

Job Search Methods used by Young Professionals and Recruitment Methods Used By Employers: What works

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Aim of the study

- How prevalent is the use of personal contacts in finding jobs?
- Does this differ by country?
- Does gender influence the use of job search methods?
- Is it more likely to find jobs in small firms using personal contacts?
- Is there a pay difference in jobs found through personal contacts?
- Do you get more long term employees by using referrals instead of formal methods?

Recruitment methods of organizations

- **Formal methods**
 - Advertising
 - Employment Services
 - Educational Institutions
 - Internet (Company web site and specialised web sites)
 - Consulting firms/Recruiters

Recruitment methods of organizations

- **Informal methods**
 - Personal contacts
 - Referrals by employees

Arguments for the use of formal methods in recruitment

- For large organizations
 - Efficiency imperative (Williamson, 1975)
 - The organizations that have repeated transactions will internalize these repeating transactions in order to make them less costly.
 - Large organizations that need to recruit often and for many positions this is economically prudent since the cost per applicant of developing the procedures will decrease as the number of hiring decisions increase.
 - Institutional theory (DiMaggio and Powell, 1983) firms adopt certain practices based on the pressures from their internal or external environments.
 - Coercive
 - Mimetic
 - Normative

Arguments for the use of informal methods in recruitment

- Personal relations and face to face interaction
 - Provides a rich medium of communication
- Realistic information (Wanous, 1980; Watson, 1989)
 - Certain recruitment methods such as employee referrals, act as realistic job previews and thus provide accurate and detailed information about the organization and the job to the potential applicants.
 - Effective performance
 - Less turnover
- When recommending candidates, the employees are risking their credibility
 - Employees will be selective

Use of informal methods in job search

- Men who use their social network receive faster and more offers. (Morrison and Von Glinow, 1990; Pellizari, 2004)

Use of formal and informal recruitment and job search methods

- Cultural, economic, and legal context will lead to use of informal methods to varying extent in different countries. (Pellizari, 2004)

Method

- **At the individual level European Community Household Panel (ECHP) data** was used to find out job search methods.

Method

- **At the organizational level, the Cranfield Network on Comparative Human Resource Management (CRANET) survey was used to investigate recruitment methods used by firms.**

