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Auditing ethnic preference in Hong Kong's financial job market: The mediation of white privilege and Hong Kong localism

Abstract

Drawing on the case of Hong Kong's finance-related industries, this paper examines whether preference or discrimination based on job applicants' ethnic background manifests in Hong Kong employers' hiring practices. We took an audit approach and compared applicants of three distinctive ethnic groups: Anglo-Saxons, local Hong Kongers, and mainland Chinese. We found that in Hong Kong, local applicants receive the highest callback rate, followed by mainland Chinese, and then Anglo-Saxon applicants, regardless of their gender. The findings counter existing literature and suggest white privilege and colonial legacy is not visible in the hiring for college graduates positions in financial industries. Instead, language (Cantonese) fluency and business ties to China is of greater importance to employers/HR in Hong Kong's finance-related industries. In other words, white privilege may still hold true in socio-cultural spheres or everyday interactions; yet the effects can be mediated by Cantonese language proficiency when it comes to hiring practices.

Keywords

Audit study, ethnic preference, ethnic discrimination, Hong Kong, localism, white privilege

Introduction

In the labor market, discrimination based on racial and ethnic background has been an issue and is widely examined in the literature (Booth et al., 2012; Gaddis, 2015, 2017; Pager and Shepherd, 2008). Research conducted in English-speaking countries have demonstrated that people of color face higher barriers in the labor market as opposed to their white counterparts (Wilson, 2012). Audit studies, or correspondence experiments, has been a powerful method to research racial and ethnic discrimination (Baldassarri and Abascal, 2017; Quillian et al., 2020), yet most of the literature that applies this method focuses on western countries (with only a few exceptions see Baron, 2020; Lau and Stotzer, 2011). In countries like the US, the origins of this 'white privilege' is typically seen to have its source in the slave trade and the deeply rooted racialized hierarchy that it created. However, in Hong Kong 'white privilege' has been

associated with the region's history as a British colony and English language proficiency (Leonard, 2008, 2010). In the context of a global financial hub, high ethnic diversity, colonial legacy, as well as an increasing wave of immigrants from China, stricter political control from the Chinese government exemplified by the national security law, and localism (Ho, 2018; Lee et al., 2019; Nagy, 2015; Veg, 2017), Hong Kong appears as a theoretically unique and empirically important case to study the patterns of ethnic preference and discrimination. Would ethnic preference and discrimination in the Hong Kong labor market present in the same way as shown in Western countries?

This article uses an experimental design to explore whether and to what extent there is ethnic preference and discrimination between applicants of different origin (Anglo-Saxon, mainland Chinese, and Hong Kongers) in Hong Kong's financial job market. The 2016 census statistics suggested that 88.5% of the working populations who take upper management and professional roles are white.¹ Meanwhile, Mathews (2019) claims that mainland Chinese have become the new 'ethnic others' in Hong Kong and faced discrimination. Therefore, this research set out to test whether white privilege and discrimination against mainland Chinese manifest in positions for college graduates in major finance-related companies, such as banking, accountancy, investment, insurance, marketing, etc.

We created fictitious matched candidates of equivalent credentials with randomly-assigned white-sounding (Anglo-Saxon) names, mainland Chinese names, and Hong Kong names, to detect if there is discriminatory treatment of people from different racial/ethnic backgrounds based on the response rates to applications. Our results show that Hong Kong local applicants are preferred over mainland Chinese applicants, while resumes with Anglo-Saxon names receive the lowest callback rate. Our finding also shows no difference of callback rate between male and female applicants.

This article contributes to fields of race and ethnicity, hiring practice, and studies of Hong Kong politics. We tested theories of white privilege, colonial legacy, and racial/ethnic discrimination in a non-Western context—Hong Kong. While we know that the colonial legacy has been proven to be persistent, and that whiteness is advantageous in different social settings in Hong Kong (Groves and O'Connor, 2020; Leonard, 2008, 2010; Tong et al., 2018), there is still a lack of more rigorous

experimental evidence to demonstrate such white privilege. Most current studies are based on qualitative or observational data and thus do not allow researchers to make strong causal claims. Our findings, to certain degree, suggest that white privilege may be mediated by Cantonese language proficiency in Hong Kong's labor market. The findings serve as a basis to complicate above studies which argue that whiteness can be a socio-cultural capital in a former colony.

This article is also of strong practical relevance, as the elimination of racial and ethnic discrimination and preference has been one of the key focuses for the Equal Opportunities Commission of Hong Kong. Racial/ethnic preference or discrimination, however, does not solely occur between Caucasians and locals in Hong Kong. With the increasing number of mainland Chinese immigrants and Hong Kong localism, numerous studies have found that mainland Chinese face hostility from locals, thus hindering their integration into the local society (Law and Lee, 2007; Lowe and Tsang, 2017; Nagy, 2015; Ng et al., 2015; Tian, 2019). To address these issues of discrimination, the Hong Kong government made discrimination against new Chinese immigrants illegal and extended the Race Discrimination Ordinance to include people from China (Bauhinia Foundation Research Centre, 2017). Given the political tensions and identity boundaries between Mainlanders and Hong Kongers are increasingly contested, the misunderstandings and stereotypes each holds of the other will not disappear easily. The findings of this article can serve as a first step to identify problems and raise awareness. Raising awareness among employers and HR personnel will improve the implementation of the government's programs aimed at eliminating potential ethnic discrimination or preference in the workplace.

