

THE CHALLENGES FOR DISADVANTAGED YOUNG PEOPLE SEEKING WORK

The UK labour market has become more challenging for all jobseekers, with unemployment particularly high among young people and those with limited education and skills. This research describes the difficulty of job searching for young people seeking low-skilled work, examining three contrasting local labour market areas in England and Wales.

Key points

- Since the recession the labour market has become increasingly competitive, with fewer vacancies, which are filled more quickly. There is a deficit in labour demand.
- The areas studied have felt the recession's impact and subsequent economic fragility. But geography matters, with substantial variation between places and occupation types. To enhance their chances, jobseekers needed good intelligence about their local labour market and employers' recruitment practices.
- Only 24 per cent of low-skilled vacancies found for the study offered full-time, daytime work. Over half of vacancies stating the pay offered minimum wage, and 78 per cent paid under £7 an hour, making it less likely that jobseekers could travel far for them. Employers also preferred local candidates for such jobs. So although jobseekers need to search beyond their immediate neighbourhood, policies demanding wider geographical searches will not necessarily get more people into work.
- Intense competition means that many jobs are filled very quickly, facilitated by increasing internet use for recruitment. Some employers advertise vacancies online and close them as soon as they have sufficient applicants to select from. Not all jobseekers were aware how speedily they need to respond to vacancies. Those without internet access at home were at a disadvantage.
- Despite public perceptions that employers discriminate against residents from neighbourhoods with poor reputations, the study found no significant difference in positive response rates for applicants from areas with poor reputations and those with 'bland' reputations.

The research

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BACKGROUND

Labour market conditions have remained very difficult since the recession. Jobseeker's Allowance claims have risen. Vacancies have fallen and are being filled more quickly than before the recession.

This research into the job search task for young people with limited education and skills examined three contrasting local labour market areas. The study interviewed employers and young jobseekers, analysed vacancy data and experimentally sent in 2,001 job applications by relatively well-qualified fictional candidates to 667 real jobs.

A job in itself

Even the most difficult local labour markets have vacancies, but jobseekers have particular skills, experience, preferences and constraints, and cannot apply for every vacancy. Employers and labour market intermediaries criticised indiscriminate applications because they wasted everyone's time. The situation varies geographically – people in some areas face a more difficult task than others. In the areas studied, competition varied from more than five jobseekers per notified vacancy in the strong local labour market to more than ten in the weak one.

Some vacancies had unattractive pay and conditions. The study searched for job vacancies requiring limited education and skills in the three local labour markets over ten months. Of those identified, 76 per cent were part time, or had non-standard hours, or both; 78 per cent of those stating the wages paid under £7 per hour (under the 'living wage'); and 54 per cent paid the minimum wage. Many jobseekers were prepared to take any job, but those with minimal or non-standard hours and low pay posed real constraints for people trying to combine several jobs or combine work with family/caring responsibilities, or who would incur extra costs (e.g. travel, childcare, uniforms) in taking work.

Transport was a key issue. While most jobseekers were willing to travel, more than half of the vacancies would have been difficult for those living in deprived neighbourhoods to get to if they were reliant on public transport. Employers expressed a preference for people living nearby, especially for jobs with non-standard hours. This suggests that policies requiring people to search further afield for work will not necessarily succeed in getting more people into employment.

More could be done to help jobseekers enhance their chances of success. Employers' recruitment methods changed substantially during the 2000s, with further changes since the recession. Many had virtually ceased press adverts, switching to the internet on cost grounds. However, recruitment methods varied considerably between job type, area and by employer. Some employers notified vacancies to Jobcentre Plus. Some used their own or private websites. Most supplemented the internet in some way. Jobseekers needed to find out as much as possible about employers' recruitment behaviour, where vacancies were advertised, and how jobs were filled in their local labour market.

Some employers (notably smaller private-sector firms) looked at applications as soon as they arrived and closed vacancies very quickly. The study's experiment of sending in applications found that those sent one to three days after jobs were advertised were twice as likely to receive positive responses as those sent after a week. This suggests that jobseekers need to search daily and respond to vacancies quickly. Job seeking is 'a job in itself'. Those without home internet access or who can only job search sporadically are at a disadvantage.

Jobseekers' experiences

Most young jobseekers wanted work and had tried to find it. They understood employers' requirements, and were generally realistic about the jobs and wages they could hope for. Most used a variety of job search methods and sources of advice and support. All used the internet, and for most it was the key tool. A majority had internet access at home. More confident jobseekers applied speculatively by email, post or in person. Some young people volunteered, others sought to improve their qualifications, and some relied on networks of friends to help them find work, with varying success.