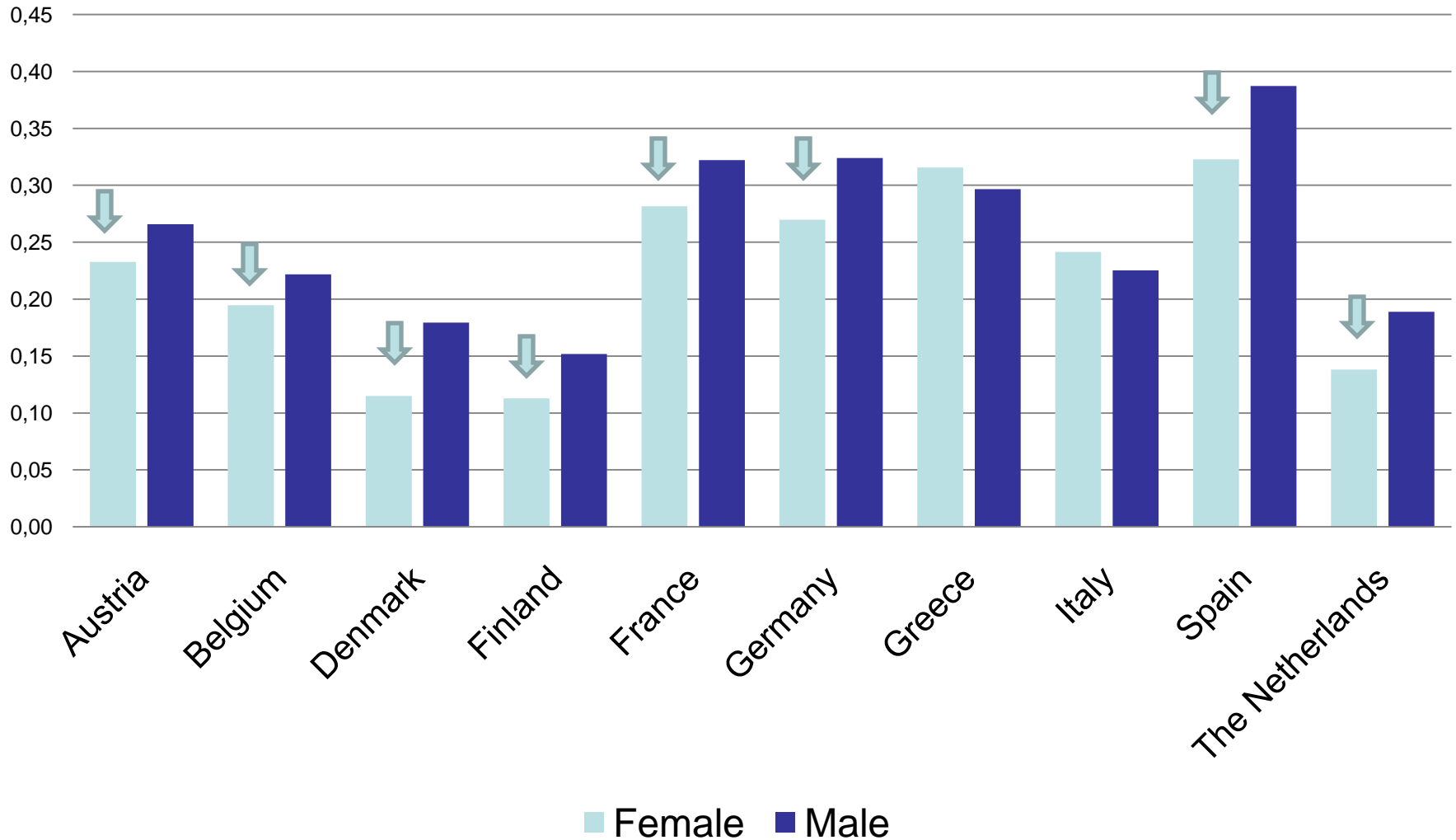
Method

- **The countries that were in both databases were included in this study. Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Spain and the Netherlands.**

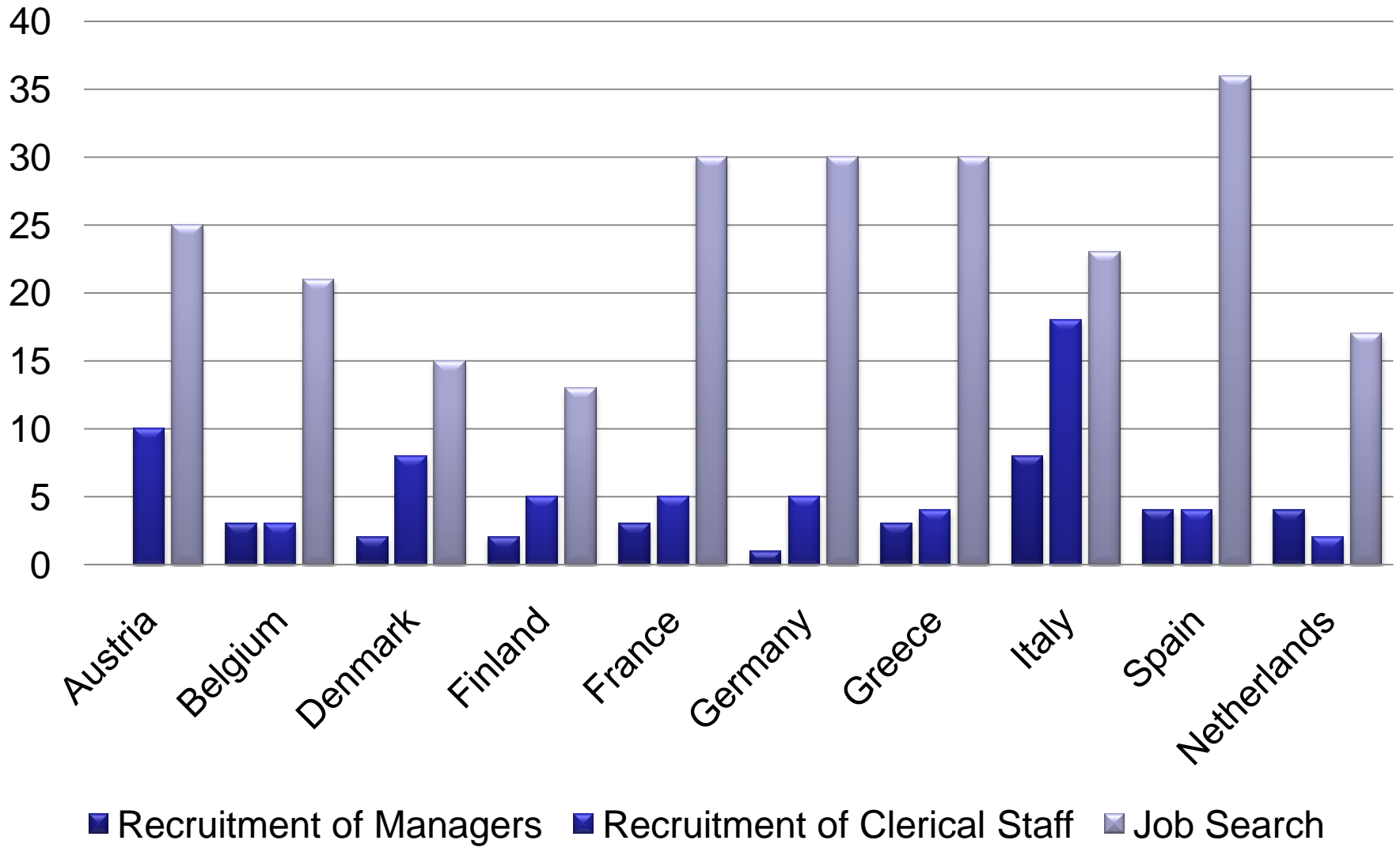
The first three research questions...

