

Biases in Performance Evaluation

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Abstract

Using personnel records from a large Japanese manufacturing company, we search for evidence of biases in subjective evaluation. We find that: (1) minority supervisors (female or mid-career hires) give low grades more frequently than majority supervisors (male and new graduate hires); (2) supervisors who have different marital status from their subordinates tend to give the medium rating more frequently than otherwise; (3) supervisors whose educational levels are higher than those of workers give them the medium (central) grade more frequently; and (4) workers who went to the same school as their supervisors tend to receive more benevolent grade when performing badly than others. Many of the results can be explained by informational asymmetry. We did not find any evidence of “own-group effect” or any taste-based discrimination in the company.