

Job Search Study: Literature review and analysis of the Labour Force Survey

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Introduction

The Job Search Study presents research findings of an investigation into job-search practices among different sub-groups of job seekers, with particular reference to those who are unemployed and claiming Jobseeker's Allowance (JSA), and on the use of the Internet for job search. Job search is not exclusive to the unemployed and so the study was concerned with job search in a wider context.

Active job search is central to moving from benefits into work and its encouragement is a key component of Government policy. It is many years since job-search behaviour was examined in its own right, and in the intervening period there have been changes in the policy, economic and technological context. In policy terms there has been increased emphasis on labour market activation and conditionality, coinciding latterly with recession. In relation to technology, a key development has been the rise of the Internet and its impact on job-search methods and recruitment practices. These contextual changes mean that there is a need to update the knowledge base on job search.

The Job Search Study involved:

- a literature review of key aspects of job search – notably the use of the Internet, the role of social networks and job-search self-efficacy; and
- descriptive and multivariate analyses of Labour Force Survey (LFS) data on job search, with particular emphasis on Internet use.

Job search

Job search is the process that aims to match job seekers to suitable job opportunities. From an economic perspective, job-search theory is concerned with individuals' decisions to accept or reject job offers, given the cost of searching and the reservation wage. A sociological perspective on job search takes into account more aspects of the job-search process, especially motivating factors in leading individuals to search.

Job-search methods have traditionally been divided into 'formal' and 'informal' methods. Formal methods include using the services of employment agencies or answering advertisements published in newspapers, journals and, more recently, the Internet. Using one's personal contacts is among the most studied informal job-search strategies.

In Great Britain, the LFS revealed that during the period from 2006 to 2009 approximately one in ten non-retired individuals were searching for work, of whom around half were in employment. The most frequently used method of job search was 'studying situations vacant in newspapers, journals and on the Internet', followed by 'answering adverts in newspapers and journals', 'asking friends, relatives, colleagues', 'applying directly to employers' and 'visiting a jobcentre, job market or training and employment office'.

There were some differences between, as well as similarities in, the job-search methods used by different sub-groups – e.g. only one in eight of job seekers from managerial and professional occupations reported that they visited a jobcentre to seek work, compared with over half of those from routine occupations. Unemployed people tended to use more job-search methods than

either the economically inactive or the employed. They were also more likely to use jobcentres. For the unemployed the modal number of job-search methods was three; this is more than for the other sub-groups analysed.

In terms of the main method used for job search, the two most common were 'studying situations vacant in newspapers, journals and on the Internet' and 'visiting a jobcentre, job market or training and employment agency'.

The LFS contains a specific question regarding people's use of the Internet to look for work in each quarter from 2006 onwards. In April to June 2009 just over four in five job seekers made use of the Internet to look for work. The Internet and related information and communications technologies (ICT) have had a marked impact on the job-search process in recent years. The significance of the Internet for job search is not merely a function of the number of job seekers that make use of it, but also that other job-search channels may be enhanced by the possibilities offered by the Internet and ICT.

The Internet and job search

The role of the Internet in job search is multi-faceted and Internet use has permeated much of the job-search process over recent years. Use of the Internet can facilitate the exchange of information between employers and job seekers, while at the same time reducing the cost of finding out information about job opportunities and applying for jobs. There is growing policy emphasis on increasing the use of digital media in the job-search process and related activities, and in delivering Jobcentre Plus services. The Internet and ICT can be used in combination with other job-search methods. As the Internet has become a more pervasive tool in job search and recruitment, so disentangling use of the Internet from other methods has become more difficult.

With increased use of the Internet and ICT, so concerns have arisen about the 'digital divide' – i.e. the gap between those with access to the Internet and ICT to look for job opportunities and to pursue them and those with little or no access. The digital

divide is itself dynamic and complex. It encompasses digital divides shaped by 'exclusion' (i.e. on the basis of socio-economic and educational inequalities) and those shaped by 'choice' (i.e. those individuals who have access to the Internet but choose not to use it).

Multivariate analysis of LFS data on use of the Internet in job search over the period from 2006 to 2009 revealed no significant difference between men and women in the use of the Internet for job search, but pointed to a significant and consistent decreasing trend in the use of the Internet to look for work as people age, with the youngest age groups being most likely to use the Internet in their search for work and the oldest age groups being least likely to do so. No particularly significant variations in the use of the Internet for job search by ethnic group were identified once other factors were controlled for. There was a very significant positive relationship between education and use of the Internet in job search, with those individuals with degrees being most likely to use the Internet. JSA claimants had a higher propensity to use the Internet for job search than non-JSA claimants. Holding all other factors constant, there was a significant and consistent increasing trend among job seekers in the use of the Internet over time.

The analyses emphasise the increasing importance of use of the Internet in job search. Given this trend and the direction of policy, it is notable that older people and those with lower qualifications are significantly less likely than average to use the Internet to look for work.