This article provides robust evidence to understand whether Hong Kong, as a culturally multicultural society, offers equal opportunities to all racial and ethnic groups, regardless of their skin color, language, and political identity. The findings also help us better understand the logic and operation of ethnic preference and discrimination in a different context (i.e. the intersection between white privilege and localism in a non-white dominant society). In the following we introduce the theoretical background, as well as the complicated ethnic diversity and identity tension in Hong Kong. We then move to our research design, followed by the empirical findings. The article concludes with theoretical implications to the discussion of white privilege, colonial legacy, and Hong Kong localism.

Context

Hong Kong is known for its role as a global financial hub to the world. Consequently, the city, with its centrality and colonial legacy, has attracted a diverse population to live and work there. According to the Hong Kong Census and Statistics Department, in 2015, expats in Hong Kong accounted for 4.6% of the total population, among which Indonesia (26.3%), the Philippines (18.3%), China (14%), France (4.3%), South Korea (3.2%), UK (2.7%), and Canada (2.1%) account for the highest proportions in terms of 'nationality'.² If we further break down the working population based on ethnicity, in 2017's data, there are 30,119 'White' people who are categorized as employees (1%) and 2,900,686 'Chinese' employees (87%) in Hong Kong.³

In Hong Kong, being white, to a certain degree, correlates with one's socio-economic status. Statistics show that the median monthly income of whites is the highest (HKD 58,000) among all of the ethnic groups.⁴ This suggests colonial legacy and white privilege is still resonant in Hong Kong (Leonard, 2008, 2010; Tong et al., 2018).

The political status quo complicates the story in Hong Kong. Since its return to China in 1997, more and more mainland Chinese immigrants are traveling to Hong Kong to reunite with family or find work. According to the Hong Kong Census and Statistics Department, in 2015, there were around 879,000 first-time immigrants from China settled in Hong Kong since 1997. Most of these new immigrants came for family reunion through the One-Way Permit (OWP) System⁵, and may apply for various types of job while in Hong Kong. In addition to family reunion, a significant number of mainland Chinese travel to Hong Kong under the 'Admission Scheme for Mainland Talents and Professionals' (ASMTP)⁶. In 2018-19, for example, 15,257 ASMTP permits were granted.⁷ Furthermore, the Hong Kong government also implemented other schemes such as the 'quality migrant admission scheme' to attract professionals from China (Ngo and Li, 2016).

Meanwhile, scholars have also recognized a 'Hong Kong identity' in the past decade. Surveys such as Public Opinion Survey (CCPOS) suggest that the proportion of the total Hong Kong population identifying themselves as 'Hong Kong citizens'

outnumbers those who identify as ‘Chinese citizens’.⁸ In 2019’s survey by CCPOS, for example, 52.9% of participants saw themselves as ‘Hong Kongers’, 23.5% as ‘Hong Kongers in China’, while a mere 12.8% considered themselves ‘Chinese in Hong Kong’ and only 10% as ‘Chinese’. In the everyday social interactions of Hong Kong, it is easy to draw distinctions between people and conclusions on where people come from based on their spoken language (Cantonese vs. Mandarin)⁹, accent, writing system (traditional vs. simplified Chinese), and even surnames and given names.

Based on the above background, this article seeks to capture perceptions and group preference/discrimination in Hong Kong. Our research mainly speaks to three strands of literature: 1) Ethnic stereotypes and split labor markets; 2) White privilege and the legacy of colonialism; and 3) Hong Kong localism and prejudice against Mainlanders, which we briefly review below.

Literature review

Ethnic stereotypes and the split labor market

Racial and ethnic categories have historically been used to support or justify belief in racial or ethnic superiority or inferiority. The categories have strengthened stereotypes and differential treatment of racial/ethnic groups (Balibar, 1991; Cornell and Hartmann, 2007). Values and cultural elements are used for intergroup differentiation and evaluation, which leads to the development of ‘ethnic stereotypes’ that influence the way we perceive and interact with others (Hagendoorn, 1993; Lamont, 2000; Waters, 1990).

Racial and ethnic hierarchies involve material and positional differences between groups, such as people’s socio-economic status and salary. Scholars have pointed out the importance of understanding how a racial or ethnic ‘hierarchy’ is constructed and then becomes a ‘belief’ system (Lamont, 2000; Wilson, 2012). For example, social Darwinism tries to explain why white skin is considered ‘superior’ to black, and why the unequal distribution of wealth and power turns on lines of race and ethnicity (Banton, 1998). As a result of differentiating between what is considered as superior and inferior, superior groups seem to claim the legitimacy of enjoying economic

rewards and superiority over other ‘inferior’ racial and ethnic groups (Almaguer, 2009; Cornell and Hartmann, 2007).