Search schedules and the amount of time spent applying for jobs varied markedly, from intensive to episodic. Some young jobseekers fired off applications relatively quickly; others spent more time researching job opportunities and tailoring their applications. Most appeared not to make a special effort to apply soon after jobs were advertised. Jobseekers may not realise the likely length of unemployment implied by sporadic application, high competition rates for jobs and low positive response rates.

What happens when well-qualified, experienced candidates are applying full time for work? In the study's experiment, seven out of ten applications (all good applications for the vacancies) heard nothing back. No feedback was the norm. This is very discouraging for jobseekers who have taken time and effort in preparing applications. Nevertheless, the experiment revealed that good applications succeed eventually. Typically, the fictional candidates received a positive response (an interview or request for more information) by about their fourth application, although experiences varied from success on the first attempt to over 50 applications before receiving a positive response.

There was substantial variation between local areas and occupation types. Candidates in the weak local labour market had to make nearly twice as many applications to generate the same number of positive responses as those in the strong one. Office administration candidates needed to make almost double the number of applications as accounts clerks to generate the same number of positive responses.

The young jobseekers in the study were less well qualified than the fictional candidates, some having almost no work experience. Some had additional disadvantages, including criminal records, health problems and caring responsibilities. Some had made hundreds of unsuccessful applications, most of which received no response. Some jobseekers changed strategies in the face of non-response and rejection, broadening their search or seeking new qualifications. Others were demotivated.

Postcode discrimination

Previous research has suggested that employers may look less favourably on applicants from neighbourhoods with poor reputations, which might partly explain neighbourhood variation in employment rates. This study showed that perceptions of such 'postcode discrimination' were widespread among the public and some labour market intermediaries.

The study sent in three matched applications from fictional candidates (two from neighbourhoods with poor reputations and one from a neighbourhood with a bland reputation) to each of 667 jobs. In 192 cases, the employer showed a preference for one or more of the candidates. There was no statistically significant difference in employer preferences for candidates from neighbourhoods with different reputations. Hence the evidence revealed no 'postcode discrimination', at least for well-qualified candidates at the first selection stage. It could possibly be an issue for well-qualified candidates at interview or subsequent stages, for more typical, weaker candidates, or for vacancies advertised in different ways.

The internet affords some protection from postcode discrimination. As one interviewee stated, "you can say you're from anywhere". Also, national or regional staff unaware of local neighbourhood reputations often carry out all or part of the selection process.

Conclusion

Young people tend to be disproportionately disadvantaged during economic crisis, and the current context presents the most challenging labour market for them in recent decades. Although supply-side measures may assist particular groups, only measures adding to the total number of jobs in weak local labour markets will impact on overall employment and unemployment rates.

Given anxiety about welfare dependency, governments emphasise more active job seeking: look harder and travel further. Jobseekers, however, may become discouraged and demotivated by lack of success. Perceptions of 'postcode discrimination' are then likely, as jobseekers seek explanations for persistent rejection. However, postcode discrimination should not be a concern, at least for well-qualified applicants from neighbourhoods with poor reputations.

Very active job search is highly important. Intense competition, the importance of rapid reaction to vacancies, and the value of tailored applications, mean that the most productive job seeking and applying constitutes 'a job in itself'. Those without home internet access face a marked disadvantage. However, scattergun activity (applying for ever wider types of jobs ever further away) is not always better. Any advice or policy which simply results in increased applications per vacancy may waste additional time for employers and jobseekers. Jobseekers need help to develop good intelligence about their local labour market and tailored strategies for individual areas and job types. Much of this assistance could be generated through the Department for Work and Pensions' websites and databases. Leading employers and intermediaries could be encouraged to improve information to employers and applicants. Support from advisers and feedback from employers may reduce the discouraging effect of failed applications.

Without a car, those from neighbourhoods with poor transport connections have fewer choices of jobs to apply to, facing both travel problems and reluctance from more distant employers. Those living in weak labour markets face markedly higher rates of application and rejection.

About the project

This report is based on a mixed-methods study of three contrasting local labour market areas in England and Wales, carried out in 2010–11. It focused on a jobs subset: sales assistants, security guards, cleaners, office administrators, kitchen hands, chefs and accounts clerks. It included analysis of local vacancy data, a randomised experiment involving 2,001 applications by relatively well-qualified fictional candidates to 667 real jobs, and interviews with employers, labour market intermediaries and disadvantaged young jobseekers.

FOR FURTHER INFORMATION

The full report, **Disadvantaged young people looking for work: a job in itself?** by Rebecca Tunstall, Ruth Lupton, Anne Green, Simon Watmough and Katie Bates, is available as a free download at www.jrf.org.uk

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