Reducing search barriers for jobseekers

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Programs focused on reducing job search barriers often improve jobseekers' employment outcomes. These programs can help jobseekers identify where and how to look for jobs, encourage increased search effort, and help communicate qualifications to employers.



Jobseekers work on their applications. Photo: Aude Guerrucci | J-PAL

Résumé

High youth unemployment is a critical issue in many countries. As of 2016, there were 71 million unemployed youth globally [1], . While jobseekers face many barriers to quality employment, several commonly cited issues are that they do not know where or how to search for jobs efficiently, searching requires a lot of effort, and jobseekers often do not understand their skills well in relation to what skills employers want [2]. These barriers are often magnified for youth, who lack both experience searching for jobs and the work experience that could help employers gauge their abilities.

A review of nineteen randomized evaluations of interventions aimed at reducing search barriers shows that job search assistance helped jobseekers look for jobs in better places and increased their search efforts. Helping jobseekers communicate their abilities often benefitted the jobseekers and firms who hired them. In the few cases where it was measured, some of these gains came at the expense of jobseekers who did not receive the programs, implying that job search assistance may have merely reshuffled who got the limited number of available jobs. While many studies showed positive impacts on outcomes such as interview offers, job offers, employment, and quality employment, not all of the studies measured or showed sustained benefits to earnings, total employment, or well-being [3].

Résultats

Job search assistance has been largely successful at improving employment outcomes for jobseekers. One early review of job search assistance programs in the United States found that a variety of programs decreased the time it took for participants to find a job [4], . Since then, many evaluations from developed countries have confirmed those findings [5], [6], . However, there is less evidence from developing countries. Who provides the program (government, NGO, or private firm) can influence the program's impact. An evaluation in France, that compared publicly- and privately-provided search counseling found that both programs increased employment, but the public program was more effective when comparing similar participants [6].

Especially in developing country contexts where information about job opportunities can be costly to acquire, reducing barriers to this information can have large effects on job outcomes. In Ethiopia, giving transportation subsidies to youth, which increased their mobility and allowed them to commute to the city center where job boards were located, increased their chances of finding formal employment by 32 percent[7], . The commuting funds allowed youth to more actively pursue opportunities and increased the likelihood that an application they submitted would result in a job offer. In a rural part of the Philippines, giving people vouchers for a job fair that gave information on job opportunities in the city increased both the likelihood that someone would look for work in the city and their chances of working in the formal sector [8], . In India, , giving villages information about city-based business process outsourcing jobs for women, and offering placement services, increased the likelihood that young women were working outside of the home [9].

Some jobseekers underestimate the benefits of job search. Motivating them to invest more in their search and helping them identify where and how to look can improve employment outcomes. Evidence suggests that jobseekers often procrastinate in their search efforts and underinvest in searching for work [2], [10], . Motivating jobseekers to increase and improve their search effort can help. Linking job search activities to unemployment insurance for adults increased the number of employers that jobseekers contacted and the time they spent searching for jobs in the United States [10], , and increased employment rates in Denmark [5], .Encouraging youth to create a plan for their job search in South Africa (in addition to a basic career-counseling workshop) increased job offers by 30 percent and employment by 26 percent, in part by helping youth engage in more intense search activities[11], . Jobseekers also tend to search too narrowly. The program in South Africa likely helped jobseekers diversify which channels they used to search for positions [11], . An online job platform in Scotland that showed nearby job openings in alternative careers broadened the types of jobs that jobseekers considered and increased the number of interviews that they were offered [12].

Helping jobseekers better recognize their skills and communicate them to potential employers can improve their job outcomes and can help firms hire more qualified candidates. In Ethiopia, CV and interview workshops increased youth's chances of getting an interview and job offer, which increased the probability that they would enter formal or permanent employment [7], . The benefits of the program were greatest for skilled jobseekers who lacked formal qualifications, as they were now better able to communicate their skills. In South Africa, encouraging youth to include a reference letter with their job applications and providing them with a simple template letter increased employer callbacks [13], . This was particularly impactful for women, who doubled their employment rates when they used reference letters. Reference letters provided employers with more accurate information about workers' skills and enabled them to hire higher-ability candidates. In Uganda, while both vocational training and firm-supplied training increased employment rates and earnings for young jobseekers, youth who completed vocational training had higher job mobility [14], . Researchers suggest this is in part because the vocational training provided more certifiable skills. In a study of a global online job platform, , giving inexperienced workers a 10-hour assignment and publishing a rating of their work quality tripled their earnings on average in the two months after the assignment [15]. While the overall effect was positive, workers who performed poorly on the assignment were hurt by the rating.

Programs that aim to help youth find jobs may not work if there are other prominent barriers. In Côte D'Ivoire, , adding job search assistance to a public works program had no added benefit, likely in part because there were not many jobs available in the labor market [16], . Increasing the frequency of counseling meetings for youth in Denmark reduced their likelihood of being employed [17], . This was following the Great Recession, when few people were finding jobs. In the Philippines, , providing information about job opportunities abroad did not increase international job migration, likely because of the high costs of migrating [18], . A program in Jordan that matched college graduates to employers led to very few successful matches, largely because youth were unwilling to take the jobs that were available [19], . Similarly, a job fair in Ethiopia did not improve employment rates for young jobseekers [20]. Firms reported that the candidates they met at the fair were less employable than other applicants, and jobseekers had unrealistic expectations of the wages firms would offer. More research is needed to test programs that try to match firms and jobseekers in developing countries.

Providing information sometimes made jobseekers more selective. In two studies, one of a global online job platform [15], and one among young workers in Uganda [21], providing high-performing workers with ratings of their skills increased the wages that they requested or expected for future jobs. This increase in the wages they expect could prevent jobseekers from receiving or accepting certain offers, which could offset the benefits of having clearer signals of their abilities.

In the few studies that have measured displacement, program participants often got jobs in part at the expense of non-participants. One concern about these interventions is that jobseekers who do not receive these services may be worse off because of the program. In a study of a program in France, that provided counseling and placement services, jobseekers who did not receive the program had worse outcomes, implying that program participants benefitted at the expense of their peers [22], . In this context, where job openings were scarce, the program may have merely reshuffled who got the limited number of available jobs, rather than making firms hire more people. While little research has been able to capture such spillover effects, there is a growing body of evidence on displacement effects from a broad range of labor market programs, including training programs, transport subsidies, and matching programs. Programs that improve jobseekers' returns to their search or decrease their search costs can create displacement, while programs that decrease the cost for firms to hire or improve the matches of their hires could be less sensitive to displacement. For example, when firms gave a small monetary incentive for completing an application to jobseekers in Ethiopia, they attracted more talented applicants[23]. This was driven by high-ability, low-income jobseekers who otherwise may be unable to afford the cost of applying.

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[1] Many measures of job quality are still up for debate [29], . For example, informal work, sometimes used as a proxy for poor job quality, has some benefits relative to formal work, including more flexible working arrangements and lower taxes [29], . One study in Ethiopia found that a program that increased permanent employment, often used as proxy for good job quality, did not increase job satisfaction [3], . Other studies that have shown positive impacts on "job quality" have not shown any increase in labor earnings [29].

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