Social networks and job search

The literature on job search and related topics suggests that the use of social networks (e.g. hearing about vacancies from family and friends) plays an important role in the job-search process. Particular emphasis in the literature has been placed on 'the strength of weak ties' – i.e. the theory that weak ties of acquaintances with their own separate friends and social circles are particularly advantageous in job search, by comparison with a smaller circle of often more homogeneous stronger ties. Studies on job-search methods used by job seekers indicate

that asking friends, relatives and acquaintances for information regarding job opportunities is a common and useful practice. The key overall conclusion from the literature review on social networks was that the quality of an individual's network is more important than the number of contacts and the types of social networks available, and the intensity with which contacts are used.

Concerns have been raised that close social networks focused on deprived neighbourhoods are not always positive in terms of fostering job-search behaviour and facilitating access to employment. However, there are some circumstances when strong ties (e.g. when jobs are particularly scarce) can be helpful.

The literature suggests that use of social networks is more important for some groups (e.g. migrants/ethnic minorities) and in some areas (e.g. rural areas) than in others.

Analyses of LFS data for the period from 2006 to 2009 revealed that social networks were a relatively common method for job search. About one in four individuals who had been in their current job for less than three months at the time of the survey obtained their job by 'hearing from someone who worked there', and this proportion was even higher amongst those with no qualifications – so suggesting that 'who you know' is particularly important for them. Non-graduates, including job seekers currently or previously employed in skilled trades occupations were those most likely to use social networks as a job-search method. Those currently or previously employed as process, plant and machine operatives or in elementary occupations were also more likely than average to use social networks as a job-search method. Unemployed job seekers displayed greater use of social networks for job search than those job seekers in employment.

Self-efficacy and job search

In the context of job search, self-efficacy refers to individuals' judgements about their skills to successfully perform job-search activities such as looking for job opportunities, contacting employers, completing applications, performing at interviews,

etc. People who believe that they have the skills to conduct effective job searches are more likely to be active job seekers and to conduct more job-search activities than individuals with low job-search self-efficacy. However, personal, behavioural and environmental factors can play a moderating role.

Developing policy and training interventions to increase individuals' job-search self-efficacy is based on the assumption that there is a causal relationship between job-search self-efficacy and job-search behaviour – i.e. that increasing a person's job-search self-efficacy will lead to improving that person's job-search behaviour. The development of job seekers' self-efficacy can be enhanced by appropriate employment services and is the primary aim of the interviewing process developed by Jobcentre Plus.

Conclusions: key themes and messages

Ten key themes/messages emerge from the study:

- The important role of the Internet in the job-search process – The majority of theoretical and empirical studies of job search date from a time either before the rise of the Internet or when its use for job search was less developed and widespread. In 2009 around four in five job seekers were making use of the Internet in job search, with its use being especially prevalent amongst younger job seekers and the most highly qualified.
- There are important complementarities in job-search methods – Most job seekers use several job-search methods – including the Internet.
- These complementarities have implications for traditional ways of measuring job search – New empirical research is needed to update traditional measures in the light of contemporary experiences.
- The unemployed use a wider range of job-search methods than employed job seekers – This highlights the intensity of job-search activity by the unemployed and is also a function of their greater use of the jobcentre than the employed.

- Context is important in examining job search
 - It is clear that a range of economic, cultural, geographical and other factors impinge on job search and job-search methods.
- While focusing on job seekers, do not forget demand-side considerations – Job seekers' search methods are likely to be a function, at least to some extent, of employers' recruitment practices. This highlights the need to take account of demand-side considerations in job-search studies.
- The nature and quality of social networks matter
 - Social networks can play an important role in access to information about jobs and the amount and quality of such information is shaped by the nature and quality of social networks. Those with poor skills and those seeking manual jobs are likely to be more reliant on social networks than other job seekers.
- People get jobs in a variety of ways – There is no one single optimal method of job search. 'What works' varies from individual to individual.
- Perceptions and job-search self-efficacy are important – While possessing the skills necessary to do a particular job may be a prerequisite for a successful job 'match', so an individual's judgements and expectations about their capability to perform effectively in the job-search process are important in getting a job.
- Personal Advisers (PAs) play an important role in enhancing job seekers' self-efficacy.

Policy implications

While use of the Internet is already quite high among many groups of JSA customer, there is a clear need to improve the intensity and overall quality of its usage. By placing the Internet at the core of welfare-to-work policies, the report supports a keen focus on the use of ICT, particularly Jobcentre Plus' TLMS (Transforming Labour Market Services) project.

The report confirms that some Jobcentre Plus customers are at a severe disadvantage when it comes to using the Internet, particularly older customers. This reinforces the need to develop Internet services in ways which confront the 'digital divide'.

The report documents that the social networks of job seekers are important vehicles for moving into work. However, the less skilled the job seeker and the longer they have been out of work, the lower the quality of information provided by these networks. This, along with findings about the relative dependency of claimants on jobcentre services, provides a broad rationale for improving local information flows by enhancing the decision-making autonomy of District Managers and Personal Advisers. The report also supports the exploration of how best to link social networks into TLMS (e.g. by fostering virtual ties through the use of Work Clubs and partnership working).