success × Firm Age (less than 10)	0.07^{+}	0.07^{+}
	(0.04)	(0.04)
Female		0.00
		(0.02)
Days Since Job Posted		-0.00
		(0.00)
Location: BOS		0.02
		(0.03)
Location: CHI		-0.07*
		(0.03)
Location: LA		-0.05
		(0.03)
Location: NYC		-0.05^{+}
		(0.03)
Location: SF		-0.02
		(0.03)
Constant	0.23***	0.24***
	(0.02)	(0.04)
R-Squared	0.026	0.033
Observations	2,369	2,369

Notes: $^{+}p < 0.10$, $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$. *Founder Failure* is a dichotomous variable that takes the value of 1 if the applicant was a founder that failed, *Founder Success* is a dichotomous variable that takes the value 1 if the applicant was a founder that succeeded, and the reference category are applicants with no founder experience. *Firm Age (less than 10)* is a dichotomous variable that takes the value of 1 if the firm being applied to is 10 years old or younger (as of the end of 2018). Model 3B includes industry fixed effects. Firm age could not be found for 31 firms; for these observations we treated as missing values. *Location: AUS* is the reference category for dummy variables indicating geographic location of the firms. Standard errors in parentheses.

Appendix B: Gender

In this appendix, we analyze whether the callback rates for each founder condition vary by gender of the applicant. We varied the applicant's gender to identify whether found patterns were stable for men and women. To signal gender of the job candidate, we varied the first name on the resume and cover letter. The variable $Female$ takes the value of 1 if the applicant's name is very likely to be perceived as a woman's name and 0 if the applicant's name is very likely to be perceived as a man's name. Table B1 shows that employer preference using callback rates is not affected by an applicant's gender. The mean difference in callback rates for female and male applicants is not significantly different across conditions. Therefore, in this context, our evidence demonstrates that female and male applicants are evaluated similarly and have the same likelihood of receiving an initial callback from recruiters regardless of condition.

[Table B1]

Initially, these gender results were surprising given the commonly found gender penalty across different settings, especially in male-dominated contexts such as STEM (Eagly and Karau 2002; Lyness and Heilman 2006) and finance (Botelho and Abraham 2017). One reason for a lack of gender difference in our results may be due to the high demand for those with software engineering skills in the US economy (Kessler 2017; Stansell 2019). However, our post-experiment interviews offer additional information related to recent diversity and inclusion efforts. Specifically, our interviewees highlighted how these efforts may not be working as intended. Many recruiters mentioned that their firm had a team dedicated to diversity and inclusion initiatives and that they prioritize giving more opportunities to women and people of color. Recruiter 11, who works at a tech-focused search firm, described how his client firms are willing to pay a premium to recruit "women in tech" and asking him to pass along as many profiles of female engineers that he has: "Clients are specifically looking for women and minorities. There's a huge pay gap in favor of women. Clients specifically request "I either want a woman or a Black person." This evidence helps to contextualize the lack of gender difference in the callback rate during the initial stage of the hiring process. However, it is less clear if this is leading to more women being hired. While outside of the scope of this study, Recruiter 2, stated that 2 out of her last 10 later-round interviews were with women. A technical recruiter at a search firm (Recruiter 16) who noted that "tons of companies come to us because all they want is diversity candidates" also stated that his clients are interviewing a lot of diversity candidates but not hiring them at the same rate.

Overall, our field experiment results are encouraging regarding initial parity in callback rates, however, our conversations with recruiters suggest that delving further into whether these results indicate equality or a forced curve is important. Furthermore, it is unclear how female candidates for these positions are evaluated during the later stages of the hiring process. Supporting this lack of progress, industry reports show that these diversity and inclusion efforts are falling short and that concrete improvements have not yet been made (Conway et al. 2018; Shaikh et al. 2018). Therefore, our research highlights the importance of considering outcomes in relation to the stage of the evaluation being analyzed (Botelho 2017; Botelho and Gertsberg 2021).

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Table B1: OLS Regressions of Receiving a Callback on Founder Experience: Female Versus Male Applicants

	Model 4A	Model 4B
Founder Failure	-0.09***	-0.10***
	(0.03)	(0.03)
Founder Success	-0.14***	-0.14***
	(0.03)	(0.03)
Female	-0.02	-0.02
	(0.03)	(0.03)
Founder Failure × Female	0.04	0.04
	(0.04)	(0.04)
Founder Success × Female	0.02	0.03
	(0.04)	(0.04)
Firm Age		-0.00*
		(0.00)
Days Since Job Posted		-0.00
		(0.00)
Location: BOS		0.02
		(0.03)
Location: CHI		-0.07*
		(0.03)
Location: LA		-0.05
		(0.03)
Location: NYC		-0.05^{+}
		(0.03)
Location: SF		-0.01
		(0.03)
Constant	0.25***	0.28***
	(0.02)	(0.03)
R-Squared	0.019	0.029
Observations	2,400	2,369

Notes: $^{+}p < 0.10$, $^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$. *Founder Failure* is a dichotomous variable that takes the value of 1 if the applicant was a founder that failed, *Founder Success* is a dichotomous variable that takes the value 1 if the applicant was a founder that succeeded, and the reference category are applicants with no founder experience. Model 4B includes industry fixed effects. Firm age could not be found for 31 firms; for these observations we treated as missing values. *Location: AUS* is the reference category for dummy variables indicating geographic location of the firms. Standard errors in parentheses.