Perceptions of other groups in hiring practices and employment relationships are equally complicated. When speaking of racial and ethnic relations in the labor market, the first example that comes to mind may be the segmentation of the labor market along racial and ethnic lines. Scholars (Bonacich, 1972; Royster, 2003) have focused on split labor markets and intergroup competition. For example, Bonacich (1972) argues that ethnic antagonism was initially produced by the competition that arose in split labor markets. Better jobs were reserved for a labor aristocracy based on the physical differences between them and their competitors.

In the field of race and ethnicity, a number of scholars have conducted audit studies to demonstrate the existence of ethnic stereotypes when it comes to hiring practices. For example, Booth and her colleagues (2012) found that ethnic minority candidates (e.g. Chinese, Indian, or indigenous groups) in Australia have to apply for more jobs to receive the same number of interviews as Anglo-Saxon applicants. Bertrand and Mullainathan’s (2004) study found that ‘white-sounding’ names were 50% more likely to receive positive responses from employers than equally qualified applicants with ‘black-sounding’ names. In the context of Hong Kong, Tong and colleagues (2018) examined the economic out-comes for non-Chinese immigrants and found that white privilege is persistent. However, the literature has not further examined the intersection between white privilege and Hong Kong localism (against Mainlanders), which we will discuss below.

Whiteness and white privilege

Scholars (Bonilla-Silva, 2001, 2010; Kelley, 1997; Lamont et al., 2010) have discussed the effects of ‘cultural racism’—a form of racism that relies on cultural differences (e.g. language skills) rather than on biological markers of race. Bonilla-Silva (2001) also uses the term ‘biologization of culture’ to explain the difficulty of separating biological and socio-cultural meanings of race. ‘Culture’, for Bonilla-Silva, similar to physical characteristics, is relatively fixed and may be difficult to change.

Whiteness, not only decides status difference (e.g. Whites have better job positions and receive higher salaries), it also influences people’s ethnic perceptions in the socio-cultural sense (e.g. seeing Whites as having higher human capital). In other words, whiteness is always marked as a visible identity and constructed as a ‘superior’ element.

In this article we see whiteness as a mixture of biological as well as socio-cultural difference. However, we highlight that it is important to examine the contextual difference. In the US context, for example, white privilege is bound up in the history of slavery and civil war. In this sense, whiteness is not ‘natural’ but ‘creations of law’ (Harris, 1995: 281). Feagin and Vera (1995: 7) define white racism as a, ‘socially organized set of attitudes, ideas, and practices that deny African Americans and other people of color the dignity, opportunities, freedoms, and rewards that this nation offers white Americans.’ Nowadays, white privilege exists in our everyday lives, including special treatment or respect (Bhopal, 2018; Clark and Drinkwater, 2008). The experiences of being treated in a friendly manner may bring White people privileges which are not shared by other racial and ethnic groups (Heller, 2010).

Whiteness and colonial legacy in Hong Kong

In colonial contexts such as Hong Kong, study would be incomplete if we ignored the colonial experience of Hong Kong. Studies have found that whiteness and Britishness enjoy a superior status in previously colonized countries (Leonard, 2008, 2010; Sinha, 2001). It is important because the history of colonization shapes why whiteness is considered superior to blackness. Hong Kong’s history as a British colony means that whiteness could still be a racial privilege and advantage (Leonard, 2008). Yet, one thing needs to be noted here is that the whiteness privilege in Hong Kong is different from whiteness in the United States, Canada, or Australia, in the sense that certain privilege is not just about racial difference *per se*, it also involves the fact and perceptions that British traditions and English proficiencies are often seen as a valuable cultural capital and are generally associated with higher social statuses. Understanding the colonial legacy can help us better understand how structural inequality and perceptual difference becomes possible and then leads to the differentiation between ‘white’ vs. ‘non-white’.

In sum, whiteness and white privilege in Hong Kong involves the cultural, historical, sociological, and biological aspects of people who have identified themselves as Whites, and the social construction of whiteness as an ideology tied to social status, which may explain different hiring practices and discrimination against non-whites.

Hong Kong localism and prejudice against Mainlanders

Anthropologist Gordon Mathews (2019) claims that mainland Chinese have replaced south Asians and Africans as the ‘ethnic others’ in Hong Kong. Such ethnic ‘othering’,

however, does not necessarily mean Hong Kongers are against immigration. In fact, the majority of Hong Kong people support family-reunion visas and the import of talented labour (O'Neil, 2017). However, the large number of mainland Chinese immigrants and tourists have heightened the awareness of the political, economic, cultural, and identity differences between mainland Chinese and local Hong Kongers. Negative stereotypes of mainland Chinese are emerging. For example, Siu (2009) demonstrates that Hong Kongers perceive mainland Chinese as rural and poor (p. 118) and attribute the conditions of new immigrants (*xin yiming*) to 'differences in cultural orientation, social status, and economic well-being from people like themselves (p. 119)'. Some Hong Kongers believe these new immigrants (especially those with less skills) rely heavily on social assistance and compete for a limited supply of public housing, schools, and hospital resources (Lee et al., 2016; Nagy, 2015). Wang (2012) found that Hong Kongers devalue Mainlanders regardless of the level of skills they possess.