- How prevalent is the use of personal contacts in finding jobs?
- Does this differ by country?
- Does gender influence the use of job search methods?

Jobs Found Through Informal Methods by Gender



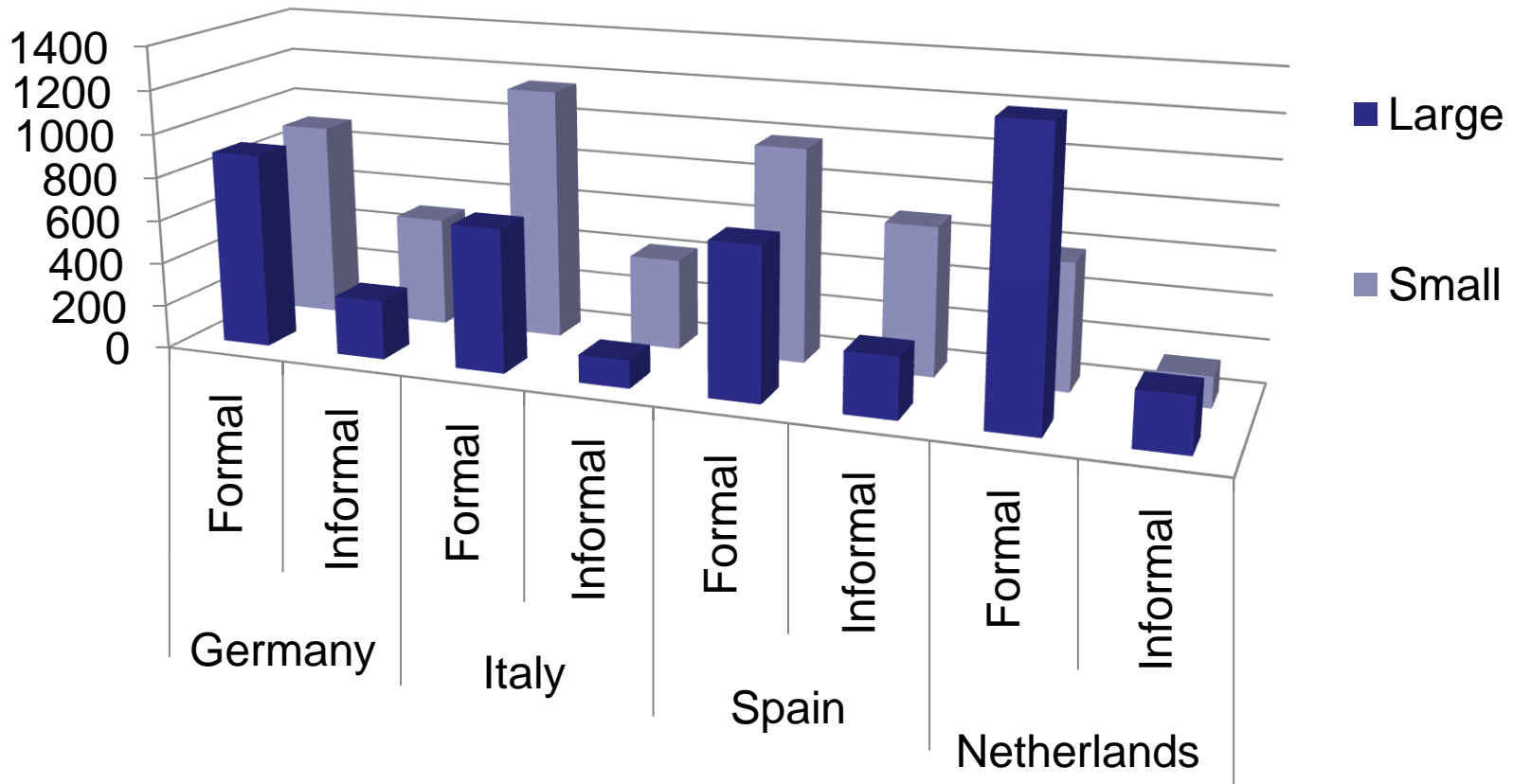
Use of informal methods in recruitment and job search