The 'Pro-democracy' Umbrella movement that started in Hong Kong in 2014 is another good example of the tensions inherent in the anti-China sentiment (Ho, 2018; Veg, 2017). The Anti-Extradition Bill protests started in mid-2019 reflect increasing tensions and identity boundaries between Mainlanders and Hong Kongers (Pang, 2020); the misunderstandings and stereotypes each other holds will not disappear easily (Chen and Szeto, 2015; Kaeding, 2017). The passage of the national security law in June 2020 allows PRC security agencies 'to establish offices and freely operate in the city', which generated fears in Hong Kong of political freedoms, rule of law, and 'one country, two systems' being undermined (Hartley and Jarvis, 2020). It has further triggered fears and backlash toward the Chinese government in Hong Kong (Chan and de Londras, 2020).

In the labor market, the increasing number of mainland Chinese immigrants to Hong Kong raises concerns not only about the changing influence of two regimes (British empire vs. China) in Hong Kong (Law, 2009; Fong, 2017), it also points to the importance of scrutinizing to what extent political tensions between China and Hong Kong would influence hiring practices of and potential discrimination against mainland Chinese. For example, scholars found that mainland identity is positively associated with immigrants' perceived discrimination while negatively associated with sociocultural adaptation (Ngo and Li, 2016). To avoid potential discrimination, mainland Chinese may 'hide' their identity, especially when interacting with locals with a strong 'Hong Konger' identity (Lee and Chou, 2018). With the increasing introduction of the mainland Chinese immigrants and businesses, however, the

familiarity with China may now become a valuable skillset in the labor market (Chiu and Lui, 2009). In sum, the growing tensions between stricter political control from the Chinese government and the rise of Hong Kong localism (Kwong, 2016; Veg, 2017), along with the coexistence of white privilege, together create a unique context to examine whether there is an ethnic hierarchy in the financial job market and what the ethnic preference/discrimination looks like for Hong Kong employers.

Methodology

An audit study

This study conducted an audit experiment to ‘measure and detect hiring discrimination in real-world settings’ (Pager and Western, 2012: 221), and to create a context where ‘all other factors except ethnicity are held constant.’ (Booth et al., 2012: 548) Correspondence discrimination studies were first conducted in 1969 (Jowell and Prescott-Clarke, 1970). Since then, researchers have applied the method to various countries including Australia, Canada, France, the Netherlands, Sweden and the United States, to examine the existence and extent of racial/ethnic discrimination in settings such as employment, housing, and education (Bertrand and Mullainathan, 2004; Booth et al., 2012; Butler and Broockman, 2011; Edelman et al., 2017; Gaddis, 2017; Pager et al., 2009; Pager and Western, 2012).

The audit experiment includes ‘sending matched pairs of individuals (the resumes) to apply for real job openings and to see whether employers respond differently on the basis of selected characteristics.’ (Pager and Western, 2012: 223) In the designed experimental context, employers would not know whether their decisions are subject to a socially acceptable response (i.e. they are NOT discriminating against some ethnic groups) so that the outcome could reflect the real preferences of employers, even though such preferences are ‘unconscious’. To highlight whether ethnicity influences employer’s decision, we controlled factors such as human capital, gender, education, socio-economic background and other characteristics.

Hong Kong offers a unique and ideal context for an audit experiment. As a previous British colony, Hong Kongers mostly follow the protocol to use English language resume, thus we can exploit the differences in the romanization systems for Chinese names to produce a clear ethnic marker between Hong Kongers and mainland Chinese. Hong Konger’s given names and surnames are spelled and pronounced in Cantonese rather than the universal pinyin system in China. For example, the characters X Y Z are

romanized in Cantonese as: ‘Ng, Chan, and Lam’, and ‘Wu, Chen, and Lin’ in pinyin. People in the Chinese-speaking world can easily tell the origins of these names. Such an experiment would not be possible in China—as resumes written in simplified Chinese characters is the norm, thus the ethnic difference indicated through pronunciation is lost. Of course, such detection has its limitation. There are some overlaps between the Cantonese system and the pinyin system. To make the names used in the fictitious resumes distinguishable, we chose Hong Kong first and last names that contain spellings that only appear in the Cantonese system such as Man, Lok, Ka, Yip, Mak, Wong; we then chose mainland Chinese names with letters only used in the pinyin system (q, z, zh, and c). This design not only distinguishes the putative mainland Chinese applicants from the local Hong Kongers, it also signals the applicant is not from Taiwan, as Taiwan’s most prevalent Wade-Giles romanization system does not use the above letters. In addition, we gave the mainland Chinese applicants a single character first name, as such practice is a more common practice in China than Hong Kong or Taiwan. Finally, for the Anglo-Saxon group, we chose a few of the most common first and last names.

Since this article aims to estimate ethnic preference/discrimination by employers, we first created matched applicant pairs: all applicants are identical in all aspects of their resumes except for their surnames and given names. All the identical CVs have strong education background, internship and exchange experiences, certificates, awards, and computer skills. We did so to ‘control’ all variables other than ethnicity. We have also provided more explanation of the Hong Kong context. In Hong Kong, it is not easy to get a college degree,¹⁰ particularly from the university such as Hong Kong University—that we used in our CV templates. One thing needs to be noted here is that the jobs we submitted fictitious CVs to, are not the so-called ‘low-skilled’ jobs either. In fact, many of them are management trainees, assistant/account managers, junior accountants, investment consultants, financial associates, junior auditors, and other semi-senior positions. Some ads also show there are various grades of positions (e.g. auditors of all grades). We chose the positions that do not require working experiences yet some of them (15.7%) are semi-senior positions that involve or (will involve) managerial responsibilities.¹¹ The average monthly salary in the positions for which

we sent applications ranges between HKD 15,000 to 18,000 (the average salary for college graduates is approximately HKD 14,000).

We submitted 1,032 fictitious applications (344 applicants for each ethnic group, half of which were male applicants and the other half were female) to jobs provided for college graduates in finance-related industries. Finance-related jobs were chosen because the finance industry is the heart of Hong Kong's economy, around 50 to 100 positions were advertised daily on the website. Furthermore, jobs in this sector may not necessarily require Cantonese language skills as the job scene is highly globalized.

Given the resumes were identical except in name and gender, we only sent one resume to each employer to avoid being detected.¹² Applications were submitted through a major job-seeking website (jobsDB.com), and targeted job positions such as junior accountants, trainees, and other internship positions by using the filter functions (see Appendix 1 the sample job position we submitted to). We chose this website for two reasons: 1) it contains thousands of job positions at various levels, so it decreases the risk of being 'detected' by potential employers; 2) it is the major job-seeking channel for college graduates in Hong Kong where both English and Mandarin-speaking applicants would widely use.

After sending out the fictitious applications, we then documented the responses (or lack thereof) received. Responses were either issued via email or phone call. We called all the missed calls back. We can thus calculate the callback rates as our outcome variable for further analysis. Our experiment was composed of two waves of submission (between July and September of 2019, and between October and November of 2019). To avoid being detected by sending similar resumes, we changed to a different set of applicant names and resume formats after collecting the first wave of responses in October (526 resumes).

Results

Our results show that Hong Kong applicants received the highest callback rates 41.5%, followed by mainland Chinese (27%), and then Anglo-Saxon applicants (9.6%) (see Table 1 below). Breaking these results down based on gender and ethnicity (see Table 1, Figure 1, and Figure 2), the group with the highest callback rates were Hong Kong

females (41.9%). This group enjoyed an almost six times higher probability to receive a callback than Anglo-Saxon females (6.9%).

Ethnicity	Gender	No	Yes	Total	Callback Rate	
Anglo-Saxon	female	160	12	172	6.9%	9.6%
	male	151	21	172	12.2%	
Hong Kong	female	100	72	172	41.9%	41.5%
	male	101	71	172	41.3%	
PRC	female	121	51	172	29.7%	27%
	male	130	42	172	24.4%	
Total		763	269	1032	26.1%	