Fourth Research Question

- Is it more likely to find jobs in small firms using personal contacts?

Jobs found in large and small organizations by job search method



Fifth Research Question

- Is there a pay difference in jobs found through personal contacts?

Factors influencing pay

| | Italy | | Belgium | |
|--------------------------------|---------------------|--------------|---------------------|--------------|
| | Impact on Pay(Beta) | p | Impact on Pay(Beta) | p |
| Admin responsibility | 0.16 | 0.000 | 0.15 | 0.019 |
| Higher education | 0.11 | 0.000 | 0.18 | 0.005 |
| SME | -0.07 | 0.000 | 0.00 | 0.996 |
| Male | 0.12 | 0.000 | 0.30 | 0.000 |
| Tenure | 0.30 | 0.000 | 0.17 | 0.005 |
| Age | 0.96 | 0.000 | 1.43 | 0.001 |
| Age Squared | -0.90 | 0.000 | -1.20 | 0.005 |
| Use of informal methods | -0.04 | 0.047 | -0.14 | 0.017 |

Sixth Research Question

- Do you get more long term employees by using referrals instead of formal methods?

Factors influencing voluntary quit decisions

| | | Exp(B) | p |
|---|-----------------|--------------|--------------|
| Male | + | 1.401 | 0.032 |
| Age | - | 0.943 | 0.000 |
| Pay equity with reference group | - | 0.474 | 0.000 |
| Education | Not significant | 0.941 | 0.681 |
| Unemployment rate | Not significant | 0.975 | 0.138 |
| Job satisfaction | Not significant | 0.943 | 0.300 |
| Intention to leave | + | 2.804 | 0.000 |
| Withdrawal behaviors | Not significant | 0.977 | 0.262 |
| Job embeddedness | - | 0.568 | 0.000 |
| Use of informal methods in finding the job | Not significant | 0.972 | 0.832 |

Results

- Informal methods seem to be used relatively less in Scandinavian countries. However, there seems to be discrepancies between firms and individuals responses.
- In Greece and Italy both men and women use informal methods to a large extent. In other countries in this study men seem to be using informal methods more than women.
- When other factors are taken into consideration, in most countries in this study the job search method does not impact pay. (except in Belgium and Italy)
- In the current study the job search method does not seem to have an influence on voluntary job quit decisions.

Analysis of results

- Informal methods are used in job search in many countries.
- It would be interesting to see what kind of contacts lead to jobs.
- How gender influences the choice of job search method, socioeconomic status, and the identities perceived in the community may impact the social networks. Studying the social networks could lead to interesting findings.