Table 1. Number and percentage of responses by each subgroup and ethnicity

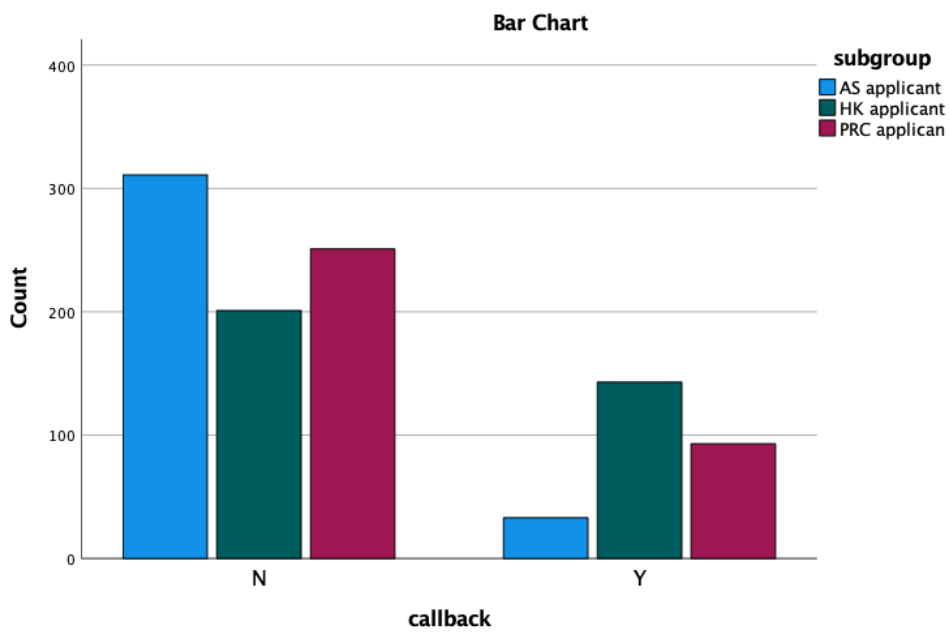


Fig. 1. Number of responses by ethnicity

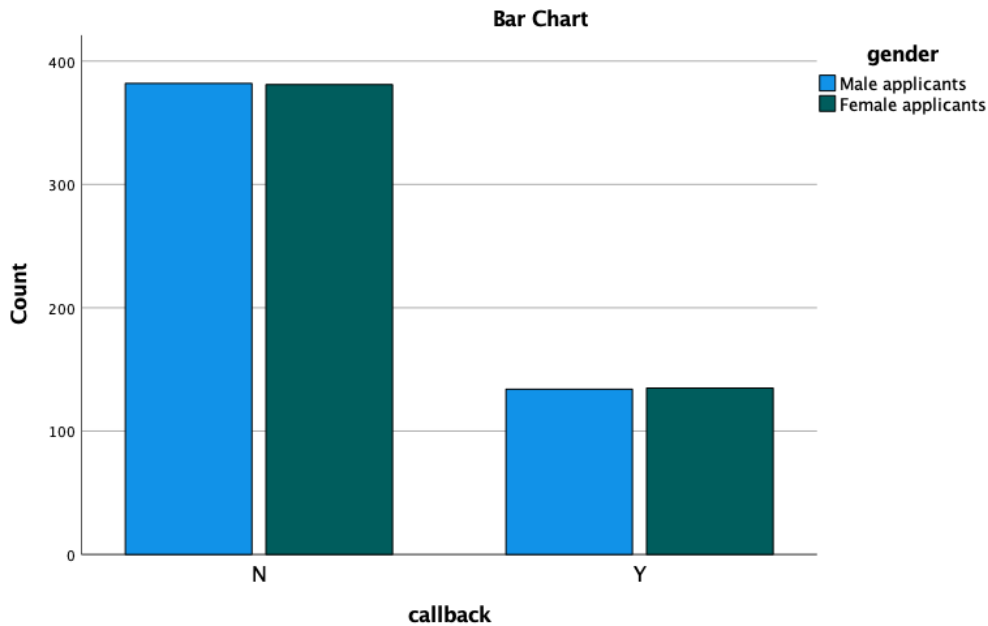


Fig. 2. Number of responses by gender

The results also suggest that there is a statistically significant difference between six groups (sig. = .000), but not between male and female applicants (sig. = .943). Figure 1 and Figure 2 above below present these differences. Overall, female and male applicants receive similar callback rates.¹³ When we compare callback rates within gender ethnic groups (see Table 1 above), we found that the callback rate to PRC females is slightly higher than PRC males (29.7% vs. 24.4%), yet the difference is not statistically significant (sig. = .275). There is no statistically significant difference between callback rates to Anglo-Saxon males and females (sig. = .099), or Hong Kong males and females (sig. = .913).

As a robustness check, we checked the response rates in the first wave (July – September 2019, 29.8%) and second wave (October – November 2019, 22.3%). The result shows that the first wave has a slightly higher callback rate than the second wave. Yet, the pattern that Hong Kongers received the highest callback rates, followed by mainland Chinese and Anglo-Saxons, remained the same. We can thereby rule out that the observed pattern would change drastically over time.

Discussion

The mediation of white privilege in Hong Kong's job market

As a former British colony, whiteness—expressed through appearance or language use—has been proven to be a socio-cultural capital and a privilege (Groves and O’Connor, 2020; Lan, 2011; Leonard, 2008, 2010). White immigrants are perceived as bringing desirable qualities to firms such as their international experience, communication skills and social and professional networks (Tong et al., 2018).

Our findings, however, suggest that such white privilege is somewhat mediated in Hong Kong’s financial job market, at least for college graduates positions. There can be a few explanations for this seemingly counterintuitive result. First, for college graduates position, Hong Kong employers would prioritize employees who can communicate in Cantonese more smoothly, to better serve local customers and interact with local colleagues. In fact, during the data collection process, many employers asked whether the putative Anglo-Saxon applicants could understand and speak in Cantonese in the phone call. The supposedly ‘white’ applicants may be in a relatively disadvantaged position due to their perceived lack of familiarity with the local socio-cultural norms (Brekke and Mastekaasa, 2008; Zhang and Wu, 2011). Secondly, employers may also expect Anglo-Saxon applicants would ask for higher salary and are less willing to hire them (Findlay et al., 1996). In other words, for college graduates positions, the effects of white privilege may be mediated by the consideration of language (Cantonese) needs (to communicate more smoothly with local customers and colleagues).

One caveat is that our data only presents the results on positions for college graduates. The cultural competency and human capital associated with ethnicity may matter when applicants move up the ladder in the labor market. It is possible that hiring practices for higher-level jobs (e.g. managers) would preference ‘PRC-facing’ or ‘international’ businesses and therefore PRC-Chinese and Anglo-Saxon applicants would be more preferred. Furthermore, the higher-level jobs of international corporations are more likely to be filled by staff of their global (mostly western) headquarters, in which case whiteness is more likely be privileged.

Familiarity with Mandarin and China is becoming more favorable

As mentioned earlier, the literature suggests prejudices against Chinese migrants to Hong Kong have increased as their numbers grow. Since Hong Kong returned to China in 1997, the Chinese government has implemented measures to encourage more

migrants from China to move to Hong Kong, either for family reunion, work, and study. Given China's huge market, it may not be too surprising that employees with mainland Chinese backgrounds or familiarity with Chinese culture are increasingly favored in the Hong Kong job market, particularly for the Chinese-funded enterprises or those companies seeking to extend their businesses ties with China (Zhao, 2016). Therefore, in contrast to existing literature that claims mainland immigrants were less likely to be employed and always faced job discrimination (Zhang and Wu, 2011), our findings suggest a shift in perceptions as mainland Chinese applicants received higher callback rate than Anglo-Saxon applicants. This may be as a result of language preference. In Hong Kong, Mandarin is increasingly more popular and has been promoted by the Chinese government to replace English as the second language (Odinye, 2019). Schools have required students to learn Mandarin and to pass the Mandarin test. Study (Zhou et al., 2020) also found the positive effects of Mandarin language skills in finding a job as well as the earnings in Hong Kong. The results of the callback rate difference between mainland Chinese applicants and locals cannot necessarily lead us to conclude that Hong Kong localism has pushed back the increasing political control from the Chinese government. However, our study suggested limits to the benefits of Mandarin proficiency as mainland Chinese applicants during our experiment were often asked whether they could speak and understand Cantonese. Thus, in the job market, familiarity with Mandarin and China is becoming more favorable but is still not valued as highly as local knowledge and Cantonese proficiency. For PRC-Chinese applicants who can speak Cantonese, they might enjoy 'double advantages'.

Conclusion

This article examines different logics of ethnic preference when comparing PRC-Chinese applicants to Anglo-Saxons for specific positions in certain industries. Hong Kong is a unique case because of its colonial legacy, high degree of ethnic diversity, as well as distinctive political situation with China. The uniqueness has led scholars to consider whether white privilege proliferates in everyday life as a hang-over from colonial times, along with discrimination against people from China due to socio-political reasons. Our audit experiment thereby advances the general understandings of the intersection between colonial legacy, tensions over political identity, as well as ethnic preference/prejudice.

In this research, we sent fake job applications to jobs for college graduates in Hong Kong's financial sector, and documented employers' responses to three groups with distinctive ethnic markers in their names. The results show that Hong Kong applicants are more preferred than mainland Chinese and Anglo-Saxon applicants. The findings counter assumptions that whiteness presents powerful symbolic capital in the job market. The low callback rate received by Anglo-Saxon applicants suggests white privilege can be mediated by perceptions about the applicant's proficiency in the language of the host society. Our findings also show that familiarity with China and ability of speaking Mandarin could be a positive advantage in relations to job-seeking. As this study is one of the very few experiments in a predominantly non-white society (Baert, 2018), the results have important implications of thinking about how white privilege operates globally, as well as how the continuous tensions between China's control over Hong Kong and the rise of localism influence hiring practice of and discrimination against Mainlanders.

By examining callback rates of different ethnic groups, this article argues that ethnic preference and ethnic discrimination are far more complicated than current literature suggests (the proliferation of white privilege and stereotype of Mainlanders in all dimensions of daily lives). We thereby highlight the importance of examining and comparing specific groups based on specific contexts. Our study does not negate the previous results showing white privilege in Hong Kong. White privilege may still hold true in socio-cultural spheres and everyday interactions, yet the effects can be mediated when it comes to hiring practices for positions for college graduates.

Limitations

While acknowledging the contributions of this study, there are still limitations with this study. First of all, we focused on finance-related industries given they are the most prominent industries in Hong Kong and employ a significant number of foreign expatriates (Meyer, 2000). Yet, other industries, such as English language teaching jobs, may present different hiring preferences and practices. Second, callback rates do not necessarily equate to actual hiring outcome. A recent paper (Quillian et al., 2020) points out that the actual discrimination could be much higher than the evidence documented in audit experiments. We surmise this could also be the case in Hong Kong, but it would need further research to compare callback rates to real hiring outcome. For example,

this study could also be replicated with managerial positions to test our speculation that white privilege may be more prevalent in managerial and more senior positions. In fact, in a setting where government statistics show that whites occupy higher-level and more professional positions (i.e. in Hong Kong), a White applicant for a lower-tied position might be unusual and thus a negative signal to employers. Third, ethnic preference and ethnic discrimination are far more complicated issues. The three ‘ethnic’ categories adopted may contain a mix of ethnic, racial, class, nativity, and identity affiliations, along with place and region. We reduced our samples to three ethnic groups as a starting point to explore the preference/discrimination when they are present together. For example, there might be variations within Anglo-Saxon group (e.g. Europeans vs. Americans). Other factors, such as working experiences, nationality, and other associated human capital, resources, and the racial and ethnic backgrounds of employers could also influence the results.¹⁴

In addition, in this article we mainly focused on the question of ‘who gets preferred’ in Hong Kong’s financial labor market. We have little say in ‘how’ and ‘why’ ethnic discrimination happens and manifests in employment practices. For further study, we would address Gaddis’s (2019) suggestion of using different methods to study racial discrimination. For example, including a qualitative method and interviewing human resource managers and employers would benefit our understanding of the decision-making process and their considerations during hiring practice.

Notes

1. See Hong Kong poverty report on ethnic minorities (2016): https://www.povertyrelief.gov.hk/pdf/Hong%20Kong%20Poverty%20Situation%20Report%20on%20Ethnic%20Minorities%202016_chi.pdf
2. See: <https://www.go-globe.hk/hong-kong-expats/>
3. See: https://www.censtatd.gov.hk/hkstat/sub/gender/labour_force/
4. See: <https://www.censtatd.gov.hk/hkstat/sub/sp459.jsp?productCode=B1120096>
5. Mainland Chinese who wish to settle in Hong Kong for family reunion reasons must apply for OWPs from the Chinese Exit and Entry Administration Offices of the Public Security Bureau. See: http://www.legco.gov.hk/yr14-15/english/hc/sub_com/hs51/papers/hs5120160331cb2-1161-1-e.pdf

6. See: <https://www.immd.gov.hk/eng/services/visas/ASMTP.html>
7. See: <https://www.immd.gov.hk/eng/facts/visa-control.html>
8. See: Public Opinion Programs, The University of Hong Kong:
<https://www.hkupop.hku.hk/english/popexpress/ethnic/>
9. Although people live in the south China also speak Cantonese.
10. See: <https://www.edb.gov.hk/en/about-edb/publications-stat/figures/educational-attainment.html>
11. We coded more items associated with each job ad, including: required languages (Cantonese, Mandarin, English), salary (whether it is above the normal graduates' average salary, we set \$20,000 HKD/month here), and whether the positions involve managerial responsibilities (e.g. leading a team, making a decision, etc.). Among the jobs we submitted to, 37.8% required Cantonese, 70% required Mandarin, and 72.6% required English proficiency. Around one-third of prospective employers required three languages (32.55%). 15.7% of them involved some managerial responsibilities. A proportion (7.5%) of jobs provided monthly salary over \$20,000 HKD. Despite these jobs being advertised as college graduate jobs, they are not low-skilled nor blue-collar jobs in our common understanding.
12. In our pre-test, we were detected when we sent a pair of matched resumes to the same employer.
13. Literature has suggested that low-skilled, service-oriented jobs are predominantly filled by women (Palier and Thelen, 2010). In terms of occupational type, there are gendered stereotypes that female workers have better 'soft' skills and are better at communicating with costumers while these skills are often undervalued (Steinberg, 1999). Although our findings do not support existing studies that gender makes a difference, we highlight that the initial screening, interview process, and final hiring decision may all involve gender-based discrimination (e.g. sales, accountants, managers) and other gender considerations (e.g. the majority of targeted customers are male or female).
14. Almost all calls were spoken in Cantonese, only a few of them spoke in Mandarin (looking for PRC-Chinese applicants) and in English (looking for Anglo-Saxon applicants).

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Appendix 1. Sample job advertisement

Relationship Manager---China Business
Zenojobs Recruitment Company
Central
HK\$20,000 - 25,000 /month
Posted on 17 Jul 2019

This job is no longer available

Job Highlights

- overseas study experience, fresh graduate
- Risk management, investment portfolio
- financial services, private banking

Job Description

The employer is a licensed investment adviser with the Securities and Futures Commission (CE No. AFG549). They offer you high quality financial advice from a dedicated adviser and a robust financial plan that will change as you do. You also have a team of dedicated experts scouring the globe for the right products for you, monitoring any market developments and making sure you stay on track to reach your goals.

On behalf of our client, we are inviting application for the position of the Relationship Manager

Job Description:

- Provide financial support including monthly reporting, forecasting, budgeting, project evaluation, consultancy review.
- Communication skills – to convey complex financial matters/products to clients in more simple terms
- Listening skills – to be able to listen to and empathise with clients in order to understand their financial issues and tolerance to investment risk
- Provide management information, sound financial and business advice
- The ability to identify planning opportunities
- Technical ability to understand various investment products.
- To be able to use marketing techniques and the press to attract clients
- Provide value-added analysis and recommendations to support business decisions
- Compliance awareness

Requirements:

- University graduates majoring in business related disciplines are preferred;
- Fresh graduated is welcomed; Candidates with **IANG visa** are also welcomed;

- Strong in developing customer networks and fostering long-term relationships through an assigned clientele portfolio, either in HK/ Macau/ PRC / Singapore;
- Proficient in spoken Mandarin is a MUST, Cantonese or English is advantage;
- Excellent communication and presentation skills, written English is also a MUST;
- Result-orientated, client-orientated and self-motivated.

We offer:

- 5-Days Work and attractive remuneration package
- Professional training program including one-to-one coaching and mentoring
- Excellent opportunities to work with experienced managers who come from banking and financial sectors
- CPB, CFA, FRM examinations resources and support with individual sponsorship provided
- Medical scheme & study allowance
- Incentive Trips & Overseas Conferences
- Basic Salary 20k is the entry level, with Year-end bonus and Comprehensive fringe benefits, which is similar to Private Bank Package

